

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Voluntary Request)	Docket No. 12-035-92
Of Rocky Mountain Power for Approval)	Rebuttal Testimony of
Of Resource Decision to Construct)	Cheryl Murray
Selective Catalytic Reduction Systems)	For The Office of
On Jim Bridger Units 3 and 4)	Consumer Services

February 11, 2013

1 **Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?**

2 A. My name is Cheryl Murray. I am a Utility Analyst for the Office of
3 Consumer Services (Office). My business address is 160 East 300 South
4 Salt Lake City, Utah 84111.

5 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

6 A. The purpose of my rebuttal testimony is to respond to the direct testimony
7 submitted in this proceeding of Rocky Mountain Power's Voluntary
8 Request for Approval of Resource Decision to Construct Selective
9 Catalytic Reductions Systems (SCR) on Jim Bridger units 3 and 4
10 (Request).

11 **Q. WHAT PARTIES PROVIDED DIRECT TESTIMONY IN THIS DOCKET?**

12 A. In addition to the Office, three parties submitted direct testimony on
13 November 30, 2012 responding to the Company's Request. They are: the
14 Division of Public Utilities (Division); Sierra Club; and Western Resource
15 Advocates (WRA).

16 **Q. DID ANY PARTY RECOMMEND THAT THE COMMISSION APPROVE
17 THE COMPANY'S APPLICATION?**

18 A. Based on the information and analysis provided in Company testimony no
19 party recommended approval at this time.

20 **Q. PLEASE SUMMARIZE THE RECOMMENDATIONS MADE BY THE
21 OTHER THREE PARTIES THAT PROVIDED DIRECT TESTIMONY.**

22 A. Without going into the detail of how parties reached individual conclusions,
23 which is explained in their direct testimonies, I will briefly restate each
24 position.

25 1) Division of Public Utilities: Division witnesses raise concerns
26 with the Company's analysis and the selection of the SCRs. "Assuming
27 the Company can in rebuttal or supplemental testimony satisfactorily
28 address these issues and the result of those analyses yields the same
29 conclusion as its Application, the Division recommends that the
30 Commission conditionally approve the Company's choice of the SCRs
31 with final approval contingent upon final approval of an EPC contract."¹

32 2) Sierra Club: "Based on my review, it is my opinion that that [sic]
33 there is sufficient evidence to show that the retrofit of Bridger is not in the
34 public interest".²

35 3) Western Resource Advocates: "I recommend the Commission
36 deny the Company's Request for Approval of a Resource Decision to
37 construct SCR Systems on Jim Bridger Units 3 and 4. If PacifiCorp
38 nevertheless proceeds with the project, it should be at risk for cost
39 recovery in the appropriate rate proceeding."³

40 **Q. BASED ON REVIEW OF OTHER PARTIES' TESTIMONY AND**
41 **ANALYSES HAS THE OFFICE REVISED ITS POSITION?**

¹ Matthew Croft, direct testimony page 3, lines 31 – 35.

² Jeremy Fisher, direct testimony page 4, lines 2 – 3.

³ Nancy Kelly direct testimony page 5, lines 83 – 86.

42 A. No, we have not. The testimony of other parties only makes it clearer that
43 the Company has provided insufficient evidence to support its decision to
44 construct SCR Systems and for the Commission to approve the
45 construction at ratepayer expense. In addition, there is a new
46 development that may have an impact on the compliance deadlines and
47 creates additional uncertainty as to whether the Company's proposal is
48 the least-cost option for compliance.

49 **Q. WHAT IS THAT NEW DEVELOPMENT?**

50 A. The United States District Court for the District of Colorado has issued an
51 Order to Modify Consent Decree which may impact the deadlines for
52 compliance with Environmental Protection Agency (EPA) requirements.

53 **Q. HAS THE COMPANY IDENTIFIED DATES BY WHICH JIM BRIDGER**
54 **UNITS 3 AND 4 MUST HAVE SCRS IN PLACE?**

55 A. At page 2 of the Request the Company states "*Second*, pursuant to
56 Wyoming environmental requirements and proposed EPA action on those
57 requirements, *Unit 3 cannot continue to operate beyond December 31,*
58 *2015, and Unit 4 cannot continue to operate beyond December 31,*
59 *2016 in their current operating modes and conditions. Compliance is*
60 *not an option; only the means of compliance are options.*" [Emphasis
61 in original]

62 **Q. THE REQUEST REFERS TO "PROPOSED" EPA ACTION. WHEN**
63 **WAS THAT ACTION EXPECTED TO BE FINAL?**

64 A. At the time of the Company's Request a final EPA Best Available Retrofit
65 Technology (BART) decision for the Jim Bridger Units was expected by
66 mid-October 2012.

