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Huntington Canyon Plant
P.O. Box 680
Huntington, Utah 84528
(801) 381-2553

INCOMING
C0070005



State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-58011
Attention: Daron Haddock

October 31, 2003

Re: Revised Cumulative Hydrologic Impact Assessment (CHIA), Canyon Fuel Company, Skyline Mine, C/007/00005

Dear Daron,

We are in receipt of the referenced CHIA document dated August 26, 2003 concerning the PHC prepared by Skyline Mine. Through our prior correspondence and discussions with the Division, you are aware of PacifiCorp's interest in this matter, particularly in regards to our Huntington Plant and Electric Lake.

We are in the process of performing a detailed review of the CHIA and have made significant progress in identifying points of concern with the data and conclusions in the report. At this juncture, we want to express generally our disagreement with a number of the points and conclusions in the CHIA. When our review is complete, we will provide a more detailed and formal explanation of our viewpoints. In the mean time, we did not want anyone to assume that, by our silence, we are in agreement with the CHIA.

We would appreciate the opportunity to meet and discuss our issues with the Division in the future when our review is complete and at your convenience.

If you have any questions, please contact me at (435) 687 4211.

Sincerely,

A handwritten signature in cursive script that reads "David Sharp".

David Sharp
Managing Director, Huntington Plant.

RECEIVED

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DIV. OF OIL, GAS & MINING