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Page 13

Valley Camp Gets IPP Coal Order

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SCOFIELD — Valley Camp of Utah Inc., idled in March after an out-of-court settlement halted its coal-supply agreement to Utah Power & Light Co., has received a contract to deliver 450,000 tons of coal a year to the Intermountain Power Plant near Delta.

The contract which calls for the same amount of coal in the supply agreement Valley Camp lost to UP&L for its Carbon Steam Plant at Castle Gate in March, started July 1.

Valley Camp spokesman Benton H. Faulkner said the mine has called back 66 miners belonging to the United Mine Workers who were idled in March. He said the company has 19 salaried employees who have been kept on the payroll since the out-of-court settlement.

Walter L. Wright, mine president, said that since March, salaried employees have maintained the mine and prepared new lease sites for additional mining as opportunities arise.

"We are aggressively seeking new business and the IPA contract is an important first step," said Mr. Wright.

Valley Camp will supply IPP from its Belina Mine.

In the months Valley Camp has been idle, the company purchased shuttle cars to assure its continued competitiveness in the Utah coal market, said Mr. Wright.

Although terms of the UP&L-Valley Camp settlement were not disclosed, the utility said it would continue to pay the mining company a fee over the six remaining years of the 15-year contract begun in 1980. And legal actions brought by the two companies also were dismissed by the out-of-court settlement.

UP&L notified Valley Camp last fall it intended to cancel its contract in accordance with its right to relief under the gross inequities clause, after almost one year of trying to renegotiate the coal price.

UP&L claimed the cost of producing coal at its Emery County mines was almost one half the cost charged by Valley Camp.

Valley Camp of Utah is a part of The Valley Camp Coal Co., a wholly owned subsidiary of Quaker State Corp., Oil City, Pa.

Quaker State's stock is listed on the New York Stock Exchange under the symbol KSF.