

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON

UE 213

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR)
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC SERVICE)
IN THE STATE OF OREGON)
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OREGON INDUSTRIAL CUSTOMERS OF IDAHO POWER

DIRECT TESTIMONY OF MARK RATCLIFFE

CORRECTED REDACTED VERSION

January 22, 2010

1 **Q. Please state your name, occupation, and business address.**

2 **A. My name is Mark Ratcliffe. I am employed as Senior Manager of Operations at**
3 H.J Heinz's Ore-Ida Potato Products facility at 175 NE 6th Avenue, Ontario, Oregon 97914.

4 **Q. Please describe you educational background.**

5 **A. I have Bachelor of Science degree in Industrial Engineering from Purdue**
6 **University, and I have a Master of Science degree in Industrial Engineering from Purdue**
7 **University.**

8 **Q. What is your work experience at H.J. Heinz Company?**

9 **A. From October 2006 to May 2008, I was the factory manager for Heinz's**
10 **Jacksonville, Florida facility. I was responsible for the entire facility, and for overall plant**
11 **operations. My responsibilities included financial performance, quality, engineering,**
12 **maintenance, production, scheduling, procurement, warehousing, sanitation, human resources,**
13 **safety, and environmental performance.**

14 From June 2008 to the present, I have been Senior Factory Manager for Heinz's Ore-Ida
15 facility in Ontario, Oregon. I am responsible for the entire facility, and for overall plant
16 operations. As at the Jacksonville facility, my responsibilities include financial performance,
17 quality, engineering, maintenance, production, scheduling, procurement, warehousing,
18 sanitation, human resources, safety, and environmental performance.

19 Part of my responsibilities at both the Jacksonville and Ontario positions have been to
20 oversee power reliability as it relates to the facilities' costs and safety. Along those lines, I am
21 responsible for, and aware of, the resources necessary to respond each time we have an issue
22 regarding power reliability.

1 **Q. Please describe any other work experience relevant to maintenance**
2 **management**

3 **A.** In addition to my three years of experience at Heinz, I have twelve years of
4 manufacturing experience with the General Electric Company in the area of electrical
5 distribution and control equipment. I was involved in the manufacturing of products, including
6 distribution breakers, switchgear, air and vacuum circuit breakers, lighting panels, MCCBs,
7 surge suppressors, meters, relays, contactors, and fuses. I was a plant manager for three different
8 facilities in China and Puerto Rico and have worked in nine different plants during my career.

9 **Q. What is the purpose of your testimony?**

10 **A.** The purpose of my testimony is to explain in general terms the food processing at
11 the Heinz's Ore-Ida facility in Ontario, Oregon, and how a sag or other electricity delivery
12 disturbance affects those processes. My testimony will explain the financial impact of the
13 outages that have occurred in recent years, and safety risk associated with these events. My
14 testimony will further explain the steps that Heinz has taken to mitigate the effects of the
15 problem, and the steps that Idaho Power Company has taken since the 2005 general rate case to
16 improve power delivery to Heinz's Ontario facility.

17 **Q. Please explain in general terms the food products produced and the**
18 **production processes employed at Heinz's Ore-Ida facility in Ontario.**

19 THE FOLLOWING TESTIMONY HAS BEEN REDACTED AND IS SUBJECT TO
20 THE GENERAL PROTECTIVE ORDER 09-330

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**Q. Are you aware of whether Heinz has raised this issue regarding power
quality with the Oregon Public Utilities Commission?**

A. I am aware that the Oregon Industrial Customers of Idaho Power raised the power
quality issue in the 2005 general rate case, and that the Commission issued an order expressing
concern about power outages, especially as they affect industries which process perishable
product and suffer disproportionately from even brief interruptions in power. As I understand
the order, the Commission accepted Idaho Power Company's commitment to work with
industrial customers and then encouraged the Company and the customers to work together to
meet the customers' particular power supply needs.

