

- 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 ) DOCKET NO. 12-035-92  
Resource Decision to Construct Selective )  
Catalytic Reduction Systems on Jim Bridger )  
Units 3 and 4 ) REDACTED  
 ) ORDER OF CLARIFICATION  
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ISSUED: May 30, 2013

By The Commission:

On May 17, 2013, Rocky Mountain Power, a division of PacifiCorp (“Company”), filed a petition requesting the Commission clarify two portions of its Report and Order, issued May 10, 2013, approving the Company’s voluntary request for approval of a resource decision (“Order”). On May 28, 2013, the Utah Division of Public Utilities (“Division”) filed its response to the Public Service Commission of Utah’s (“Commission”) May 20, 2013, action request.

The Company’s petition first seeks clarification regarding the language at page 33 of the Order approving [REDACTED] as the reasonable projected cost to implement Selective Catalytic Reduction (“SCR”) systems to meet the proposed Oxides of Nitrogen (“NOx”) emissions limit of 0.07 lbs/MMBtu. That portion of the Order states:

We base this finding on the Company’s testimony that achieving 0.05 lbs/MMBtu is expected to cost between [REDACTED] and that this amount is contained within the estimated Project cost of [REDACTED] for the SCR systems. Accordingly, we have removed [REDACTED] of the Project cost required to meet the 0.07 lbs/MMBtu NOx emission limit from the requested [REDACTED] to reflect the Company’s testimony.<sup>1</sup>

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<sup>1</sup> Order, p. 33.

The Company indicates in its petition that the [REDACTED] difference for achieving a more stringent emissions limit of 0.05 lbs/MMBtu referenced in testimony represents the total Project cost and not the Company's actual two-thirds ownership share in the Bridger generating facility.<sup>2</sup> As such, the Company requests the Commission clarify its Order by decreasing the [REDACTED] reduction amount by one-third to [REDACTED], resulting in approval of [REDACTED] as the Company's share of the Project cost to implement the SCR systems. The Division's response supports the Company's request.

Upon further consideration of the record, we find support for the Company's requested clarification at page 51, lines 13-18 of the hearing transcript. In light of the clarification offered by the Company and confirmed by the Division, we agree the difference between the amounts necessary to achieve the 0.05 lbs/MMBtu and 0.07 lbs/MMBtu should be [REDACTED] to reflect only the Company's share of the Project costs. This clarification results in approval of total Project costs of [REDACTED] to achieve the 0.07 lbs/MMBtu emission limit.

The Company also requests the Commission clarify the Order by acknowledging approval of the [REDACTED] includes EPC costs as well as projected non-EPC costs. As identified in the Division's action request response Table 1, the Company's total projected Project costs are broken down into two categories, namely, EPC contract costs and non-EPC contract costs. The Company's share of the EPC contract costs to achieve NOx emissions limits of 0.07/MMBtu or 0.05/MMBtu is projected at [REDACTED] and [REDACTED], respectively;

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<sup>2</sup> See Rocky Mountain Power's Petition for Clarification, p. 2.

whereas the Company's share of the projected non-EPC contract costs for either emission limit is

██████████<sup>3</sup>.

Despite the distinction between EPC and non-EPC contract costs, the Division notes that the language of the Order at page 33 implies approved costs to achieve 0.07/MMBtu or 0.05 MMBtu NO<sub>x</sub> are the lower of the approved Project amounts (██████████ and ██████████, respectively) or the final EPC contract costs. Based on the current EPC cost projections, the approved total Project costs could potentially be replaced by an amount that excludes non-EPC contract costs. To avoid this outcome, the Division recommends the Commission clarify any downward adjustments based on review of final EPC contract(s) will apply only to the Company's share of the EPC contract costs rather than replacing the total approved Project costs.

The Commission agrees with the Division's recommendation and clarifies approval of the ██████████ projected total Project cost is conditioned upon future review of the Company's share of the final EPC contract. Therefore, if the actual final EPC contract to achieve a 0.07 MMBtu NO<sub>x</sub> emissions limit is less than ██████████, the lesser amount shall replace the projected EPC contract cost of ██████████ and the total approved projected Project cost shall be adjusted downward accordingly. Likewise, if the actual final EPC contract to achieve a 0.05 MMBtu NO<sub>x</sub> emissions limit is less than ██████████, the lesser amount shall replace the projected EPC contract cost of ██████████ and the total approved projected Project cost shall be adjusted downward accordingly.

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<sup>3</sup> See also, Rocky Mountain Power's Petition for Clarification, p. 3, referencing Confidential Exhibit RMP\_\_ (CAT-1)(d) and Confidential Exhibit RMP\_\_(CAT-1.2).

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ORDER

Pursuant to the foregoing discussion, we ORDER:

1. Ordering Paragraph 2 of the Order shall be replaced in its entirety with the following paragraph: The Company's share of the approved projected cost of the Project is [REDACTED], conditioned upon our review of final and actual EPC contract(s) as discussed herein.
2. Ordering Paragraph 3 of the Order shall be replaced in its entirety with the following paragraph: In the event the EPA issues a final rule imposing a 0.05 lbs/MMBtu NOx emissions limit, the approved projected cost of the Project is [REDACTED], conditioned upon our review of final and actual EPC contract costs as discussed herein.
3. The discussion in the Order related to final EPC contract costs is modified to be consistent with the discussion in this Order of Clarification.

DATED at Salt Lake City, Utah, this 30<sup>th</sup> day of May, 2013.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary

D#244719

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 30<sup>th</sup> day of May, 2013, a true and correct copy of the foregoing CONFIDENTIAL PURSUANT TO UAC 746-100-16 ORDER OF CLARIFICATION was served upon the following as indicated below:

By Electronic-Mail:

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