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November 18, 2022

VIA ELECTRONIC FILING

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

Attention: Gary Widerburg
Commission Administrator

Re: Docket No. 22-035-01
Rocky Mountain Power's Application for Approval of the 2022 Energy Balancing
Account
Rocky Mountain Power's Rebuttal Testimony

In accordance with the Scheduling Order and Notice of Hearings issued by the Utah Public Service Commission ("Commission") on April 6, 2022, PacifiCorp, d.b.a. Rocky Mountain Power, hereby submits for electronic filing its rebuttal testimony in the above referenced matter.

The Company's rebuttal testimony filing includes the rebuttal testimony of Mr. Jack Painter and the Confidential rebuttal testimony of Mr. Craig M. Eller on behalf of the Company. Mr. Eller's testimony also includes one confidential exhibit. Confidential information is provided subject to Public Service Commission of Utah Rule 746-1-602 and 746-1-603.

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

Sincerely,

A handwritten signature in blue ink that reads "Joelle Steward".

Joelle Steward
Senior Vice President, Regulation and Customer & Community Solutions

cc: Service List Docket No. 22-035-01

CERTIFICATE OF SERVICE

Docket No. 22-035-01

I hereby certify that on November 18, 2022, a true and correct copy of the foregoing was served by electronic mail to the following:

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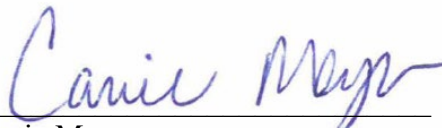
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Carrie Meyer
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Rocky Mountain Power
Docket No. 22-035-01
Witness: Jack Painter

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Rebuttal Testimony of Jack Painter

November 2022

1 **Q. Are you the same Jack Painter who previously filed direct and response testimony**
2 **in this 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 response testimony?**

7 A. My testimony responds to certain issues raised by the Office of Consumer Services
8 (“OCS”) and the Utah Association of Energy Users (“UAE”). Specifically, I discuss the
9 Energy Imbalance Market (“EIM”) Body of State Regulators (“BOSR”) and Western
10 Power Pool (“WPP”) Western Resource Adequacy Program (“WRAP”) fees that UAE
11 proposes to remove from the Energy Balancing Account (“EBA”). I also present a
12 minor correction to the calculation provided by the OCS for a reduction in the EBA
13 related to the Aeolus event.

14 **Q. Are any other Company witnesses filing testimony in response to issues raised by**
15 **the OCS and UAE?**

16 A. Yes. Company witness Mr. Eller provides additional information regarding the Aeolus
17 Substation outage event and explains how the Company’s actions were prudent.

EIM BOSR AND WPP WRAP FEES

18 **Q. What does the UAE propose in regard to the EIM BOSR fee and the WPP WRAP**
19 **fee?**

20 A. The UAE recommends both the EIM BOSR and WPP WRAP fees be removed from
21 the EBA recovery because they are not currently approved as costs in the EBA.

22 **Q. Does the Company agree with UAE that the EIM BOSR fee and WPP WRAP fee**
23 **should be removed from the EBA?**

24 A. No. Both the EIM BOSR fee and the WPP WRAP fee are directly tied to NPC and
25 provide benefits to customers through lower NPC in the EBA.

26 **Q. What is the EIM BOSR and why should fees associated with it be included in the**
27 **EBA?**

28 A. The Western Interstate Energy Board describes the EIM BOSR as “an independent,
29 self-governing organization charged with participating in and informing state
30 regulatory officials about Western EIM developments and activities, recognizes a need
31 for independent technical expertise and staff resources to support the organization in
32 its efforts to effectively fulfill its obligations.”¹ The Utah Public Service Commission
33 (“Commission”) is a participant in the EIM BOSR and the fee supports this
34 participation, along with educating commissions, as stakeholders in the EIM, about
35 California Independent System Operator (“CAISO”)-related matters. This fee is similar
36 to EIM administrative costs that are already included in the EBA. The Company incurs
37 these costs as a participant in the EIM, which is directly related to NPC and which
38 produces significant net benefits to customers.