1 **Q. Based on your knowledge and review of Heinz’s documents regarding the**
2 **power outage problem, has Idaho Power Company taken any steps since the 2005 general**
3 **rate case to address Heinz’s specific power quality needs?**

4 **A.** To the best of my knowledge, the only step Idaho Power Company has taken
5 specifically to address Heinz’s power quality problem since the Oregon Public Utility
6 Commission’s order in the last general rate case in July 2005 is to have sent a consultant to
7 analyze Heinz’s system. Idaho Power Company’s consultant did not look at Idaho Power’s side
8 of the meter; the consultant only provided information on how Heinz could deal with the power
9 quality problem at its facility.

10 I am not aware of any steps Idaho Power Company has taken to address the sags problem
11 on its side of the meter above and beyond what it would normally do as maintenance procedures.

12 **Q. Do you know the cost or damages Heinz incurs for the various economic**
13 **effects of an outage?**

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Q. How could Idaho Power Company better communicate with Heinz regarding power deliver

A. Initially, we would like to set up quarterly meetings to discuss disruptions that occurred. Heinz would like to have access to all documents produced during the quarter regarding sags on Heinz’s distribution line to ensure that the information is correct. This would enable us to keep accurate records and make rational decisions going forward regarding this problem. At these meetings, we would also like to have the ability to discuss with Idaho Power Company any improvements it may make on its side of our meter to address our power quality needs, and have Idaho Power Company answer any questions we may have regarding additional steps we might take to further harden our system against the delivery disturbances.

Our goal would be to work with Idaho Power Company as partners so that we use our electrical power efficiently. Power generation uses scarce natural resources, and we would like to do our part as a large power user to practice good stewardship in an effort to conserve natural resources.

1 **Q. What else would you like Idaho Power Company to do to address Heinz's**
2 **power quality problem?**

3 **A. Heinz would like Idaho Power Company to take serious steps on its side of the**
4 **meter to improve the power quality at our Ontario facility. The solution to this problem is not**
5 **limited to hardening Heinz's system. The steps Idaho Power Company should be begin taking to**
6 **address Heinz's specific power quality problem are outlined in the expert testimony of Bob**
7 **Schneider and Dennis Bickford.**

8 **Q. Does this conclude your testimony?**

9 **A. Yes.**

10

1 **Q. Please state your name, occupation, and business address.**

2 **A.**My name is Scott Patterson. I am employed as a Corporate Manager of the
3 Reliability Excellence Program at Heinz North America, 1000 Ericsson Drive, Warrendale,
4 Pennsylvania 15086-7502.

5 **Q. What is your work experience at H.J. Heinz Company?**

6 **A.**From October 2006 to April 2008, I was the Maintenance Manager at the Ore-Ida
7 facility in Ontario, Oregon. I was responsible for implementing a maintenance management
8 program to safely drive plant asset reliability to achieve lower operating costs. In April 2008,
9 Heinz promoted me to my current corporate-level position, in which my duty is to design and
10 implement an enterprise-wide asset reliability program. In this position, I am responsible for
11 implementing a maintenance management program to safely drive plant asset reliability to
12 achieve lower operating costs in Heinz's North American facilities. My position is not directly
13 responsible for power quality; I only help mitigate the economic impact that unreliable power
14 has on the ability of each facility to produce.

15 **Q. Please describe any other work experience relevant to maintenance**
16 **management and electric reliability.**

17 **A.**For many years, I was employed by my family's business that was engaged in
18 constructing and maintaining overhead and underground power lines, as well as installing and
19 maintaining traffic signal systems and general industrial electrical contracting. In total, I have
20 over twenty-five years designing and implementing maintenance reliability programs, and over
21 twenty years as a business management consultant to manufacturing, life sciences, and

1 educational facility clientele. I have written over 100 white papers on the subject of maintenance
2 management.

3 **Q. What is the purpose of your testimony?**

4 **A.** The purpose of my testimony is to provide information regarding the number of
5 voltage sags or other electricity delivery events having an economic impact on each of Heinz's
6 North American plants, and to compare the number of such events and their economic impact
7 from plant to plant.

8 **Q. Does Heinz operate other food processing plants in North America, other
9 than the Ontario facility?**

10 **A.** Yes. In addition to the Ontario facility, Heinz operates twenty other food
11 processing plants in the continental United States. These plants are located in all regions of the
12 country, and receive electricity from eighteen different utilities.

13 **Q. As part of your position at Heinz's corporate level, do your duties include
14 communicating with personnel at these twenty-one facilities?**

15 **A.** Yes. My current duties include the responsibility to assess which of Heinz's
16 twenty-one plants are experiencing the most significant power delivery problems and are causing
17 the largest economic impact to Heinz. In my position, I am responsible for communicating
18 directly with personnel at each facility to ascertain that information, and to use it to lower
19 Heinz's operating costs.

20 **Q. Have you compared the number of outages causing a plant to shut down at
21 these different facilities?**

1 **A.** Yes. OICIP Exhibit 201 lists the twenty-one facilities, their utility provider, and
2 the reported number of power outages causing a forced shut down in the last twenty-four months.

3 **Q.** **How does the Ontario facility compare to the other facilities during that**
4 **twenty-four month period?**

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12 **Q. Does this conclude your testimony?**

13 **A. Yes.**

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OREGON INDUSTRIAL CUSTOMERS OF IDAHO POWER

DIRECT TESTIMONY OF DENNIS BICKFORD

CORRECTED REDACTED VERSION

January 22, 2010

1 **Q. Please state your name, occupation, and business address.**

2 **A. My name is Dennis Bickford. I am a Senior Engineer, employed by D. Hittle and**
3 Associates, Inc., 19101 36th Avenue West, Lynnwood, Washington 98036.

4 **Q. Please describe your educational background.**

5 **A. I have a Bachelor of Science degree in Electrical Engineering from Washington**
6 State University.

7 **Q. Please describe any other work experience relevant to your testimony.**

8 **A. I have attached a copy of my resume as OICIP Exhibit 301.**

9 To summarize, however, I have thirty-eight years in the electric utility industry. I have
10 worked at four electric utilities and as a consultant to utilities and industrial plants. I have
11 designed high voltage transmission lines, electrical substations and distribution systems to serve
12 industrial plants similar to H.J Heinz's Ore-Ida Potato Products facility in Ontario, Oregon, as
13 well as other electrical customers. I have designed and evaluated the internal electrical systems
14 of plants similar to Heinz's Ontario facility. I have also designed and supervised the installation
15 of a large scale Cray Supercomputer wherein the electrical design ensured the continuous
16 operation of the supercomputer.

17 I have extensive experience managing, or otherwise working directly for, public and
18 private utilities. My most recent position prior to joining D. Hittle and Associates, Inc. was that
19 of General Manager of a thirty-four-thousand customer public utility providing electricity, water,
20 sewer and telecommunications to its customers. Prior to becoming the General Manager of that
21 utility, I was the Assistant Manager of a separate twenty-thousand customer electric utility that
22 served industrial plants directly competing with Heinz's Ontario facility. Prior to that position, I

1 held the following positions at public and private utilities, in reverse chronological order:
2 Engineering and Operations Manager, Director of Technical Services, Power Manager, System
3 Engineer, Project Engineer and Electrical Engineer.

4 I worked for D. Hittle and Associates, Inc. from 1985 to 1988, and again since 2006. As
5 part of my work at D. Hittle and Associates, Inc., in 2007, I served for six months as the
6 Engineering Manager for a medium-sized Eastern Oregon electric utility that serves loads similar
7 to the Heinz's Ontario facility.

8 **Q. Please describe your relationship with the H.J. Heinz Company.**

9 **A.** Through D. Hittle and Associates, Inc., H.J. Heinz retained me to investigate the
10 reliability and stability of the Idaho Power Company's electric system serving Heinz's Ontario
11 facility.

12 **Q. What is the purpose of your testimony?**

13 **A.** The purpose of my testimony is to offer my professional opinion as to the ability
14 of Idaho Power Company's electric power system to meet the production needs of Heinz's
15 Ontario facility, and to assist in curing any issues to the benefit of the operation of the plant.

