

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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) NOTICE OF FINAL APPROVED
Units 3 and 4) PROJECTED COST OF RESOURCE
) DECISION
)

ISSUED: December 30, 2013

By The Commission:

Pursuant to UCA § 54-17-402(7), the Commission issued its order in this docket on May 10, 2013 (“May 10 Order”), approving PacifiCorp’s projected cost to construct selective catalytic reduction (“SCR”) systems on Units 3 and 4 of the Jim Bridger coal-fired steam electric plant (“Project”) to achieve 0.05 lbs/MMBtu [REDACTED] and 0.07 lbs/MMBtu [REDACTED]. On May 17, 2013, PacifiCorp filed a petition requesting the Commission to clarify portions of the May 10 Order. On May 30, 2013, the Commission issued an order of clarification (“May 30 Order”), adjusting the Commission’s approval of PacifiCorp’s projected cost to achieve 0.07 lbs/MMBtu of [REDACTED] to [REDACTED].

The May 30 Order also clarified that PacifiCorp’s projected cost is comprised of Engineering, Procurement and Construction (“EPC”) cost and non-EPC cost. As stated in the May 30 Order, PacifiCorp’s share of the EPC contract cost to achieve NOx limits of 0.05 lbs/MMBtu or and 0.07 lbs/MMBtu is projected at [REDACTED] and [REDACTED], respectively; whereas PacifiCorp’s share of the projected non-EPC contract costs for either emission limit is [REDACTED].¹

¹ 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).

As noted in the May 10 Order and May 30 Order, the Commission's approval of PacifiCorp's projected cost is conditioned on our review of the final executed EPC for the Project ("Final EPC"). Specifically, the May 10 Order indicates that if PacifiCorp's share of the cost included in the Final EPC is less than PacifiCorp's projected EPC cost included in the May 30 Order, PacifiCorp's approved projected cost shall be reduced accordingly to reflect PacifiCorp's share of the cost included in the Final EPC.

On October 4, 2013, the Division of Public Utilities ("Division") filed a confidential memorandum providing its review of the Final EPC ("Division's Memo"). The Division's Memo presents a detailed analysis of the Final EPC costs, PacifiCorp's share of these costs, and a comparison those costs with the projected costs approved by the Commission in its May 30 Order. The Division concluded "the total project costs at this point appear to be higher than the limits contained in the Commission's Order. The issue of recovering these additional costs will be reviewed in the next general rate case."²

On October 10, 2013, PacifiCorp filed the Final EPC, dated [REDACTED], with the Commission. On October 29, 2013, the Commission issued a Notice of Filing and Comment Period requesting comments on the Division's Memo and the Final EPC by December 2, 2013, and reply comments by December 17, 2013. On December 3, 2013, PacifiCorp filed a letter in response to the Division's Memorandum, providing agreement with some of the Divisions conclusions and clarification regarding other conclusions ("PacifiCorp's Letter"). On December 17, 2013, the Office of Consumer Services ("Office") filed reply comments to the Division's Memo and PacifiCorp's Letter.

² See Division's Memo at p.7.

DOCKET NO. 12-035-92

- 3 -

PacifiCorp's Letter, and to some extent the Division's Memo, indicate PacifiCorp's share of the cost included in the Final EPC to achieve NOx limits of 0.05 lbs./MMBtu and 0.07 lbs/MMbtu is [REDACTED] and [REDACTED] respectively. Pursuant to the May 30 Order, because PacifiCorp's share of the costs included in the Final EPC Contract ([REDACTED] and [REDACTED]) is less than PacifiCorp's approved projected EPC cost included in the May 30 Order ([REDACTED] and [REDACTED] to achieve NOx limits of 0.05 lbs/MMBtu and 0.07 lbs/MMBtu, respectively), PacifiCorp's approved projected cost is reduced to [REDACTED] for a NOx limit of 0.05 lbs/MMbtu and [REDACTED] for a NOx limit of 0.07 lbs/MMbtu. Table 1 below provides an accounting summary of the final approved projected cost.

CONFIDENTIAL TABLE 1			
Projected Cost for Resource Decision in Docket No. 12-035-92			
PacifiCorp's share of EPC Contract and Project Cost			
Line No.	Description	EPA NOx Limits	
		0.05 lbs/MMBtu	0.07 lbs/MMBtu
1	Conditionally Approved Projected Cost	[REDACTED]	[REDACTED]
2	Conditionally Approved Projected Cost for EPC Contract	[REDACTED]	[REDACTED]
3	Final EPC Contract	[REDACTED]	[REDACTED]
4	Final EPC Contract Adjustment for 0.07 NOx Limit	[REDACTED]	[REDACTED]
5	Final Projected Cost per 54-17-402(7)(a)	[REDACTED]	[REDACTED]
Sources:			
	Line 1: May 30, 2013 Order p. 4.		
	Line 2: May 30 Order at p.2 and Division's memo at p.3.		
	Line 3: Division's Memo at p.3 and PacifiCorp's Letter at p.4.		
	Line 4: PacifiCorp Letter at p. 4		
	Line 5: Line 1 - (Line 2 - Line 3) + Line 4		

DOCKET NO. 12-035-92

- 4 -

Pursuant to UCA § 54-17-403(b), any increase from the final approved projected costs described above (including costs not included in the record as evidence in this docket) is subject to Commission review as part of a rate hearing under UCA § 54-7-12, except to the extent the Commission issues an order under UCA § 54-17-404.

DATED at Salt Lake City, Utah this 30th day of December, 2013.

/s/ Gary L. Widerburg
Commission Secretary

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 30th day of December, 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:

David L. Taylor (dave.taylor@pacificorp.com)
Mark C. Moench (mark.moench@pacificorp.com)
Daniel E. Solander (daniel.solander@pacificorp.com)
Rocky Mountain Power

D. Matthew Moscon (dmmoscon@stoel.com)
Mark E. Hindley (mehindley@stoel.com)
Stoel Rives LLP

Steven S. Michel (stevensmichel@comcast.net)
Nancy Kelly (nkelly@westernresources.org)
Charles R. Dubuc (rdubuc@westernresources.org)
Western Resource Advocates

William J. Evans (bevans@parsonsbehle.com)
Vicki M. Baldwin (vbaldwin@parsonsbehle.com)
Elizabeth L. Silvestrini (esilvestrini@parsonsbehle.com)
Parsons Behle & Latimer

Gary A. Dodge (gdodge@hjdllaw.com)
Hatch, James & Dodge

Kevin Higgins (khiggins@energystrat.com)
Neal Townsend (ntownsend@energystrat.com)
Energy Strategies

Travis Ritchie (travis.ritchie@sierraclub.org)
Gloria Smith (gloria.smith@sierraclub.org)
Sierra Club

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant