

REDACTED

Rocky Mountain Power

Docket No. 20-035-04

Witness: Dana M. Ralston

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED

Rebuttal Testimony of Dana M. Ralston

October 2020

1 **Q. Please state your name, business address, and present position with PacifiCorp**
2 **d/b/a Rocky Mountain Power (“Rocky Mountain Power” or the “Company”).**

3 A. My name is Dana M. Ralston. My business address is 1407 West North Temple, Suite
4 210, Salt Lake City, Utah 84116. My title is Senior Vice President of Thermal
5 Generation and Mining.

6 **I. QUALIFICATIONS**

7 **Q. Briefly describe your education and professional experience.**

8 A. I have a Bachelor of Science Degree in Electrical Engineering from South Dakota State
9 University. I was previously the Vice President of Coal Generation and Mining from
10 March 2015 to November 2017, and Vice President of Thermal Generation from
11 January 2010 to March 2015. For 29 years before that, I held a number of positions of
12 increasing responsibility within Berkshire Hathaway Energy’s generation
13 organizations, including the plant manager position at the Neal Energy Center. In my
14 current role, I am responsible for operating and maintaining PacifiCorp’s coal- and
15 natural gas-fired generation fleet, coal fuel supply, and mining.

16 **Q. Have you testified in previous regulatory proceedings?**

17 A. Yes. I have filed testimony on behalf of the Company in proceedings before the Utah
18 Public Service Commission (“Commission”) and public utility commissions in
19 California, Oregon, Washington, and Wyoming.

20 **II. PURPOSE OF TESTIMONY**

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

22 A. My testimony responds to the direct testimony of Office of Consumer Services
23 (“OCS”) witness Mr. Philip Hayet that recommends a disallowance of approximately

24 \$1.13 million on a Utah-allocated basis, for costs related to two outages, one at Lake
25 Side 2 Unit 3 and one at Blundell. My testimony demonstrates that the Company acted
26 prudently with respect to the issues Mr. Hayet raises and the Commission should reject
27 the proposed adjustments.

28 **Lake Side 2 Unit 3 Outage (August 18, 2019)**

29 **Q.** Please summarize the event that occurred at the Lake Side plant [REDACTED]

30 [REDACTED]

31 **A.** [REDACTED]

32 [REDACTED]

33 [REDACTED]

34 [REDACTED]

35 [REDACTED]

36 [REDACTED]

37 [REDACTED]

38 [REDACTED]

39 [REDACTED]

40 [REDACTED] The plant contacted the original equipment

41 manufacturer (“OEM”), Siemens, to assist with the investigation, inspections, and

42 disassembly.

43 **Q.** [REDACTED]

44 **A.** [REDACTED]

45 [REDACTED]

46 [REDACTED]

47 [REDACTED]
48 [REDACTED]
49 [REDACTED]
50 [REDACTED]
51 [REDACTED]
52 [REDACTED]
53 [REDACTED]
54 [REDACTED]
55 [REDACTED]
56 [REDACTED]
57 [REDACTED]
58 [REDACTED]
59 [REDACTED]
60 [REDACTED]

61 [REDACTED]. Due to the significance of the event, the Company hired
62 and is working with a neutral third-party contractor to perform an additional RCA
63 investigation in pursuit of a root cause. This report is expected to be completed by end
64 of 2020.

65 **Q. Was the required maintenance specified by the OEM performed on Lake Side 2**
66 **Unit 3 prior to this event?**

67 A. Yes. The Company followed the OEM, Siemens, recommendations and required
68 testing. Siemens was involved with and conducted the maintenance performed on the

¹ Direct Testimony of Philip Hayet at lines 260-261.
² Confidential OCS Exhibit 4.2D at 69 (Siemens Lake Side RCA Presentation p. 22).

69 unit. The Company was and continues to be actively engaged in managing the work as
70 well as providing oversight. [REDACTED]

71 [REDACTED]

72 [REDACTED]

73 [REDACTED]

74 [REDACTED]

75 [REDACTED]

76 [REDACTED]

77 **Q.** [REDACTED]

78 [REDACTED]

79 **A.** [REDACTED]

80 [REDACTED]

81 [REDACTED]

82 **Q.** **Mr. Hayet mentions a similar event that occurred in [REDACTED]. What was learned from**
83 **the similar event?**

84 **A.** Siemens performed an RCA regarding the event in [REDACTED]. At

85 the time of the first event, the Company had operated the unit within design, followed

86 OEM recommendations, provided oversight and was engaged with Siemens during

87 maintenance activities. [REDACTED]

88 [REDACTED] the Company hired a neutral third party expert to perform

89 an additional RCA on the 2019 event in pursuit of a complete understanding of the

90 failure.

³ Confidential Exhibit RMP___(DMR-2R) at 9.

91 Q. When did Lake Side 2 Unit 3 return to service?

92 A. Lake Side 2 Unit 3 was returned to service on January 10, 2020.

93 Q. Was the entire Lake Side 2 plant unavailable during the Unit 3 generator failure?

94 A. No. After it was determined [REDACTED]

95 [REDACTED]

96 [REDACTED]

97 [REDACTED]

98 [REDACTED]

99 [REDACTED]

100 Q. Was PacifiCorp prudent in its operation of the Lake Side plant?

101 A. Yes. OCS inappropriately concludes [REDACTED]

102 [REDACTED]

103 [REDACTED]

104 [REDACTED]

105 [REDACTED]

106 [REDACTED]

107 Understanding the root cause is extremely important to the Company, and because of
108 this, the Company hired a third-party contractor to perform an additional RCA
109 investigation. The Company, however, has demonstrated that it has operated,
110 maintained, and acted prudently with respect to Lake Side by: 1) operating the unit
111 within design; 2) following OEM recommendations; 3) providing oversight and being

⁴ Direct Testimony of Philip Hayet at lines 266-268.

