

**PUBLIC SERVICE COMMISSION
OF UTAH**

Docket No. 14-035-147

Exhibit SC___JIF-8

Oregon Docket UM 1712
Response to ICNU Data Request 1.16 (Excerpt)

UM-1712/PacifiCorp
January 30, 2015
ICNU Data Request 1.16

ICNU Data Request 1.16

Please reference the testimony of Ms. Crane, PAC/100, page 15, lines 15-19. Please provide a copy of the settlement agreement between Energy West and the UMWA, including all Memoranda of Understanding and the 2014 Wage Agreement.

Response to ICNU Data Request 1.16

Please refer to Attachment ICNU 1.16.

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B. MEMORANDUM OF UNDERSTANDING RELATED TO PROVISION OF MEDICAL AND PHARMACEUTICAL BENEFITS TO ELIGIBLE RETIREES

This Memorandum of Understanding is entered into this 8th day of December 2014 between Energy West Mining Company ("Energy West"), the International Union, United Mine Workers of America ("UMWA"), (the UMWA and Energy West are also collectively referred to as the "Parties").

WHEREAS: The Parties have been engaged in bargaining related to medical and pharmaceutical benefits for retirees (and their eligible dependents) of Energy West; and

WHEREAS: The Parties agree that this MOU is the product of good faith discussions between the Parties pursuant to the 2014 Bituminous Coal Wage Agreement; and

NOW THEREFORE, in consideration of value received and mutual promises made to each other, the Parties agree to the following:

1. The 2014 UMWA Prefunded Plan and Trust ("2014 Prefunded Plan") shall be funded by a transfer of monies from Energy West (or any of its affiliates) to the 2014 Prefunded Plan pursuant to section 4 below. The 2014 Prefunded Plan shall be administered by the UMWA, and Energy West shall have no other duties or obligations to the 2014 Prefunded Plan except for payment in accordance with section 4 below.
2. After payment in full of the amounts set forth in section 4 below, Energy West (and any affiliate and/or any entity in common control with Energy West) shall no longer have any liability or obligation to contribute, provide or cover any health and welfare benefits for its UMWA non-Coal Act retirees, except for costs incurred prior to 12:01 AM on June 1, 2015 ("Effective Retiree Medical Date"); provided that any such costs incurred must be submitted to the current plan administrator no later than 365 days after the cost was incurred. Notwithstanding any other provisions, there shall be no payment for any cost or claim for non-Coal Act retiree health and welfare benefits submitted 365 days after the Effective Retiree Medical Date. Additionally, following payment of such amounts set forth in section 4 below, all Coal Act retirees shall receive their benefits for claims incurred on or after the Effective Retiree Medical Date from the 2014 Prefunded Plan, provided it has assets available for such benefits. Energy West shall not be responsible for those medical costs incurred by Coal Act retirees prior to the Effective Retiree Medical Date that are not submitted to the current plan administrator within 365 days after the Effective Retiree Medical Date.
3. Upon the Effective Retiree Medical Date and the creation of the 2014 Prefunded Plan necessary to effectuate this MOU, all retirees receiving, eligible to receive or that become eligible to receive retiree health care benefits from Energy West shall no longer receive such benefits from Energy West, any entity in common control with Energy West and/or any affiliate of these entities, as described in Section 2. All retirees described in the first sentence in this section 3 shall receive retiree health care benefits only from the 2014 Prefunded Plan, if they are eligible.

4. Upon the Effective Retiree Medical Date and the creation of the 2014 Prefunded Plan necessary to effectuate this MOU, Energy West shall transfer to the 2014 Prefunded Plan a sum total of \$150,000,000. In addition to the lump sum payment of \$150,000,000 referenced above, Energy West shall make a one-time additional transfer of \$156,000 per eligible beneficiary (limited to retirees and their spouses, notwithstanding any other provision in this MOU, no payment shall be made for dependents that become eligible) that becomes eligible for benefits from the 2014 Prefunded Plan pursuant to section 5 below. This one-time additional payment shall be equal to the number of eligible beneficiaries that gain eligibility pursuant to section 5 multiplied by \$156,000 and shall be made ten (10) business days after the parties mutually agree on the number of persons that have attained eligibility pursuant to section 5 but not later than thirty (30) days after the fifth (5th) anniversary of the Effective Retiree Medical Date or thirty (30) days after the eighth (8th) anniversary of the date of execution of this Memorandum of Understanding, whichever is earlier.

5. Any employee on the attached Potential Employee Eligibility List: (a) who attained age 50 years or older on or before the closing date of the sale or transfer of the Deer Creek Mine; and, (b) who was not eligible for retiree health care from Energy West as of the closing date of sale or transfer of the Deer Creek Mine can earn eligibility for retiree health care for themselves and eligible spouses and dependents from the 2014 Prefunded Plan through performance of work for the employer at the Deer Creek Mine covered by the Modified 2014 Coal Wage Agreement and any successor agreement. For each individual described in this section 5, that individual shall earn service credit by working in employment covered by the Modified 2014 Coal Wage Agreement and any successor agreement in the same manner that the individual would earn service credit for purposes of retiree health care if still working for Energy West, but only up to a maximum of five years of additional service credit. No service credit will be given for any time worked after five years from the closing date of sale or transfer of Deer Creek Mine. Employees that attain 20 years or more of properly credited service shall become eligible for retiree health care benefits for themselves and eligible spouses and dependents from the 2014 Prefunded Plan in accordance with the Plan's eligibility requirements.

