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BEFORE THE UTAH UTILITY FACILITY REVIEW BOARD

<p>PACIFICORP, doing business as ROCKY MOUNTAIN POWER,</p> <p style="text-align: right;">Petitioner</p> <p style="text-align: center;">vs.</p> <p>MIDWAY CITY,</p> <p style="text-align: right;">Respondent</p>	<p style="text-align: center;">DIRECT TESTIMONY OF DARIN MYERS</p> <p style="text-align: center;">Docket No. 20-035-03</p>
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1 **BACKGROUND OF WITNESS**

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

3 A: My name is Darin Myers. My business address is 1407 W. North Temple, Salt Lake City,
4 Utah. I am the Project Manager responsible for the proposed Jordanelle to Midway line
5 project (the “Project”). I have held that position since December 2019.
6

7 **Q: Please describe your education and business experience.**

8 A: I have a Bachelor’s degree in Network Technology Management and an MBA, both from
9 Weber State University. I have been employed by Rocky Mountain Power for 12 years,
10 holding positions in project management and capital investment management. I worked
11 for 10 years prior to that in engineering and project management roles in the
12 telecommunications service/utility industry.
13

14 **Q: What is your role with regard to the Jordanelle to Midway project?**

15 A: As the project manager, I am responsible for the entire Project, including overseeing the
16 planning, permitting, engineering, scheduling, materials procurement, construction and
17 costs of the Project.
18

19 **PURPOSE OF TESTIMONY**

20 **Q: What is the purpose of your testimony?**

21 A: The purpose of my testimony is to discuss the request for proposals to build the
22 underground portion of the Project and the bids received from three contractors.
23

24 **DESCRIPTION OF THE PROJECT**

25 **Q: Please describe the Jordanelle to Midway project.**

26 A: The Project is to construct new and reconstruct portions of an existing transmission line
27 to 138 kilovolt (kV) between Jordanelle and Midway substations starting at Rocky
28 Mountain Power’s Jordanelle Substation in Wasatch County, Utah, and ending at Rocky
29 Mountain Power’s Midway Substation, also in Wasatch County, Utah. It will also include
30 installing fiber optic communication lines on existing transmission structures between the
31 Jordanelle and Midway substations, as well as the Silvercreek Substation in Summit

1 County, Utah, the Hale Substation in Utah County, Utah, and the Wallsburg Substation,
2 in Wasatch County, Utah. The new and rebuilt 138kV transmission lines are located in
3 Heber City, Midway City, and unincorporated Wasatch County, Utah. The Project
4 involves approximately ten (10) miles of transmission line.

5
6 Approximately eight (8) miles of 138 kV transmission line is a jointly sited and funded
7 project between Rocky Mountain Power and Heber Light & Power, with both companies'
8 facilities occupying the same set of poles and rights of way. In March and April 2017 the
9 final agreement between Rocky Mountain Power and Heber Light & Power was
10 executed.

11
12 The Project is designed to meet the National Electric Safety Code.

13
14 **Q: What is the purpose of the Project?**

15 A: To provide needed capacity and increased reliability based on current system needs and
16 limitations in Heber City, Midway City, Wasatch County and surrounding areas. Rocky
17 Mountain Power's 138 kV transmission line will provide regional transmission service to
18 customers in Wasatch County and surrounding areas, including Heber Light & Power and
19 its customers.

20
21 **THE REQUEST FOR PROPOSALS**

22 **Q: Please provide a description of the Request for Proposals ("RFP")?**

23 A: Rocky Mountain Power developed the RFP based on the requirements outlined by
24 Midway City in the Conditional Use Permit ("CUP"). The RFP included four different
25 options that were identified by Midway City requesting costs for each option separately.
26 The options provided various configurations of the project through Midway City
27 including options for having the termination structures that are required for
28 undergrounding transmission lines located within Midway City boundaries as well as
29 moving the large underground termination poles off of Midway City property onto
30 unincorporated portions of Wasatch County in different locations. Pricing was also

1 requested for the underground transmission lines to be insulated with Sulfur Hexafluoride
2 (SF6) gas.

3
4 **Q: How many contractors were invited to bid on the RFP?**

5 A: 18

6
7 **Q: How many contractors actually submitted a bid?**

8 A: 3

9
10 **Q: How many contractors submitted bids for the SF6 gas insulation option?**

11 A: 0

12
13 **THE BIDS**

14 **Q: Please provide a summary of the bids received by Rocky Mountain Power?**

15 A:

	Contractor A	Contractor B	Contractor C
RFP Proposed Price: Option 1	\$12,582,043	\$20,596,098	\$11,187,986
RFP Proposed Price: Option 2	\$13,361,764	\$22,416,085	\$11,440,543
RFP Proposed Price: Option 3	\$15,719,605	\$26,413,144	\$13,257,517

	Contractor A	Contractor B	Contractor C
RFP Proposed Price: Option 1	\$12,582,043	\$20,596,098	\$11,187,986
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RFP Proposed Price: Option 3	\$15,719,605	\$26,413,144	\$13,257,517

16
17 **Q: Are there any other options in the RFP that have not been fully bid?**

18
19 A. Yes. Rocky Mountain Power is still gathering cost information for a fourth option that
20 was requested in the CUP. However, this option will be more expensive, probably much
21 more expensive, than the other options because in addition to the increased underground
22 cable distance it will require costly upgrades, improvements, and mostly likely an
23 expansion of the Midway substation as well.