16 **Q. What materials have you reviewed toward that end?**

17 **A.** I met with Heinz personnel at the Ontario facility on January 8, 2010 to discuss
18 their power quality problem, and on that same day conducted a site inspection of Idaho Power
19 Company's electricity delivery system to Heinz's Ontario facility with my colleague at D. Hittle
20 and Associates, Inc., Robert Schneider.

21 I have also reviewed the pertinent discovery materials disclosed to the Oregon Industrial
22 Customers of Idaho Power – of which Heinz is a member. Some of the discovery materials most

1 pertinent to my testimony include Idaho Power Company's 2008 Electric Service Reliability
2 Annual Report provided in discovery and attached to Robert Schneider's testimony as OICIP
3 Exhibit 403, Idaho Power Company's detailed Sag Analysis for the Heinz obtained in discovery
4 and included in Robert Schneider's testimony as OICIP Exhibit 405, the line map of Idaho
5 Power Company's electricity delivery system provided in discovery and included in relevant
6 parts in Robert Schneider's testimony as OICIP Exhibit 408, and excerpts of email
7 communications between Idaho Power Company and personnel at Heinz's Ontario facility
8 regarding specific delivery disturbances included in Robert Schneider's testimony as OICIP
9 Exhibit 402

10 I have also reviewed the Oregon Public Utility Commission's July 2009 Investor-Owned
11 Utilities' Seven-Year Electric Service Reliability Statistics Summary, which is attached as OICIP
12 Exhibit 302, submitted to the Oregon Public Utility Commission. Additionally, I reviewed
13 electric arc-flash reports done for Heinz. I have attached the arc flash onion pdf as OICIP
14 Exhibit 303. I obtained this information from the plant electrician at Heinz's Ontario facility
15 when I visited the plant on January 8, 2010. My understanding is that it was performed by an
16 engineering firm hired by Heinz and that some of the information, such as available fault current
17 was provided to them by Idaho Power.

18 **Q. What happens to the operations at Heinz's Ontario facility when a sag or**
19 **delivery disturbance occurs?**

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Q. How could Idaho Power Company better communicate with Heinz?

A. In my thirty-eight year career in the electric utility industry I have found it essential to know my customers, especially the large industrial customers. I have worked for four separate utilities, and in each case ensured that as a utility we knew our industrials and knew their needs and wants. At one utility, we invited all of our large industrials, who were similar in load and market to the Heinz’s Ontario facility, to a utility-provided lunch. During the lunch, the utility made presentations about its plans for improving the stability of the system serving large loads. In addition, each customer was encouraged to ask any question or express their concerns about their plant service. At all of the utilities for which I have worked, I made visits to the

1 customers' plants to discuss any issue they might have so that we could better serve their needs.
2 I would expect Idaho Power Company should do something similar to know its customers needs
3 and wants.

4 **Q. Has Heinz taken any steps to mitigate the impact of the sags and**
5 **interruptions at the Ore-Ida facility since the 2005 general rate case?**

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11 **Q. What is your overall conclusion based on your analysis of the power quality**
12 **problems that Heinz is experiencing?**

13 **A.** I conclude that Idaho Power Company's system is not maintained, designed or
14 constructed in a manner that minimizes the effects to the Heinz Ontario plant from disturbances
15 on the Idaho Power system. This is a major contributing factor of Heinz's power quality
16 problems. I further conclude that Idaho Power is not forthcoming in documenting the reasons for
17 the power quality problems. The Oregon Public Utility Commission may want to require
18 improvements in Idaho Power's information gathering and reporting functions.

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15 **Q. Do you have any other suggestions that could make the operation of the**
16 **Heinz plant smoother for Heinz and Idaho Power?**

17 **A.** Yes. Quarterly meetings between the Heinz staff and Idaho Power to discuss their
18 mutual needs would help each party understand the other parties' goals and objectives in
19 Ontario. Each party could provide accurate data on an informal basis to help Heinz in their quest
20 to operate the Ore-Ida plant on a continuous basis and maximize the product production.