6. The 2014 Prefunded Plan shall become the only responsible entity for all retiree health care benefits as described in sections 3 and 5 above for any and all appropriate retiree health care costs incurred on or after 12:01 AM on the Effective Retiree Medical Date. The 2014 Prefunded Plan (and any successor or appropriately merged plan) shall be the responsible entity for all retiree health care benefits for Coal Act beneficiaries of Energy West unless and until it does not have assets available for such benefits.

7. The benefit plan maintained for non-Coal Act beneficiaries under the 2014 Prefunded Plan initially shall have the same benefit design as the UMWA 1993 Benefit Plan, including co-payments, deductibles and out-of-pocket maximums. The benefit plan maintained for the Coal Act Beneficiaries under the 2014 Prefunded Plan shall be consistent with the requirements of the Coal Act. The 2014 Prefunded Plan and its Trustees are authorized to modify the benefits in the future for non-Coal Act retirees, but shall not increase the level of such benefits. The 2014 Prefunded Plan and its Trustees shall not modify the eligibility requirements for the 2014 Prefunded Plan unless such modification requires more stringent eligibility requirements than currently exist in the 2014 Prefunded Plan on the Effective Retiree Medical Date or are required

by law. The 2014 Prefunded Plan shall not be merged with any other retiree health or welfare plan where such a merger would subject the benefits and/or the assets to any risk of loss or use by any individual who would otherwise not be entitled to benefits from the 2014 Prefunded Plan. The 2014 Prefunded Plan may transfer any remaining assets to the UMWA 1993 Benefit Plan but only after there are no remaining beneficiaries of the 2014 Prefunded Plan.

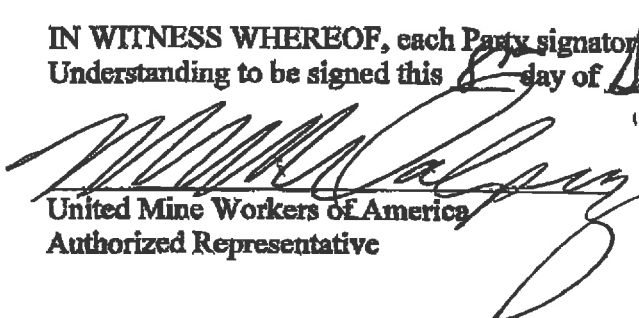
8. The 2014 Prefunded Plan shall maintain a separate accounting for those beneficiaries receiving benefits pursuant to the Coal Act. Of the \$150,000,000 million transfer, an initial amount of \$15,000,000 million shall be allocated to pay for the benefits of the Coal Act beneficiaries and shall not be used to pay for any benefits of non-Coal Act beneficiaries. These separate accounts may be pooled for investment purposes but must maintain their separate accounting. If the \$15,000,000 million initial transfer is depleted, then the Trustees shall make any and all additional transfers from the non-Coal Act beneficiary account into the Coal Act beneficiary account as necessary to pay Coal Act benefits. Upon the death of the last remaining Coal Act beneficiary and the determination by the 2014 Prefunded Plan that no additional benefits will be paid to or on behalf of a Coal Act beneficiary, the Coal Act account shall be eliminated and all assets contained therein shall be transferred to the non-Coal Act account for its use for non-Coal Act beneficiaries.

9. The Parties further agree that Energy West shall designate a Monitor of the 2014 Prefunded Plan. Such Monitor shall receive an agreed-upon summary of certain financial, actuarial, accounting and medical reports of the 2014 Prefunded Plan, and such actual reports or reports in their entirety that have been created by or provided to the 2014 Prefunded Plan and any of its Trustees as the Monitor may request from time to time. In the event that the 2014 Prefunded Plan assets are determined to be insufficient to meet all Coal Act beneficiary obligations as determined by the Trustees, the 2014 Prefunded Plan shall reduce the level of benefits for non-Coal Act beneficiaries to the satisfaction of the Plan's Trustees that such reductions will allow for the payment of all projected benefit obligations of the Coal Act beneficiaries.

10. The reference to retirees in this agreement shall include surviving spouses, spouses and dependents who are eligible to receive retiree health care benefits from Energy West pursuant to a Wage Agreement between the Parties (including any predecessor companies) or section 9711 of the Coal Act.

11. This Memorandum of Understanding ("MOU") B shall become effective upon execution, subject to the written approval and acceptance of the 2014 Prefunded Plan established by this MOU B by the Trustees of the 2014 Prefunded Plan and Energy West.

IN WITNESS WHEREOF, each Party signatory hereto has caused this Memorandum of Understanding to be signed this 8 day of December, 2014.


United Mine Workers of America
Authorized Representative


Energy West Mining Company
Authorized Representative