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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

May 14, 2012

TO: Internal File

THRU: April Abate, Team Lead *06/20*
6/14/12

FROM: Angela Nance, Sr. Business Analyst *an*

RE: Midterm Permit Review, Nevada Electronic Investment Company, Wellington Prep Plant, C/007/0012, Task ID#4043

SUMMARY:

In accordance with R645-303-211, The Division is required to review each active permit during its term. The Division commenced the Midterm Review for the Wellington Prep Plant on March 3, 2012. This Technical Memorandum reviews the ownership and control information to ensure that it is current and correct as compared to the information found in the Applicant Violator System (AVS).

The findings in this memo are based on a review of the current Legal and Financial Volume of the Mining and Reclamation Plan (MRP).

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TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Nevada Electric Investment Company has been sole owner and operator of the entire Welling Preparation Plant property since January 1995. In July 1999, Nevada Power Company merged with Sierra Pacific Resources (Reno). Sierra Pacific Resources then became and is currently the sole owner of NEICO. Information regarding the ownership and control of these entities is described in Chapter 1 of the Wellington MRP.

Findings:

Some of the information in the current MRP does not match the information found in the OSM/AVS database.

The following discrepancies must be addressed in accordance with **R645-301-112.330**.

NEICO

1. The following individuals have a different Begin Date in the MRP as compared to the date listed in the AVS database.
 - a. **Michael W. Yackira, President & Treasurer**
(AVS 6/01/04 vs. MRP Aug 2004)
 - b. **Paul J. Kaleta, Secretary**
(AVS 2/01/06 vs. MRP Apr 2006)
 - c. **Walter M. Higgins, Director**
(AVS 6/01/04 vs. MRP Aug 2004)

This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct the AVS.

Nevada Power Company

1. The AVS shows **Walter M. Higgins, Chairman and CEO, with a Begin Date of 10/01/04**. The MRP shows a Begin Date of Aug 2000. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
2. The AVS shows **Krestine M. Corbin, Director, with a Begin Date of 2/20/05**. The MRP shows a Begin Date of July 1999. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
3. The AVS shows **T.J. Day, Director, with a Begin Date of 2/20/05**. The MRP shows a Begin Date of July 1999. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
4. The AVS shows **James R. Donnelley, Director, with a Begin Date of 2/20/05**. The MRP shows a Begin Date of July 1999. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
5. The AVS shows **Walter M. Higgins, Director, with a Begin Date of 2/20/05**. The MRP shows a Begin Date of August 2000. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
6. The AVS shows **Philip G. Satre, Director, with a Begin Date of 2/20/05**. The MRP shows a Begin Date of January 2005. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
7. The following individuals are in the AVS database as an Officer or Director, but they are not listed in the MRP:
 - a. **David Barney, Vice President, 10/01/93**
 - b. **Charles Lenzie, COB and CEO, 10/01/93**
 - c. **Richard Hinkley, Director, 5/01/91**
 - d. **Richard Hinkley, Vice President, 10/01/93**
 - e. **Cynthia Gilliam, Vice President, 10/01/93**
 - f. **Steven Rigazio, Vice President, 10/01/93**
 - g. **Gloria Weddle, Vice President, 10/01/93**
 - h. **Fred Gibson, Jr., Director, 2/01/78**
 - i. **John Goolsby, Director, 1/01/91**
 - j. **C. Ryan, Director, 9/01/78**
 - k. **Frank Scott, Director, 5/1/72**
 - l. **Arthur Smith, Director, 1/01/59**
 - m. **J. Tiberti, Director, 11/01/63**
 - n. **Walter Higgins, President, 10/01/04**
 - o. **Earnest East, General Counselor/Secretary/SVP, 10/01/04***These discrepancies should be addressed by either correcting the MRP or submitting End Dates or a Secretary's Certificate to update the AVS database.*

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Sierra Pacific Resources

1. The AVS shows **Walter M. Higgins, President, with a Begin Date of 10/01/04**. The MRP shows a Begin Date of Aug 2000. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
2. The AVS shows **Walter M. Higgins, Director, with a Begin Date of 2/20/05**. The MRP shows a Begin Date of August 2000. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
3. The AVS shows **Philip G. Satre, Director, with a Begin Date of 2/20/05**. The MRP shows a Begin Date of January 2005. *This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct this information in the AVS.*
4. The following individuals are in the AVS database as an Officer or Director, but they are not listed in the MRP:
 - a. **David Barneby, Vice President, 7/29/99**
 - b. **William Peterson, Sr. Vice President, 7/29/99**
 - c. **Steven Rigazio, President, 5/31/00**
 - d. **Gloria Weddle, Vice President, 7/29/99**
 - e. **Fred Gibson, Jr., Member, 7/29/99**
 - f. **Mark Ruelle, CFO/SVP/Treasure, 7/29/99**
 - g. **Matt Davis, Vice President, 7/29/99**
 - h. **Steven Oldham, Vice President, 6/20/00**
 - i. **Douglas Ponn, Vice President, 7/29/99**
 - j. **Mary Jane Reed, Vice President, 7/29/99**
 - k. **Mary Simmons, Controller, 7/29/99**
 - l. **Edward Bliss, Member, 7/29/99**
 - m. **James Murphy, Member, 7/29/99**
 - n. **Earnest East, General Counselor/Secretary/SVP, 10/01/04***These discrepancies should be addressed by either correcting the MRP or submitting End Dates or a Secretary's Certificate to update the AVS database.*

RECOMMENDATION:

The Operator should submit either updated pages for the MRP to reflect the correct information or the Operator should provide a Secretary's Certificate or End Dates so that the AVS can update its records.