

October 10, 2017

**VIA ELECTRONIC FILING**

Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
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Olympia, WA 98504-7250

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UTIL. AND TRANSP  
COMMISSION

**RE: Docket No. UE-17 \_\_\_\_\_—Affiliated Interest Filing—PacifiCorp and Bridger Coal Company**

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, Pacific Power & Light Company, a registered assumed business name of PacifiCorp (PacifiCorp), provides notice of an affiliate interest transaction with Bridger Coal Company (BCC). PacifiCorp will rent to BCC certain equipment used for moving longwall mining equipment (Sandvik TS-495 Diesel Powered Shield Hauler, or Shield Hauler) within the BCC underground mine. A copy of the purchase order between PacifiCorp and BCC for rental of the Shield Hauler is included as Attachment A.

**BACKGROUND AND TRANSACTION**

BCC is the primary supplier of coal to the Jim Bridger generating plant located in southwest Wyoming. BCC currently uses longwall coal mining equipment for coal extraction. BCC will use the Shield Hauler for a longwall move within the Bridger underground mine. A shield hauler is used to haul or transport longwall roof shields and other large equipment during normal operations, as well as during longwall moves from one coal panel to another. The transaction agreement was made effective on September 20, 2017.

BCC will pay PacifiCorp \$161.63 per day to rent the Shield Hauler, for approximately 90-120 days. The daily rental rate is determined by the net book value times the average depreciation rate for this class of assets. Additionally, the rental rate includes an estimated recovery of property tax expense for this equipment. All costs for Shield Hauler transportation, operating costs and equipment repairs are the obligation of BCC.

**AFFILIATE STATUS AND NOTICE**

BCC is a joint venture owned 66.67 percent by PacifiCorp through its direct, wholly-owned subsidiary Pacific Minerals, Inc., and 33.33 percent by Idaho Power Company. RCW 80.16.010 includes in its definition of “affiliated interest,” “every corporation five percent or more of whose voting securities are owned by any person or corporation owning five percent or more of the voting securities of such public service company or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities.” Therefore,

PacifiCorp's ownership interest in BCC via Pacific Minerals, Inc. creates an affiliated interest relationship between the Company and BCC.

Transacting with BCC is in the public interest. The transfer will not have a negative effect on PacifiCorp's ability to serve its customers or otherwise affect the public. PacifiCorp's Deer Creek mine ceased operations in 2015. The Shield Hauler was retained to support the closure of the Deer Creek mine. The Shield Hauler is slated to be disposed of through a public auction at some future date. The Shield Hauler will be returned to Deer Creek following the rental period at issue here, to await disposition. BCC mine personnel became aware of the availability of the Shield Hauler at the Deer Creek mine when evaluating possible alternatives for rental equipment that was not ideally suited to BCC's requirements and specifications, and for which the availability of this class of equipment in the rental market is very limited.

Also included with this filing is a notarized verification from Jeffery B. Erb, Chief Corporate Counsel and Corporate Secretary for PacifiCorp, regarding the purchase order.

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By E-Mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, Oregon, 97232

Please contact Jason Hoffman, Regulatory Project Manager, at 503-331-4474 if you have any informal questions.

Sincerely,

                  /s/                    
Etta Lockey  
Vice President, Regulation  
Pacific Power & Light Company  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
(503) 813-5701  
[etta.lockey@pacificorp.com](mailto:etta.lockey@pacificorp.com)

Enclosures

NEW-PPL-CLtr-Affiliated-Interest-Notice-BCC-10-10-17.pdf

NEW-PPL-Attachment-A-10-10-17.pdf

NEW-PPL-Verification-Erb-10-10-17.pdf