10-035-124/Rocky Mountain Power
May 25, 2011
DPU Data Request 36.11

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Plant Additions: Pollution Control
The Company's response to UAE 3.4 addresses end-of-life issues for various projects. What are the specific costs for each project related to end-of-life issues? Could these end-of-life issues been resolved without the remaining cost of the scrubber project? Please explain why or why not.

Response to DPU Data Request 36.11

The end-of-life issues addressed in the Company's response to UAE Data Request 3.4 are limited to the scrubber projects at Huntington Unit 1, Hunter Unit 1 and Hunter Unit 2. End-of-life costs for these projects are a subset of the total costs of the projects. Some of the end-of-life issues were previously planned to be resolved independently of the scrubber projects, but because the scrubber projects were required, were incorporated into the larger projects rather than being done piecemeal. While ductwork repair is mentioned in the Company's response to UAE Data Request 3.4, the costs of ductwork repair were assigned to the baghouse project and as such are not itemized below. The summaries below are for 100% direct project costs associated with the major end-of-life issues, not including PacifiCorp surcharges and AFUDC. In all cases, the end-of-life issues identified would have otherwise needed to be addressed over the next few years of unit operation. The recycle pumps replacement costs referenced below are equivalent to the amount included in the scrubber project contract since the pumps are being replaced in kind. The agitator and reagent preparation facilities costs referenced below have been conservatively adjusted for estimating purposes to approximately half of the scrubber project contract values for those line items. The scrubber project contract values for those line items not only replaced the equipment, but also increased the size of the absorber agitators to accommodate forced oxidation requirements and the new reagent preparation facility capacity has considerably higher capacity than the original system, due to the higher design coal sulfur content. The conservative adjustment referenced above corrects the contract values back to a cost solely reflecting replacement-in-kind, without incremental equipment/system upsizing costs. The absorber nozzle replacement costs referenced below are an estimate, since that line item cost was not broken out by the contractor.

For estimating purposes the costs shown for Hunter Unit 1 were assumed approximately equal to the costs to be spent at Hunter Unit 2. Huntington Unit 1 did not require a reagent preparation facility upgrade.

DPU Exhibit 7.6D-RR
Croft
10-035-124

10-035-124/Rocky Mountain Power
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DPU Data Request 36.11

End-of-Life Issues Costs for Hunter 1 and Hunter 2	
New Recycle Pumps	$6,467,698
25% Nozzle Replacement (not broken out by Contractor)	$200,000
Replace existing absorber agitators	$1,975,292
Lime Preparation System	$17,234,042
Total with full Lime System Cost	$25,877,032
Lime Preparation credit to share costs with higher sulfur Issue	$8,617,020.99
Total Hunter Unit 1 or Hunter Unit 2 End-of-Life Estimate	$17,260,011.40
End-of-Life Issues Cost for Huntington Unit 1	
New Recycle Pumps	$5,541,211
25% Nozzle Replacement (not broken out by Contractor)	$171,350
Replace existing absorber agitators	$1,692,334
Lime Preparation System	$0
Total with full Lime System Cost	$7,404,895

As discussed above, equipment end-of-life issues could have been addressed on a piecemeal basis; however, pursuing the scopes of work identified in that fashion would not have supported Regional Haze requirements or prudently addressed forward looking coal quality concerns, likely resulting in duplicative expenditures and re-work.