39 **Q. What is the WPP WRAP and why should fees associated with it be included in the**
40 **EBA?**

41 A. The WPP WRAP is a regional reliability planning program addressing resource
42 adequacy and reliability in the region through coordination, collaboration, operating
43 efficiencies, and sharing pooled resources. Resource adequacy issues are becoming a

¹ <https://www.westernenergyboard.org/western-energy-imbalance-market-body-of-state-regulators/state-regulated-market-participant-funding-agreement/>

44 much more significant issue in the West and the regional reliability planning function
45 the WPP WRAP provides is critical to ensuring that customers continue to receive
46 reliable, affordable energy supply.

47 **Q. How does the WPP WRAP benefit Utah customers in the EBA?**

48 A. Like the Western EIM and the BOSR, there is a direct correlation to system operations
49 and net power costs in the WPP WRAP. This program will provide benefits to
50 customers by setting up a structure that ensures the Western United States has the
51 resources available to meet the needs of Rocky Mountain Power's customers. These
52 costs are directly related to the Company's variable NPC and should therefore be
53 included in the EBA.

54 **AEOLUS EVENT**

55 **Q. Please describe OCS's proposed adjustment for the Aeolus Event.**

56 A. OCS recommends reducing NPC by \$7,489,613 on a Utah allocated basis associated
57 with the Aeolus event on the basis that the Company has not provided sufficient details
58 to support that it acted prudently.

59 **Q. Does the Company agree this proposed adjustment to the EBA recovery due to the
60 Aeolus event is appropriate?**

61 A. No. Company witness Mr. Craig Eller responds to the merits of OCS's proposed
62 adjustment and provides support for the Company's position that operations were
63 prudent.

64 **Q. Did you review OCS's calculation for the replacement power costs and lost PTCs
65 associated with the Aeolus event?**

66 A. Yes.

67 **Q. Notwithstanding the Company’s objection to the proposed adjustments, does the**
68 **Company agree with OCS’s calculation of the replacement power costs and lost**
69 **PTCs?**

70 A. The Company generally agrees with OCS’s calculations relating to replacement power
71 costs, but found one minor correction related to the replacement energy for wind
72 outages. Specifically, the allocation factors used are the System Energy (“SE”), but
73 instead should be System Generation (“SG”). Once this correction is made, the
74 Company agrees with the remaining aspects of OCS’s calculations.

75 **Q. What is the impact to the replacement power costs adjustments proposed by the**
76 **DPU after correcting the capacity factors for TB Flats?**

77 A. The impact to OCS’s replacement power cost calculation is a reduction of \$13,116 on
78 a Utah-allocated basis.

79 **CONCLUSION**

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

81 A. The Company requests the Commission approve the Company’s request to recover
82 \$90,427,325, which has been updated from the Company’s initial filing and included
83 in previously filed response testimony.

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

85 A. Yes.

REDACTED

Rocky Mountain Power

Docket No. 22-035-01

Witness: Craig M. Eller

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED
Rebuttal Testimony of Craig M. Eller

November 2022

1 **Q. Are you the same Craig M. Eller 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 direct testimony of Mr. Philip Hayet who submitted
8 testimony on behalf of the Office of Consumer Services (“OCS” or “Office”) and the
9 testimony of Mr. Kevin Higgins who submitted testimony on behalf of the Utah
10 Association of Energy Users (“UAE”). Specifically I respond to their testimony to
11 provide additional detail around the Aeolus substation failure.

12 **Q. OCS witness Mr. Hayet contends that “Proper regulatory practice should require**
13 **shareholders, not customers, to bear the costs** [REDACTED]

14 [REDACTED]

15 [REDACTED] **”¹ Mr. Hayet then relies on this reasoning to**
16 **recommend a disallowance for this outage. Is this appropriate?**

17 A. No. While I am not an attorney, it is my understanding that the Commission has rejected
18 this policy argument and instead required Rocky Mountain Power to demonstrate the
19 prudence of its actions on a case-by-case basis. Specifically, with regards vendors and
20 contractor errors, the Commission has determined that the Company’s “reasonableness
21 and due diligence” in “entering the contractual relationship” along with the Company’s

¹ Exhibit OCS-1D, Hayet at 3:48-50.

