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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF WYOMING

IN THE MATTER OF THE APPLICATION
OF ROCKY MOUNTAIN POWER FOR DOCKET NO.
APPROVAL OF A CERTIFICATE OF 20000-418-EA-12
PUBLIC CONVENIENCE AND NECESSITY (RECORD NO. 13314)
TO CONSTRUCT SELECTIVE CATALYTIC
REDUCTION SYSTEMS ON JIM BRIDGER CONFIDENTIAL
UNITS 3 AND 4 LOCATED NEAR
POINT OF ROCKS, WYOMING

TRANSCRIPT OF HEARING PROCEEDINGS
Volume I

PURSUANT TO NOTICE duly given to all parties in
interest, this matter came on for hearing on the 26th day
of March, 2013, at the hour of 8:30 a.m., in the Commission
Hearing Room, 2515 Warren Avenue, Suite 300, Cheyenne,
Wyoming, before the Public Service Commission, Steve Mink,
Assistant Secretary and Counsel, presiding; with Chairman
Alan B. Minier and Commissioner William F. Russell also in
attendance. Also present were Lori Brand, Assistant
Secretary and Counsel; Dave Walker, Michelle Bohanan,
Brittney Brinkmeier, Laura Yetter and Perry McCollom,
technical advisors to the Commission.

1 when and in what amount any of these investments would
2 enter into customer rates.

3 And with that, I'll stop. Thank you.

4 MR. MINK: Thank you, Mr. Williams.

5 Before we start taking your witnesses,
6 Mr. Hickey, I think we'll go ahead and recess for 15
7 minutes. So let's go off the record.

8 (Hearing proceedings recessed
9 9:57 a.m. to 10:15 a.m.)

10 MR. MINK: Go back on the record.
11 Mr. Hickey, would you please present your first witness.

12 MR. HICKEY: Yes, Mr. Mink, we'd call Chad
13 Teply.

14 MR. MINK: Mr. Teply.

15 (Witness sworn.)

16 MR. MINK: Please be seated.

17 CHAD TEPLY,
18 called for examination by the Applicant, being first duly
19 sworn, on his oath testified as follows:

20 DIRECT EXAMINATION

21 Q. (BY MR. HICKEY) Good morning, Chad.

22 A. Good morning.

23 Q. For the record, would you please state your name
24 and your business address?

25 A. Chad Teply, vice president, resource development

1 deferred action in this docket or subsequent delayed action
2 by permitting agencies.

3 With respect to the specific benefits to
4 customers and the critical nature of the currently
5 established project schedule, there are a couple of pieces
6 of confidential information that would be beneficial to
7 share with the Commission at this time if we could briefly
8 proceed under confidentiality provisions.

9 MR. HICKEY: Eric, if you would seal the
10 record at this point for a short period.

11 THE REPORTER: Yes.

12 (Pages 58 through 59 contain
13 confidential information. Numbers have
14 been redacted in public version of
15 transcript.)

16 Q. (BY MR. HICKEY) Please proceed.

17 A. The company has provided detailed analysis of the
18 Jim Bridger Units 3 and 4 SCR project that results in a
19 benefit to customers of [REDACTED] on a present-value
20 revenue requirement basis when compared to the next best
21 compliance alternative. This benefit to customers not only
22 considers direct economic assumptions, but also the most
23 cost-effective project completion schedule.

24 As discussed in my testimony, delays in meeting
25 the currently scheduled contract execution date of May 15,

1 2013 will place the SCR project at risk for increased costs
2 and delayed tie-in. And depending upon its duration, a
3 delay may ultimately render the project compliance schedule
4 unachievable.

5 For example, on an order-of-magnitude basis, the
6 potential project cost increase associated with a delay in
7 releasing the contractor to begin work until year end 2013
8 would be [REDACTED] on a total
9 project capital cost basis.

10 That negative project cost impact would primarily
11 result from [REDACTED] in the
12 engineer procure construct contract price associated with
13 increased manpower and accelerated work plans that result
14 from a compressed project schedule, as well as an increase
15 in replacement power costs due to shifting tie-ins of the
16 SCRs from planned spring major maintenance outages to
17 planned fall outage schedules.

18 While only order-of-magnitude costs and only one
19 possible planning scenario, these are very significant
20 costs to consider when managing compliance plans. That
21 ends the confidential references.

22 Q. (BY MR. HICKEY) Okay. So we're back into a
23 public transcript at this point. Does that conclude your
24 summary?

25 A. Yeah, I just have one paragraph left. The