

Exh. CLT-1T
Docket UE-21 _____
Witness: Charles L. Tack

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-21 _____

PACIFICORP

DIRECT TESTIMONY OF CHARLES L. TACK

June 2021

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1 **Q. Please state your name, business address, and present position with PacifiCorp.**

2 A. My name is Charles (Chuck) L. Tack and my business address is 1407 North Temple,
3 Salt Lake City, Utah 84116. I am currently employed as Managing Director of
4 Generation Support at PacifiCorp. I am testifying for PacifiCorp d/b/a Pacific Power
5 & Light Company (PacifiCorp or Company).

6 **QUALIFICATIONS**

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

8 A. I hold a Bachelor's degree in Civil Engineering from the University of Nebraska, a
9 Masters in Energy Business from the University of Tulsa, and a Masters in Finance
10 from the University of Utah. Before joining PacifiCorp, I held a Senior Reactor
11 Operators License at Fort Calhoun Nuclear Station and a Senior Reactor Operators
12 Certification at Cooper Nuclear Station. I joined PacifiCorp in 2017 and worked in
13 various engineering and operational (including Shared Unit Director) positions before
14 becoming Managing Director of Generation Support in 2019.

15 **PURPOSE OF TESTIMONY**

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

17 A. The purpose of my testimony is to describe the major maintenance expense deferral
18 and provide testimony on the prudence of those costs consistent with the terms of the
19 stipulation that was adopted by the Washington Utilities and Transportation
20 Commission (Commission) in PacifiCorp's last general rate case.¹

¹ *WUTC v. Pac. Power & Light Co.*, Docket Nos. UE-191024, UE-190750, UE-190929, UE-190981, and UE-180778, Final Order 09 / 07 / 12 ¶202, Attachment B (Dec. 14, 2020).

1 **PACIFICORP’S COLSTRIP MAJOR MAINTENANCE EXPENSE DEFERRAL**

2 **Q. Please provide some background on the Colstrip plant.**

3 A. Colstrip is a coal-fired power plant located in Montana. The plant is jointly owned by
4 various parties, of which PacifiCorp is a 10 percent owner in Unit 3 and Unit 4. Only
5 the Company’s ownership of Unit 4 is included in the Company’s Washington rates.
6 The operator, Talen Montana (Talen), plans and carries out the daily operation of the
7 facility.

8 **Q. Please explain the history of the deferred accounting treatment for the major**
9 **maintenance expense at Colstrip?**

10 A. In PacifiCorp’s last general rate case, the Commission approved the parties’
11 agreement for “deferred accounting for [major maintenance] expenses at Colstrip
12 Unit 4 through 2020 and early 2021[.]”² The determination for whether these
13 expenses were prudently incurred would occur in this PCORC, however, the costs
14 will not be included in this proceeding but be included in PacifiCorp’s next general
15 rate case.³

16 **Q. What is the scope of these major maintenance expenses at Colstrip?**

17 A. These are major maintenance expenses associated with the Colstrip Unit 4 outage
18 (occurs every 4 years) that were incurred from September through December 2020.
19 These costs include pre-spend and closeout of invoices associated with the major
20 maintenance outage.

² Docket Nos. UE-191024, UE-190750, UE-190929, UE-190981, and UE-180778, Final Order 09 / 07 / 12 ¶¶91, 169.

³ *Id.*

1 **Q. What is the amount of these major maintenance expenses for PacifiCorp?**

2 A. These expenses are approximately \$1.2 million or \$259,000 on a Washington
3 allocated basis.

4 **Q. Please provide an explanation of the activities that were undertaken during the
5 major maintenance overhaul at Colstrip Unit 4 in 2020.**

6 A. The Colstrip Unit 4 overhaul beginning in the fall of 2020 was comprised of the
7 following activities:

- 8 • Turbine & generator projects including inspections and repair work;
- 9 • Turbine accessories work including feedwater heater eddy current testing, and
10 condenser tube cleaning & eddy current testing;
- 11 • Boiler work including miscellaneous valve inspection and repairs, and boiler
12 chemical clean;
- 13 • Inspection of hot reheat & main steam piping including hot reheat seam and
14 girth welds, and main steam girth weld;
- 15 • Inspection of feedwater piping, flow orifice, and misc. piping;
- 16 • Water treatment work including clean, inspect, and repair of cooling tower
17 equipment and structures;
- 18 • Scrubbers work including scrubber vessel cleaning, various piping systems
19 inspection & repair, and sump & drain work.

20 **Q. Please provide an explanation of the overhaul cycle for Colstrip Unit 4, and
21 whether these expenses were a normal part of that cycle.**

22 A. The current overhaul cycle for Colstrip Unit 4 is every 4 years. The activities
23 undertaken and their associated expenses were part of the normal outage cycle to
24 ensure reliability, safety, and overall operations. Scheduled major maintenance
25 outages are standard industry practice.

1 **Q. Are the costs included in this major maintenance expense necessary regardless**
2 **of the closure date of Colstrip?**

3 A. Yes. The costs included in this overhaul were to complete inspections, testing,
4 updates, and repairs necessary to properly operate the unit until the next scheduled
5 major overhaul four years later, which in this case is currently 2024. All costs were
6 spent to ensure that Colstrip Unit 4 could safely, reliably, and efficiently operate up
7 through the next overhaul in 2024.

8 **Q. Does this deferral include any costs beyond 2020?**

9 A. No. It does not include any expense beyond 2020.

10 **CONCLUSION**

11 **Q. Please summarize your testimony.**

12 A. The approximately \$259,000 of major maintenance expense at Colstrip for 2020 were
13 prudently incurred costs, and PacifiCorp should be allowed to recover these expenses
14 in a subsequent rate proceeding.

15 **Q. Does this conclude your direct testimony?**

16 A. Yes.