

UE-152253 / Pacific Power & Light Company
May 19, 2016
WUTC Data Request 177

WUTC Data Request 177

REQUESTED BY: Jeremy Twitchell

Referring to page 1, line 17-22 of Exhibit No. RTL-15CT, please confirm that the Company did not conduct a new run of the System Optimizer (SO) model to incorporate Bridger Coal Company (BCC) mine cost updates identified in the October 2013 Mine Plan. If the Company did conduct SO model runs incorporating this data, please provide the inputs and outputs associated with those model runs.

Response to WUTC Data Request 177

The Company did not conduct new System Optimizer (SO) model (SO) runs to incorporate Bridger Coal Company (BCC) mine cost updates. Please refer to the Mr. Rick T. Link's supplemental rebuttal testimony, specifically Confidential Exhibit RTL-15CT 5:10-23, 6:1-14, which provides a description of how the Company considered the impact of updated BCC mine costs.

PREPARER: Rick Link

SPONSOR: Rick Link

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Referring to page 3, lines 11-17 of Exhibit No. RTL-15CT, please clarify whether, subsequent to May 2013, the Company conducted any other analysis of the SCR project aside from the one presented in Appendix F of the 2013 IRP Update. If such an analysis has been prepared, please point to where it has been provided within this rate proceeding.

Response to WUTC Data Request 179

The Company did not prepare additional System Optimizer model runs beyond those shown in Appendix F of the 2013 Integrated Resource Plan Update. As stated in the Mr. Rick T. Link's supplemental rebuttal testimony, specifically Confidential Exhibit No. RTL-15CT, the Company performed extensive financial analysis of Regional Haze compliance alternatives for Jim Bridger Unit 3 and Jim Bridger Unit 4 using a robust methodology that considers risk and uncertainty. This analysis was designed to allow for rapid re-assessment of the present value revenue requirement differential between the selective catalytic reduction systems (SCRs) and natural gas conversion compliance alternatives with changing market conditions, complementing flexibility provisions that the Company negotiated in the engineer, procure, and construct contract. The Company used this analysis when choosing installation of SCRs as the best Regional Haze compliance alternative in May 2013 *and* to assess how changes in market conditions affected the customer benefits before issuing the full notice to proceed in December 2013.

PREPARER: Rick Link

SPONSOR: Rick Link

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Referring to Exhibit No. RTL-9C, please confirm that the January 2013 fuel plan was used as the input for Bridger's coal fuel costs in each of the sensitivity cases considered.

Response to WUTC Data Request 181

The Company used the January 2013 Jim Bridger generating plant fuel plan for all System Optimizer model (SO Model) studies. Please refer to the Supplemental Rebuttal Testimony of Company witness, Rick T. Link; specifically Confidential Exhibit No. RTL-15CT, page 5 line 10 through 23, and page 6 line 1 through 14, which provides a description of how the Company considered the impact of updated Bridger Coal Company (BCC) mine costs.

PREPARER: Rick Link

SPONSOR: Rick Link

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REQUESTED BY: Jeremy Twitchell

Referring to page 7, line 20 through page 8, line 2 of Exhibit No. RTL-15CT, please explain why the Company did not use that specific consultant forecast in preparing its December 2013 OFPC.

Response to WUTC Data Request 182

Please refer to the Mr. Rick T. Link's rebuttal testimony, specifically Confidential Exhibit RTL-11CT 17:3 – 18:2. As Mr. Link testified, the Company's general approach is to adopt a moderate long-term projection that represents neither the highest nor the lowest forecast available from its third-party experts. The above-referenced consultant forecast was the lowest among its peers.

PREPARER: Rick Link

SPONSOR: Rick Link