21 **Q. Does this conclude your testimony?**

22 **A.** Yes, it does.

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OREGON INDUSTRIAL CUSTOMERS OF IDAHO POWER

DIRECT TESTIMONY OF ROBERT SCHNEIDER

CORRECTED REDACTED VERSION

January 22, 2010

1 **Q. Please state your name, occupation, and business address.**

2 **A. My name is Robert K. Schneider, P.E. I am employed as a Senior Principal**
3 Engineer and President at D. Hittle and Associates, Inc., 19101 36th Avenue West, Lynnwood,
4 Washington 98036.

5 **Q. Please describe your educational background.**

6 **A. I have a Bachelor of Science degree (Physics), Master of Science in Engineering**
7 degree (Nuclear) and Masters in Business Administration degree (Business Government &
8 Society and Finance) all from the University of Washington.

9 **Q. Please describe your relationship with the H.J. Heinz Company.**

10 **A. Through D. Hittle & Associates, Inc, I have been retained by H.J. Heinz to**
11 investigate the reliability and design of the electric power system serving H.J. Heinz's Ore-Ida
12 Potato Products facility in Ontario, Oregon.

13 **Q. Please describe any work experience relevant to your testimony.**

14 **A. I have more than thirty-four years experience as a professional engineer serving**
15 the electric utility industry. I have designed distribution, substation, transmission and small
16 generation systems for a number of electric utilities and selected industries and government
17 clients.

18 My experience also includes a number of reliability assignments for many clients.
19 Specifically, I have been involved with a number of reliability upgrades and studies including,
20 but not limited to: (1) Looping 115 kV transmission to an oil refinery in Washington State, (2)
21 Upgrading electric reliability to a major aircraft manufacturing plant in Washington State, (3)
22 Determining a method of reliably feeding a major U.S. Navy facility in Washington State, (4)

1 Upgrading electric power reliability to the Washington State Capitol Campus for the Washington
2 State Department of General Administration, (5) Upgrading electric power reliability to the
3 Washington Correction Center for Women and the McNeil Island Correction Center, (6) Being
4 the principal researcher on a study of the B.C. Hydro planning process and reliability criteria for
5 the Chief Engineer of B. C. Hydro as part of the Board of Directors due diligence process, (7)
6 Being the principal researcher on a study for B. C. Hydro on large power transformer failures in
7 western North American and the potential market for conversion of the Surrey electric
8 equipment repair facility to a privately owned repair service, (8) Organizing and leading a
9 workshop on transmission and generation reliability tradeoffs for the Oregon Energy Facility
10 Siting Council, (9) Reviewing the City of Centralia distribution, substation and transmission
11 system and through the creation of a Comprehensive Plan and increasing electric reliability of
12 the utility by suggesting modifications to feeders, a new substation and transmission changes.

13 In addition to the above, I was the System Planning Supervisor for Snohomish County
14 Public Utility District, where I was responsible for system expansion, which included
15 distribution feeder, substation expansion, and transmission planning, along with capital
16 budgeting for the utility and coordinating planning with other regulatory agencies and the
17 Bonneville Power Administration.

18 Additional experience and qualification information is provided in my general resume
19 which is attached as OICIP Exhibit 401.

20 **Q. Have you reviewed the materials regarding power quality provided in**
21 **discovery by Idaho Power Company to the Oregon Industrial Customers of Idaho Power?**

1• **A.** Yes, I have reviewed those materials. I have attached many of Idaho Power
2 Company's responses as exhibits to my testimony as follows: OICIP Exhibit 402 (excerpt of
3 email communications to Heinz from Idaho Power regarding outages), OICIP Exhibit 403 (Idaho
4 Power Company's 2008 Electric Service Reliability Annual Report), OICIP Exhibit 404 (Idaho
5 Power's response to discovery questions regarding the 2008 Reliability Report and steps to bring
6 non-conforming circuits within regulatory compliance), OICIP Exhibit 405 (Idaho Power's
7 response to discovery questions regarding momentary interruptions at the Heinz facility), OICIP
8 Exhibit 406 (Idaho Power's response and supplemental response to discovery questions
9 regarding

