

Lisa Nordstrom Lead Counsel Inordstrom@idahopower.com

February 15, 2018

Public Utility Commission of Oregon Filing Center 201 High Street SE, Suite 100 P.O. Box 1088 Salem, Oregon 97301

RE: UPN \_\_\_\_ - Informational Filing on Property Transaction Conveyance of Joy Longwall Shields

Attention Filing Center:

Pursuant to ORS 757.480(2) Idaho Power Company ("Idaho Power" or "Company") hereby provides notice to the Public Utility Commission of Oregon ("Commission") of the conveyance by Bridger Coal Company ("BCC") of 22 spare Joy longwall shields ("Shields") not in operation to Bowie Resource Partners, LLC ("Bowie Resource Partners"). BCC, a joint venture between Idaho Energy Resources Co. ("IERCo") and Pacific Minerals, Inc. ("Pacific Minerals"), mines and supplies coal to the Jim Bridger generating plant ("Jim Bridger plant"), located in Sweetwater County, Wyoming. Idaho Power is the parent of IERCo and PacifiCorp is the parent of Pacific Minerals. The Jim Bridger plant is owned by Idaho Power (one-third) and PacifiCorp (two-thirds).

The underground operation at BCC mines coal seams through the use of a longwall retreat mining system as the primary method of coal recovery, utilizing a shearing machine, face conveyor, and hydraulic roof supports, or shields, along with other ancillary components assembled into a single mining system operating simultaneously to extract coal on a continuous basis. The longwall shields are mechanized, self-advancing supports that form the protective steel canopy under which the longwall face conveyor, workers, and the longwall shearer operate. The more shields that are in place, the wider the longwall face, allowing for the recovery of additional reserves and higher production levels.

Due to unforeseen events and deteriorating geologic conditions, the Joy longwall system lost its advancement capabilities and BCC ceased its use in October 2016 as the equipment could no longer be safely restored to operation. A longwall shield is specific to the longwall manufacturer; the Shields can only be used in a Joy longwall mining system and therefore were no longer needed for use at BCC. Each shield has an estimated scrap value between \$700 and \$1,456 each (as-is, where-is). BCC was approached by Bowie Resource Partners about the purchase of the Shields. Under the agreement, Bowie Resource Partners agreed to a purchase price of \$6,500 per shield for a total cost of \$143,000.1 A copy of the Bill of Sale under which the Shields were sold to Bowie Resource Partners is attached hereto as Attachment 1.

<sup>&</sup>lt;sup>1</sup> The Shields are subject to the Wyoming Sales Tax of 6 percent that was paid by Bowie Resource Partners.

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Idaho Power's customers are not harmed by this transaction because the Company's share of the proceeds from the sale of the Shields was \$47,667, resulting in an average cost per shield that is higher than the estimated scrap metal value of the Shields, leading to fair compensation for equipment that was no longer needed. The sale of the Shields will not interfere with Idaho Power's ability to fulfill its obligation to provide safe, reliable electric service.

If you have any questions regarding this filing, please contact Courtney Waites, Senior Regulatory Analyst at (208) 388-5612 or <a href="mailto:cwaites@idahopower.com">cwaites@idahopower.com</a>.

Sincerely,

Lisa D. Nordstrom

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CW/kkt

Enclosure

## ATTACHMENT 1 BILL OF SALE

## BILL OF SALE

12/19/17 DMR

This BILL OF SALE ("Bill of Sale") is made, executed and delivered as of April 2017. For and in consideration of the sum of \$151,580.00 U.S. Dollars, with Wyoming State sales tax (6%) added, paid by cashier check, the receipt of which is hereby acknowledged, Bridger Coal Company ("Seller") does hereby sell, assign and transfer to Bowie Resource Partners, LLC ("Buyer"), the below-described property (the "Property"):

Joy Longwall Shields							
	Toe Plate#	Location	Cost	Sales Tax (WY 6%)	Total Cost Per Shield		
1	12	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
2	20	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
3	24	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
4	26	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
5	28	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
6	53	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
7	78	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
8	83	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890,00		
9	110	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
10	126	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
11	67	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
12	115	at Bridger Coal	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
13	8	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
14	11	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
15	16	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
16	31	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
17	43	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
18	45	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
19	68	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6.890.00		
20	109	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
21	113	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
22	120	at Joy Mining	\$ 6,500.00	\$ 390.00	\$ 6,890.00		
				Grand			
Ш				Total:	\$ 151,580.00		

The Property is being sold on an 'AS IS/WHERE IS" basis and the Seller explicitly disclaims all warranties, whether expressed or implied, including but not limited to, any warranty as to the condition of the Property. However, the Seller's above warranty disclaimer does not affect the terms of any applicable warranties from the manufacturer of the Property.

SELLER HEREBY DISCLAIMS AND EXCLUDES HEREFROM, (A) ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, DESIGN, OPERATION, OR QUALITY OF THE MATERIALS OR WORKMANSHIP IN, OR ANY DEFECTS IN, THE ASSETS, (B) ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, OR (C) ANY EXPRESS OR IMPLIED REPRESENTATION, GUARANTEE, OBLIGATION, LIABILITY OR WARRANTY OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND, ARISING BY LAW OR FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Utah without giving effect to the principles of conflict of laws thereof.

## IN WITNESS WHEREOF, EXECUTED as of the date first above written.

SELLER:	Bridger Coal Company	BUYER:	Bowie Resource Partners, LLC
By:	- MELL FOR JON BROWN	Ву:	5 Olani
	General Mine Manager		Chief Operating Officer
Name:	Jon C. Brown	Name:	Eugene DiClaudio