24
25 **Q: Are there any additional costs that were not included in the bids?**

26 A: Yes. The cost of the termination structures that take the lines from overhead to
27 underground were added into the final cost given to Midway City. This was an additional
28 \$1,085,000 for each option.

1 **Q: Has Rocky Mountain Power included any capital surcharge costs for the Project? If**
2 **yes, how much?**

3 A: Yes. Rocky Mountain Power’s capital surcharge costs are summarized below. Capital
4 surcharge is a cost applied to all projects as part of Rocky Mountain Power’s corporate
5 governance and accounting practices. It takes into account all general work on capital
6 projects done by individuals in the company who are not directly charging to that project
7 but are working on the project in a support role as needed. The capital surcharge costs
8 for the various options are summarized in the following table.
9

RFP Proposed Price: Option 1	\$420,240	\$687,910	\$373,679
RFP Proposed Price: Option 2	\$443,611	\$744,214	\$379,826
RFP Proposed Price: Option 3	\$510,887	\$858,427	\$430,869

10

11 **Q: How do the Rocky Mountain Power capital surcharge costs compare to other**
12 **similar projects implemented by Rocky Mountain Power?**

13 A: The capital surcharge costs for the Project and associated bids are actually calculated at a
14 lower rate than the majority of Rocky Mountain Power’s transmission projects. This
15 project is calculated at an approximate rate of 3.82% since it is over \$10m. Most other
16 Projects under \$10m get charged the general surcharge rate which ranges from 7-9%.
17 Projects over \$10m are recalculated at a different rate for each project. If company
18 resources are being used for construction, the full rate is applied. If contractor resources
19 are used, then a lesser rate is calculated and applied.
20

21 **Q: How do the bids on the underground transmission line compare to the overhead**
22 **transmission line as proposed by Rocky Mountain Power and Heber Light and**
23 **Power?**

24 A: On comparison, a double circuit overhead 138 kV transmission line similar to this
25 approximately 1-mile section of line in the Midway City limits would typically be
26 estimated at about \$190-\$250 per foot range. Actual costs of a similar double-circuit
27 overhead 138 kV transmission line project that was finished in March 2019 came in at
28 \$269.90 per foot. As noted in the bids received, undergrounding for the least cost option
29 of this project is estimated to cost approximately \$1809.251 per foot. (\$12,646,665/6990

1 ft). Using these numbers, the cost difference per foot of building the project overhead vs.
 2 underground is \$1539.351. The estimated total cost difference to build the lowest cost
 3 option underground would be \$10,760,064.
 4

5 **Q: Has Rocky Mountain Power awarded a contract to one of the three bidders?**

6 A: No. If Midway selects one of the underground options, Rocky Mountain Power will
 7 select the contractor and award the bid.
 8

9 **Q: Would Rocky Mountain Power select the lowest bid?**

10 A: Not necessarily. The bid is one of the factors that Rocky Mountain Power would
 11 consider, along with the availability of the contractor, proposed schedule, project
 12 management and several other factors.
 13

14 **SUMMARY OF TESTIMONY**

15 **Q: Please summarize your testimony.**

16 A: Rocky Mountain Power invited 18 contractors to submit bids on the underground portion
 17 of the proposed Project as requested by Midway City in the CUP. Three contractors
 18 submitted bids. Zero submitted bids for the SF6 gas insulated line option. Here is a
 19 summary of total cost breakdown:
 20

RFP Event Doc#		Contractor A	Contractor B	Contractor C
3292	RFP Proposed Price: Option 1	\$12,582,043	\$20,596,098	\$11,187,986
3292	RFP Proposed Price: Option 2	\$13,361,764	\$22,416,085	\$11,440,543
3292	RFP Proposed Price: Option 3	\$15,719,605	\$26,413,144	\$13,257,517

RMP Costs				
Surcharge	Price: Option 1	\$420,240	\$687,910	\$373,679
Surcharge	Price: Option 2	\$443,611	\$744,214	\$379,826
Surcharge	Price: Option 3	\$510,887	\$858,427	\$430,869
Surcharge				

Termination Pole Costs	\$1,085,000	\$1,085,000	\$1,085,000
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FINAL COSTS	Option 1	\$14,087,283	\$22,369,008	\$12,646,665
FINAL COSTS	Option 2	\$14,890,375	\$24,245,299	\$12,905,369
FINAL COSTS	Option 3	\$17,315,492	\$28,356,571	\$14,773,386

1

2 **Estimated cost to build project overhead** **\$1,886,601 (\$269.90 x 6990)**

3 **Estimated cost to build project underground (least cost option)** **\$12,646,665**

4 **Cost difference** **\$10,760,064**

5

6 **Q: Does this conclude your direct testimony?**

7 **A: Yes.**

8