

**PUBLIC SERVICE COMMISSION
OF UTAH**

Docket No. 14-035-147

Exhibit SC___JIF-9

Response to Sierra Club Data Request 2.6

14-035-147/ Rocky Mountain Power
February 18, 2015
Sierra Club Data Request 2.6

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Please refer to the Direct Testimony of Ms. Crane, page 29, lines 635-639. Please confirm that the Retiree Medical Obligation is already settled. Please confirm that this obligation is sunk and should be reflected in all cases. If not, explain how the Retiree Medical Obligation can be undone.

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The Company confirms that it has a binding agreement with the United Mine Workers of America (UMWA) to settle the retiree medical obligation (RMO). The transfer of funds is scheduled to occur June 1, 2015. However, this settlement is not “sunk” and should not be reflected in all cases as the settlement was achieved only because the UMWA was aware of the Company’s intent to sell the Deer Creek mine, or even close the operations in the event the Company’s efforts to sell were unsuccessful. Although the Company and the UMWA are contractually bound to the settlement, if the Company does not close or sell the Deer Creek mine, it fully expects the UMWA to file a grievance or lawsuit against the Company since it was relying on the Company’s intent to sell or close the mine in reaching the settlement agreement. As a result, the retiree medical settlement is truly a benefit to customers resulting from its proposed early closure of the Deer Creek mine and thus the Company’s present value of revenue requirement (PVRR) modeling is appropriate.