⁵ Confidential OCS Exhibit 4.2D at 76 (Siemens Lake Side RCA Presentation p. 29 — “In conclusion the Root Cause Investigation did not identify a cause.”).

112 engaged with Siemens during maintenance activities; 4) using the OEM experts on this
113 equipment to perform maintenance; and 5) following FME policies and procedures for
114 both the Company and the OEM. All of these actions demonstrate a concerted effort to
115 ensure that the Company acted and continues to act prudently and in the best interest
116 of customers. Mr. Hayet’s position that the Company may be at fault is unsupported
117 and should be rejected by the Commission because the Company was prudent in the
118 operation, maintenance, and management of its Lake Side plant.

119 **Blundell Unit 2 Outage (December 26, 2018)**

120 **Q.** [REDACTED]

121 **A.** [REDACTED]
122 [REDACTED]
123 [REDACTED]
124 [REDACTED]
125 [REDACTED]

126 **Q.** [REDACTED]
127 [REDACTED]

128 **A.** [REDACTED]
129 [REDACTED]
130 [REDACTED]
131 [REDACTED]
132 [REDACTED]
133 [REDACTED]

134 Q. [REDACTED]
135 [REDACTED]
136 A. [REDACTED]
137 [REDACTED]
138 [REDACTED]
139 [REDACTED]
140 [REDACTED]
141 [REDACTED]
142 [REDACTED]
143 [REDACTED]
144 [REDACTED]
145 [REDACTED]
146 [REDACTED]
147 Q. [REDACTED]
148 A. [REDACTED]
149 [REDACTED]
150 [REDACTED]
151 [REDACTED]
152 [REDACTED]
153 [REDACTED]
154 [REDACTED]
155 [REDACTED]

⁶ Confidential OCS Exhibit 4.2D at 11-12 (Veizades & Associates, Inc. RCA p. 6-7).

156 [REDACTED]

157 [REDACTED]

158 Q. [REDACTED]

159 A. [REDACTED]

160 [REDACTED]

161 [REDACTED]

162 [REDACTED]

163 [REDACTED]

164 [REDACTED]

165 [REDACTED]

166 [REDACTED]

167 [REDACTED]

168 [REDACTED]

169 [REDACTED]

170 Q. **Has the Commission previously reviewed the Company’s prudence regarding the**
171 **December 26, 2018 Blundell Unit 2 outage?**

172 A. Yes. The Commission reviewed the outage in the Company’s 2019 energy balancing
173 account, Docket No. 19-035-01. In that proceeding, the Commission found nothing that
174 suggested the Company “overlooked or disregarded a specification requiring that the
175 EPC contractor include validation and testing for the known types of breaker trip
176 scenarios in the commissioning of Blundell Unit 2” and found no evidence that the
177 commissioning plan was “flawed, contrary to industry practice, or that the testing for

⁷ Direct Testimony of Philip Hayet at lines 363-367.

⁸ Confidential OCS Exhibit 4.2D at 12 (Blundell Unit 2 Generator Root Cause p. 7).

178 the over-speed function failed to operate as expected.”⁹ As a result, the Commission
179 determined that:

180 RMP’s actions concerning the construction, commissioning, and
181 operation of the plant were prudent, that the event was unanticipated and
182 unforeseeable, and that ultimate discovery of the event’s root cause
183 required an in-depth investigation by multiple third-party experts and
184 was not unduly delayed. We conclude that the replacement power costs
185 associated with the December 26, 2018 outage at Blundell Unit 2 were
186 prudently incurred; therefore, no adjustment is warranted.¹⁰

187 Since this order was issued in March 2020, the OCS has not presented any additional
188 facts that warrants a change to the Commission’s ruling.

189 **Q. What steps has the Company taken to ensure that a failure like this does not occur**
190 **again?**

191 A. [REDACTED]
192 [REDACTED]
193 [REDACTED]
194 [REDACTED]
195 [REDACTED]
196 [REDACTED]
197 [REDACTED]

198 **Q. Did the Company act prudently?**

199 A. Yes. The Company acted in a reasonable and responsible manner when constructing
200 and commissioning Blundell Unit 2 in 2007 by involving experts that had significant
201 knowledge and experience with the type of equipment installed. The Company acted

⁹ *Application of Rocky Mountain Power to Increase the Deferred EBA Rate Through the Energy Balancing Account Mechanism*, Docket No. 19-035-01, Order Approving Rates and Granting Unopposed Motion to Vacate Orders at 9 (Mar. 4, 2020).

¹⁰ *Id.*

202 prudently by hiring the known expertise of CEntry and Ormat to ensure logic
203 functionality was thoroughly tested during the commissioning process. The
204 Commission has acknowledged that the event was unanticipated and unforeseeable and
205 OCS's position is unrealistic, unreasonable and requires the Company be held to a
206 perfection standard.

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

208 A. Yes.

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Exhibit RMP__ (DMR-1R)
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Exhibit Accompanying Rebuttal Testimony of Dana M. Ralston

Foreign Material Exclusion Inspection Report

October 2020

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Rocky Mountain Power
Exhibit RMP__ (DMR-2R)
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Siemens – ST-20 Rotor-in FSP370

October 2020

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