67 **Q. PLEASE DESCRIBE HOW THE ORDER TO MODIFY CONSENT**
68 **DECREE MODIFIES THE TIMELINE.**

69 A. On December 13, 2012 the United States District Court for the District of
70 Colorado issued an Order to Modify Consent Decree which modified two
71 deadlines from a September 27, 2011 consent decree. Paragraphs 6 and
72 7 were modified as quoted below:

73 6. By March 29, 2013, EPA shall sign a notice of re-
74 proposed rulemaking in which it proposes approval of a SIP,
75 promulgation of a FIP, partial approval of a SIP and
76 promulgation of a partial FIP, or approval of a SIP or
77 promulgation of a FIP in the alternative, for the State of
78 Wyoming, to meet the regional haze implementation plan
79 requirements that were due by December 17, 2007, under
80 450 C.F.R. § 51.309(g). In its re-proposal, EPA will propose
81 to determine, for each source subject to BART, the period of
82 time for BART compliance that is as expeditious as
83 practicable, as required by 41 U.S. C. § 7491.

84 7. EPA shall by September 27, 2013, sign a notice of
85 final rulemaking promulgating a FIP for the State of
86 Wyoming, to meet the regional haze implementations plan

87 requirements that were due by December 17, 2007, under
88 the requirements of 40 C.F.R. § 51.309(g), unless, by
89 September 27, 2013, EPA has signed a notice of final
90 rulemaking unconditionally approving a SIP, or promulgating
91 a partial FIP and partial unconditional approval of a SIP, for
92 the State of Wyoming that meets the regional haze
93 implementation plan requirements that were due by
94 December 17, 2007, under the requirements of 40 C.F.R. §
95 51.309(g).

96 **Q. HOW DOES THE ORDER TO MODIFY CONSENT DECREE RELATE**
97 **TO THIS DOCKET?**

98 A. As noted above the Company indicated that Jim Bridger Units 3 and 4
99 cannot continue to operate without modifications beyond December 31,
100 2015 and December 31, 2016, respectively. However, with the Order to
101 Modify Consent Decree the EPA will issue its new BART determination for
102 Jim Bridger by March 29, 2013 and a final rule by September 27, 2013
103 which may delay those compliance deadlines to September 2017.

104 **Q. DOES THIS MEAN THAT THE REQUIREMENTS AND DEADLINES**
105 **FOR COMPLIANCE PROVIDED IN THE COMPANY'S REQUEST WILL**
106 **CHANGE?**

107 A. At this time no one can answer that question with certainty. According to
108 the Company, regardless of the EPA actions the Wyoming requirements
109 result in the compliance deadlines remaining the same. Further, the

110 Company has recently stated that it is not seeking an extension of time for
111 compliance from the Wyoming Department of Environmental Quality on
112 the basis that the result of such a request was known in advance.⁴ Without
113 additional information regarding its decision not to seek an extension from
114 Wyoming, it is not clear whether the Company is pursuing least-cost
115 compliance in a prudent manner. However, what is clear is that the added
116 uncertainty compounds the current problems with the Request.

117 **Q. PLEASE EXPLAIN WHAT YOU MEAN.**

118 A. In direct testimony the Office stated: “Based on the evidence and analysis
119 provided by the Company in this case the Commission, at this time, lacks
120 sufficient support to approve the Application.” In our view the Company
121 has not provided adequate analysis for the Commission to make a
122 determination that adding SCRs to Jim Bridger Units 3 and 4 is the best
123 option for ratepayers. With this new uncertainty related to EPA
124 requirements and deadlines it is simply not possible for the Commission to
125 make the determination that the Company is pursuing the least-cost option
126 for compliance. At a minimum, the EPA re-proposal needs to be made
127 public for a complete understanding of the issues. Even if the Company
128 were to provide additional analysis in support of its current Request any
129 modifications to requirements or deadlines resulting from the EPA re-

⁴ Testimony of Ms. Cathy Wollums, Wyoming Public Hearing Commission Oral Argument hearing, Docket No. 20000-418-EA-12, January 17, 2013.

130 proposal would require further analysis in order for the Request to be
131 found the least-cost option for compliance.

132

133 In summary, the current circumstances and status of the evidence
134 presented to date cannot be found to be sufficient to grant pre-approval as
135 requested by the Company.

136 **Q. WHAT IS THE OFFICE'S RECOMMENDATION REGARDING**
137 **APPROVAL OF THE JIM BRIDGER UNITS 3 AND 4 SCRS?**

138 A. The Office continues to recommend that the Commission deny the
139 Application. The Company has not provided sufficient evidence and
140 analysis to support its Request. Further the recent Order to Modify
141 Consent Decree compounds the problems leaving the Commission with
142 inadequate support to determine public interest and approve the Request.

143 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

144 A. Yes it does.