

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Voluntary Request of	)	
Rocky Mountain Power for Approval of	)	
Resource Decision to Construct Selective	)	Docket No. 12-035-92
Catalytic Reduction Systems on Jim	)	
Bridger Units 3 and 4	)	DPU Exhibit 2.0 SR
	)	

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PRE-FILED SURREBUTTAL TESTIMONY

GEORGE W. EVANS

ON BEHALF OF THE

UTAH DIVISION OF PUBLIC UTILITIES

February 28, 2013

**REDACTED - PUBLIC**

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5 **INTRODUCTION**

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7 **Q. Please state your name, business address, employer, and current position or**  
8 **title for the record.**

9 A. My name is George W. Evans, and my business address is 358 Cross Creek Trail,  
10 Robbinsville, North Carolina 28771. I am the President of Evans Power  
11 Consulting, Inc.

12 **Q. For whom are you providing testimony in this case?**

13 A. I am providing testimony on behalf of the Utah Division of Public Utilities (DPU  
14 or Division).

15 **Q. Are you the same George W. Evans that filed direct testimony in this case?**

16 A. Yes I am.

17 **PURPOSE OF TESTIMONY**

18 **Q. What is the purpose of your surrebuttal testimony in this proceeding?**

19 A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of  
20 Mr. Rick T. Link, filed on behalf of Rocky Mountain Power Company (the  
21 Company or RMP). In his rebuttal testimony, Mr. Link responded to my  
22 criticisms of his financial analyses concerning the proposed installation of

23 selective catalytic reduction (SCR) equipment at Jim Bridger Units 3 and 4 by  
24 presenting the results of a complete set of revised System Optimizer model (SO  
25 Model) results.

26 **Q. Have you examined Mr. Link's revised SO Model results?**

27 A. Yes I have. I find that Mr. Link's revised SO Model results correct the problems  
28 that I identified in my direct testimony, and are thus a reasonable representation of  
29 the cost savings that are likely to accrue (versus the next best alternative) from the  
30 Company's proposed installation of SCRs at Jim Bridger Units 3 and 4.

31 **Q. What specific modifications did Mr. Link make in response to your direct**  
32 **testimony?**

33 A. Mr. Link made the following modifications and corrections to his analyses:

- 34
- Corrected the capacity of the Wyodak generating unit
  - 35 • Corrected the dispatch of the Gadsby peaking units and the Currant  
36 Creek plant
  - 37 • Enhanced the SO Model runs so that manual adjustments of the SO  
38 Model results are no longer required<sup>1</sup>
  - 39 • Modified the natural gas and carbon dioxide forecasted prices to align  
40 with the Company's latest assumptions
  - 41 • Added SO Model runs to form a complete set of potential future  
42 outcomes regarding natural gas and carbon dioxide forecasted prices

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<sup>1</sup> The impact of mine reclamation funds in 2031 through 2037 are applied to the SO Model results manually because the SO Model runs do not cover that period.

- 43                   • Modified assumptions concerning the cost of Bridger mine coal under  
44                   the scenario in which Bridger 3 and 4 do not continue as coal-fired  
45                   generating units
  
- 46                   • Corrected errors concerning the Bridger mine capital costs and the  
47                   inclusion of certain capital costs in the conversion of the Bridger units  
48                   to natural gas

49   **Q.    Did Mr. Link address your concerns regarding a quantified risk-weighted**  
50   **result?**

51   A.    No, he did not.

52   **Q.    What would you recommend?**

53   A.    I recommend that the Commission recognize █████ million as the risk-weighted  
54   benefit of the proposed Bridger SCRs. This value is the simple average of the nine  
55   SO Model results (for the base, high and low natural gas prices, and base, high  
56   and low carbon dioxide prices) discussed by Mr. Link in his rebuttal testimony.  
57   Using a simple average is equivalent to assuming that each of the nine results is  
58   equally likely.

59   **Q.    Did other Company witnesses respond to your rebuttal testimony?**

60   A.    Yes. Ms. Cindy Crane, in her rebuttal testimony, responded to my criticism of the  
61   Company's assumption that excess coal from the Bridger mine would not be  
62   useful at other PacifiCorp plants or marketable to other parties.

63   **Q.    Has your position on this issue changed?**

64 A. Yes it has. In that the Company no longer assumes a dramatic increase in the cost  
65 of Bridger coal, should Bridger units 3 and 4 be converted to natural gas, the  
66 issue, as it concerns the Company's analyses, is no longer a concern. In addition,  
67 the Company has provided information that shows that the mine is not currently  
68 equipped to transport coal to sites other than the Bridger plant and that the  
69 marketing of Bridger coal to other parties would be difficult.

70 **Q. Does this complete your testimony?**

71 A. Yes it does.