

DPU Data Request 2.6

Please provide the basis for the Company's assumption that should Bridger Unit 3 or Unit 4 be replaced or converted to burn natural gas, excess coal from the Bridger coal mine could not be utilized at other PacifiCorp coal plants nor sold to other parties.

Response to DPU Data Request 2.6

Please refer to the Company's response OCS Data Request 6.25.

OCS Data Request 6.25

Please explain whether the Bridger coal mine would be a viable operation for selling coal into the open market in the event that Bridger 3 and 4 cease operations? Please respond to the same question for all four Bridger units. Please explain the answer.

Response to OCS Data Request 6.25

No. Bridger Coal Company is located in southwest Wyoming, a relatively small niche market. The vast majority of the coal produced in this region is consumed locally either by the "trona" patch companies or power plants. Currently, an imbalance exists between supply and demand for Southwest Wyoming coal. Kiewit Mining initially commenced operation of the Haystack mine in 2011; however, the Company understands that Kiewit Mining has now delayed development of the mine due to lack of demand. The planned conversion of Naughton Unit 3 from coal to natural gas will further exacerbate the current market disequilibrium. Finally, the lack of competitive transportation alternatives undermines the ability of Southwest Wyoming coals to economically compete with coals from other production basins.