22 “ongoing management of the relationship” were considerations.²

23 **Q. What due diligence efforts were undertaken in selecting [REDACTED]**
24 **[REDACTED]?**

25 A. PacifiCorp issued a Request for Proposals (“RFP”) and then engaged in its standard
26 construction procurement process to evaluate the various RFP bids. [REDACTED]

27 [REDACTED]
28 [REDACTED]

29 Rocky Mountain Power exercised reasonable due diligence including technical
30 questioning and review of the contractor’s plans to complete the project; culminating
31 in entering a contractual relationship [REDACTED] for design
32 and construction of the substation.

33 **Q. Did Rocky Mountain Power [REDACTED]**
34 **[REDACTED]?**

35 A. Yes, as I noted in my last round of the testimony, [REDACTED]
36 [REDACTED]
37 [REDACTED]
38 [REDACTED]
39 [REDACTED]

40 **Q. Did Rocky Mountain Power take additional steps to ensure prudent oversight of**
41 **[REDACTED] design and construction of the Aeolus**
42 **substation?**

43 A. Yes, due to the complexities and scale of the Aeolus substation project, and the overall

² Rocky Mountain Power’s Application for Approval of the 2020 Energy Balancing Account, Docket No. 20-035-01, Order at 16 (Feb. 26, 2021).

44 Gateway West project more broadly, [REDACTED]
45 [REDACTED]
46 [REDACTED]
47 [REDACTED]
48 [REDACTED]

49 **Q. Both Mr. Higgins and Mr. Hayet claim that the Company has not provided enough**
50 **information to determine the cause of the fire at the substation.³ Are you able to**
51 **provide additional information at this point in time?**

52 A. Yes, at this time, Rocky Mountain Power is able to provide a report produced by the
53 Company's expert investigator that summarizes and details the cause of the fire to
54 provide additional evidence. This report has been attached to my testimony as
55 Confidential Exhibit RMP___(CME-1R). Additionally, this report will be provided to
56 the stakeholders through discovery.

57 **Q. Can you summarize the findings of this report?**

58 A. Yes, the study confirmed the statements in my prior testimony, namely that [REDACTED]
59 [REDACTED]
60 [REDACTED]
61 [REDACTED]
62 [REDACTED]
63 [REDACTED]
64 [REDACTED]
65 [REDACTED]

³ Exhibit OCS-1D, Hayet at 5:92-95; Exhibit UAE 1.0, Higgins at 8:145-154.

66

[REDACTED]

67

[REDACTED]

68

[REDACTED]

69

[REDACTED]

70

[REDACTED]

71

[REDACTED]

72 **Q. Why has this report not been presented or provided previously to Parties?**

73 A. This report was not available. As I noted in my previous testimony, [REDACTED]

74 [REDACTED]

75 [REDACTED]

76 [REDACTED]

77 [REDACTED]

78 [REDACTED]

79 [REDACTED]

80 [REDACTED]

81 [REDACTED]

82 **Q. [REDACTED]**

83 [REDACTED], do any of their actions following the failure support the findings of the

84 report and [REDACTED]

85 [REDACTED]

86 A. Yes. [REDACTED]

87 [REDACTED]

88 [REDACTED]

89

[REDACTED]

90

[REDACTED]

91

[REDACTED]

92

Q. Do the findings of this report support the prudence of Rocky Mountain Power's actions with regard to the Aeolus substation fire?

93

94

A. Yes, [REDACTED]

95

[REDACTED]

96

[REDACTED]

97

[REDACTED] Since discovery of the issue, PacifiCorp has taken every action to ensure

98

a safe restoration of service and ongoing reliability of the system. [REDACTED]

99

[REDACTED]

100

Q. What is your recommendation to the Commission?

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A. I recommend that the Commission reject the recommendations of Mr. Hayet and

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Mr. Higgins regarding the Aeolus substation fire, and allow for recovery of the

103

replacement power costs associated with this event. My testimony demonstrates the

104

Company was prudent in its actions.

105

Q. Does this conclude your rebuttal testimony?

106

A. Yes.

REDACTED
Rocky Mountain Power
Exhibit RMP___(CME-1R)
Docket No. 22-035-01
Witness: Craig M. Eller

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Redacted
Exhibit Accompanying Rebuttal Testimony of Craig M. Eller
Aeolus 500kV Transformer Failure Investigation Report

November 2022

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