Heidi Gordon (#11655) (hgordon@fabianvancott.com)
FABIAN VANCOTT
215 So. State Street, Suite 1200
Salt Lake City, Utah 84111
Telephone: 801-531-8900

Bret Reich (#9542) (bret.reich@pacificorp.com)
PACIFICORP, d/b/a ROCKY MOUNTAIN POWER
1407 W. North Temple, Suite 320
Salt Lake City, Utah 84116

Attorneys for Petitioner Rocky Mountain Power

BEFORE THE UTAH UTILITY FACILITY REVIEW BOARD

PACIFICORP, doing business as ROCKY MOUNTAIN POWER, Petitioner vs. MIDWAY CITY, Respondent	**REBUTTAL TESTIMONY OF DARIN MYERS** Docket No. 20-035-03

Q: Have you read the direct testimony of John Nelson filed in this proceeding.

A: Yes

NUMBER OF BIDS CONSISTENT WITH OTHER PROJECTS

Q: How would you respond to John Nelson's statement that "the limited number of bidders raises the question of the difficulty of each bidder to present a bid."?

A: Rocky Mountain Power followed the requirements identified by Midway City in the Conditional Use Permit. The Conditional Use Permit required that the bids include several options for the underground line, making the request for proposals complex and cumbersome. It is not uncommon to receive a limited number of bids on any particular project, especially when the project is as small and complicated as the current project. All 18 of Rocky Mountain Power's approved major project contractors were given notice and the opportunity to bid on the project. Contractors have many reasons to not bid on a specific project. They may be very busy and they may not have resources to do the work, the project schedule may not match their resource availability, or they may not feel they are highly qualified to provide a competitive or profitable bid due to the nature of the work. The number of bids received on this project is normal for other projects bid by Rocky Mountain Power.

UNDERGROUND CONSTRUCTION IS SIGNIFICANTLY HIGHER THAN OVERHEAD CONSTRUCTION

Q: How would you respond to John Nelson's opinion that the bids are "considerably higher than would be expected."

A: It is not surprising that the underground bids came in significantly higher than the proposed overhead line. Rocky Mountain Power represented to Midway City during the conditional use permit hearings that the underground option would significantly increase the costs of the project. A number of factors can explain the bid costs. Risk being one that has probably not been accounted for in Mr. Nelson's estimates. A cost estimate assuming a perfect project scenario is going to be less than an actual bid that takes into account risks of a project. All contractors build in risk into their bid costs. There are unknown sub surface conditions that may be encountered during construction and bidders

will factor that into their bids. These subsurface conditions can be buried utility lines, pipes, conduit, and any number of other unknown obstructions which increase boring costs, sometimes significantly. Bidders also factor in bad weather, sufficient sub-contractor resources, and schedule delays.

RMP USED ITS STANDARD BID SPECIFICATIONS

Q: How would you respond to John Nelson's opinion that bids were high due to "RMP's overly conservative specifications."

A: Rocky Mountain Power has developed and adheres to strict specifications for all components of its system to operate and maintain it and to deliver power in a safe, reliable, and efficient manner. Underground transmission lines are very different than overhead transmission lines and are treated that way for reliability, maintainability, and safety reasons.

Mr. Nelson removed some important components from the bid in providing his estimate. One of the major items removed from Mr. Nelson's cost estimate is the installation of spare conductors that were included in the bid specification. This was part of the cost reduction shown. Installed spare conductor is an important part of underground transmission line systems. They provide the ability to restore power quickly in the case of a failure of an underground cable.

For example, let's say that there is a single-phase underground cable fault, the process would be as follows: The line protection equipment would take the circuit out of service. Then, the damaged cable would be identified and removed from its attachment points on the termination structures. Then the spare cable would be terminated onto the termination structures. Then the circuit would be energized while a replacement cable is manufactured and shipped to Utah. When the replacement cable is ready for installation the circuit would be scheduled to be out of service and taken off line and the failed cable pulled out and the replacement cable pulled in and spliced and terminated. Having the spare cable installed allows for the circuit to be utilized for all but a few days at the beginning and a few days at the end.

If Rocky Mountain Power were to not follow its standard specification but instead Mr. Nelson's suggestion, the line protective equipment would take the circuit out of service and then it would remain out of service for months while the issue is investigated, the replacement cable is manufactured and shipped to the site, then finally installed.

The initial cable failure is an unplanned and unstudied system event. Because the system operator, in this case Rocky Mountain Power, cannot study the impact of the outage and approve the interruption timing and duration the outage may result in cascading impacts to the system ranging from customer electrical service interruptions to equipment overloading to putting off needed maintenance due to the impacts of the long duration unplanned event. As the system operator, it is important to be able to restore the electrical grid quickly in the event of unplanned events. Hence, Rocky Mountain Power's standard underground design requires the spare cable is installed and is ready to operate with limited work at the termination structures. This is the company policy for underground transmission lines and is adhered to for system reliability and performance.

MR. NELSON USED INCORRECT DISTANCES BETWEEN STRUCTURES

Q: Do you have any other concerns with Mr. Nelson's testimony regarding the bids?

A: It appears Mr. Nelson used incorrect distances between termination structures. The Rocky Mountain Power bid package distances were developed by following the planned overhead route exactly. It appears Mr. Nelson's estimate did not do this nor account for the extra 100 feet of cable per structure for the section of cable that comes from underground up the termination structure and makes the connection to the overhead conductor. This totals an additional 1600 feet as there are four cables per structure and four termination structures.

In addition, Mr. Nelson fails to provide any costs for cable splicing in his estimate. This is a considerable cost to take into account for an underground system. Vaults are required at many locations along the route and so is a considerable amount of splicing and splicing costs.

Finally, Mr. Nelson's Mob/Demob/Site Reclamation estimate is much lower than typically seen. By comparison the least cost bidder is $350,000 plus higher. Also, Mr. Nelson's estimate for the cable trenches leaves out the extra spacing needed between the RMP and HLP trenches that are needed so each utility can safely operate and maintain their system independently of one another. This is specified in the bid. This cost is not accounted for in Mr. Nelson's estimate.

Q: Does this conclude your rebuttal testimony?

A: Yes.