

**PUBLIC SERVICE COMMISSION
OF UTAH**

Docket No. 13-035-184

Exhibit SC___JIF-7

Sierra Club 4.10

Sierra Club Data Request 4.10

See the Direct Testimony of Cindy Crane 428-439.

- (a) To what extent are the current cost increases attributable to reduced coal production at BCC expected to be maintained through future years (i.e. after the 2014 test period), or be relieved once production increases?
- (b) At what date will costs attributable to reduced coal production be relieved? Why?
- (c) If costs are expected to decrease significantly after the advancement of the 13th longwall panel or other changes at BCC, will PacifiCorp expediently file a new GRC to reflect those reduced costs? If no, why not?
- (d) To what extent were the increased costs described in pages 20-24 of Ms. Crane's testimony incorporated into the Wyoming CPCN and Utah voluntary approval docket for the Bridger 3 & 4 SCRs? (Wyoming Docket No. 20000-418-EA-12 and Utah Docket UE 12-035-92) Please explain any discrepancies and their impact on the outcome of the analysis accompanying that proceeding.

Response to Sierra Club Data Request 4.10

- (a) Bridger Coal costs trend lower starting in the latter part of 2015.
- (b) See response to Sierra Club 4.10a.
- (c) If costs decrease significantly after the advancement of the 13th longwall panel or other changes at Bridger Coal Company (BCC), those changes in costs will be reflected in the Energy Balancing Account (EBA) until the next general rate case (GRC) when the changes would be reflected in base rates. The timing of PacifiCorp's next GRC has not been determined and will depend on changes in all cost and revenue categories that are included in the Company's revenue requirement.
- (d) As discussed in Sierra Club 4.14, the methodology utilized to determine coal prices for net power cost (NPC) modeling is different than that utilized in the CPCN approval docket for the Bridger 3 & 4 SCR. A comparison of test period costs to the CPCN approval docket for the Bridger 3 & 4 SCR has not been completed. Since the CPCN analysis, Bridger Coal Company mine costs and quality have been updated as part of the annual mine planning process. Test period costs reflect updated drilling, productivity and mine advancement rates. Since the CPCN analysis, some longwall panels have been shortened to avoid sandstone channels and incompetent roof strata while additional panels have been added.