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14 **Q.** **What is the purpose of your testimony?**

15 **A.** The purpose is to provide an independent review of information presented by the
16 Idaho Power Company as to the reliability of service to Heinz's Ontario facility, to make
17 observations on the service being provided, along with the Idaho Power Company facilities
18 providing electric service, and to make suggestions as to how customer service to the Heinz's
19 Ontario facility can be improved. I also have some specific recommendations to the Oregon
20 Public Utility Commission as to areas of Idaho Power Company operations that they should
21 examine.

22 **Q.** **Have you performed a site visit of Heinz's Ontario facility and examined the**

1 **Idaho Power Company facilities that serve the plant?**

2 **A.** Yes I have. I visited the site on January 8, 2009. Prior to the visit, I reviewed the
3 various one-line diagrams supplied by Idaho Power Company of their transmission and
4 distribution system and maps of the regional transmission system that I have in my office.
5 During the visit, Dennis Bickford, P.E. and I fielded the

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9 **Q. What was your impression of the Idaho Power Company facilities serving the**
10 **Heinz's Ontario facility?**

11 **A.** The facilities seem to generally be old.

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Q: Would you say that in your experience that this is a typical design commonly found among electric utilities?

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Q: What about the design contributes to power quality and reliability problems at Heinz's facility?

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17 **Q. Do you have any suggestions on things that Idaho Power Company might do**

18 **to improve reliability based on your review of the drawings and the fielding you**

19 **performed?**

20 **A. Yes, I do. I would suggest that Idaho Power Company**

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Q. What else would you recommend?

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Q. Did you meet with plant personnel at Heinz’s Ontario facility to discuss their recent experience with outages, what they had done to improve reliability on their side of the utility facilities along with the impacts of power outages on the plant?

A. Yes, I did. There was one element of their discussion that I found particularly troubling and having to do with the application of demand charges by Idaho Power Company.

Q. Could you elaborate on the demand charge problem that you heard discussed by plant personnel?

A. Yes, Heinz personnel told me that, when an outage caused by an Idaho Power Company transmission power quality incident happens and the plant shuts down, that Heinz’s Ontario facility will be charged by Idaho Power Company for a false “cold load pick-up” or plant

1 restart demand rather than the demand they would have normally seen during that month. In my
2 experience, this does not seem to be appropriate.

3 First, while within the management team at Snohomish County PUD, I had the
4 opportunity to see both how that utility was charged by BPA for purchased bulk power and how
5 we charged our customers. I remember situations where BPA forgave the PUD for demand
6 charges associated with “cold load pickup” when BPA facilities failed. I also remember
7 situations where the PUD forgave our customers for demands set due to PUD equipment failures.
8 Similarly, while serving as a consultant to Whatcom County PUD, which was a client of D.
9 Hittle & Associates, Inc. with its billing for the Tosco and then later Phillips Petroleum Refinery,
10 I remember times (when due to transmission problems) refinery plant start-up related peak
11 demands were forgiven both by BPA and by Whatcom County PUD. Therefore, I have seen on
12 more than one occasion where false peak demands that are caused by transmission problems are
13 not billed to utility customers.

14 Secondly, I feel that if Idaho Power Company does impose such a start up demand based
15 on transmission problems it is probably counter to the generally accepted ratemaking practices.
16 Specifically, most cost causation uses diversified peak demands to allocate costs. A plant start-
17 up demand caused by a utility transmission problem is probably not a good example of
18 diversified peak demand. As such, it would tend to over-collect demand revenues in excess of
19 costs.

20 **Q. Have you reviewed Attachment 1 to OICIP Data Request No. 7, excerpts of**
21 **which are attached as OICIP Exhibit 402, and if so, do you have any observations?**

1 **A.** Yes, there were a number of explanations as to outage events within these email
2 communications from Idaho Power Company to Heinz, that did not seem correct or were
3 surprises based on my experience. At a minimum, the Oregon Public Utility Commission should
4 instruct Idaho Power Company to provide responses as to the causes of outages that make better
5 sense.

6 **Q.** **Could you further explain the examples in OICIP Exhibit 402?**

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Q. What do these four examples demonstrate to you?

A. These four are just a sample of the kinds of outage information submitted to the Heinz's Ontario facility as to causes of the plant's outages. Based on my experience with other utilities, a major customer, such as Heinz, should be given better explanations for the causes. Some of the explanations imply that the Ontario substation design should be reviewed so as to improve overall power reliability.

Q. Have you reviewed the response to Data Requests associated with allegations against Idaho Power Company of

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1 **Q. Have you reviewed the attachment to the Response OICIP Data Request No.**
2 **21 on distribution line clearing, and included in OICIP Exhibit 404?**

3 **A. Yes, I have. What I have read shows that the Idaho Power Company**

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13 **Q. Do you feel that the Oregon Public Utility Commission should also be**
14 **concerned about this as well?**

15 **A. Yes, I do. In particular, I would request that the Oregon Public Utility**
16 **Commission should more closely monitor the**

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8 **Q. Do you have any other suggestions as to how to resolve the reliability**
9 **concerns that have been raised by the Heinz's Ontario facility?**

10 **A.** Yes, I do. From a customer service standpoint I have seen where both the City of
11 Colorado Springs (for various semi-conductor manufacturing plants) and Whatcom County PUD
12 (for a major petroleum refinery) held monthly to quarterly meetings to review power quality for
13 those utilities with their industrial clients. The meeting included a detailed discussion of any
14 power quality issues (lightning strikes, equipment failures, problems on transmission lines, etc.)
15 that may have been felt by the industrial customers, as well as, known problems reported by the
16 customers.

17 This kind of pro-active customer service helped the utility and the customer better
18 understand the weakness of the utility system and allowed the utility to understand things that it
19 needed to do so that its customers would be able to economically compete. I would encourage
20 the Oregon Public Utility Commission to instruct Idaho Power Company to conduct such
21 meetings at least quarterly if not more frequently.

1 **Q: What if Idaho Power or the Oregon PUC does not make the suggested**
2 **reviews and changes you have suggested in your testimony? Do you have any other**
3 **recommendations for the Oregon Public Utility Commission?**

4 **A:** Yes, if the reliability or power quality associated with service of the Heinz's
5 Ontario plant is not improved by the steps I have suggested in my testimony, then I would
6 recommend that the Oregon Public Utility Commission should change the economics of poor
7 power quality for the Oregon manufacturing customers of the Idaho Power Company.

8 Specifically, I would recommend that stringent IEEE defined reliability statistic
9 benchmarks be imposed on the Idaho Power Company by the Oregon Public Utility
10 Commission. Failure to meet those benchmark reliability statistics should result in a forfeiture of
11 a significant portion of the rate of return, such that other customers will not be harmed and yet
12 such that there will be a serious economic incentive for Idaho Power to improve the service that
13 it will provide to customers such as the Heinz's Ontario food processing plant.

14 **Q: Do you see a problem in adopting standard SAIDI, SAIFI or MAIFI**
15 **definitions?**

16 **A:** Yes, I do. Those types of definitions are usually non-storm related and do not
17 capture properly the short power quality events that cause so much economic harm Heinz's
18 plant. Of them, the MAIFI is the closest but its outages are complete and not just momentary
19 sags. The real solution is one of either changing how the Heinz plant is served to increase
20 reliability and/or changing the economics of Idaho Power so that that electric utility makes the
21 system modifications necessary to reliably serve the Heinz facility. The Heinz plant is a
22 significant employer and prime economic driver in that area of Idaho Power Company's system,

1 and I am surprised that the utility is not insuring the competitiveness of that facility by providing
2 it with better customers service and power quality/reliability. Compared to what I would expect
3 from most utilities that service is substandard and should be improved.

4 **Q. Does this conclude your Testimony?**

5 **A.** Yes, it does.