

DEE W. JENSE
President



A Subsidiary of PacifiCorp

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ENCLINING,
C/015/018

May 26, 2004

Lucia Malin
Environmental Scientist
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Environmental Assessment for the Construction of New Surface Facilities in Rilda Canyon, PacifiCorp, Deer Creek Mine, C/015/018, Emery County, Utah

Dear Ms. Malin:

On behalf of PacifiCorp and its mine operating subsidiary Energy West Mining Company, we wish to take this opportunity to express our support for (1) the construction of new surface support facilities in Rilda Canyon, and (2) the development of an environmental assessment addressing the impacts of this project.

The Deer Creek Mine is a captive underground coal mine producing approximately 3 to 4 millions tons per year and is the primary source of fuel for PacifiCorp's Huntington Power Plant. The existing portal area located in Deer Creek Canyon has been utilized as the main mine entrance for a period of 35 years. Over this period of time the coal reserves in close proximity to the original portals have been slowly depleted. In 1999, PacifiCorp acquired the Mill Fork state coal lease located adjacent to the existing northern Deer Creek reserves for the purpose of sustaining future development and providing coal to the Huntington Power Plant for an additional 15 to 20 years. With the acquisition of this lease the mine will be able to expand northward. This will further extend the travel distance from the original portal facilities. Long term efficiencies of the mine operations suggest that the surface access and support facilities be relocated in closer proximity to the active mine area being developed. Thus, warranting the construction of the new proposed surface support facilities in Rilda Canyon.

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Relocating the main portal support facilities to Rilda Canyon allows us to be closer to the working areas, shortens the travel time for our workforce and underground equipment to the working face, improves ventilation, provides an additional escape way and generally improves mine services. These improvements are very important for our operator and the high quality work force employed at this mine, enabling us to sustain mine production and coal delivery to the nearby Huntington Power Plant in an efficient and economical manner.

We realize that as a part of the permitting process the environmental equation needs to be addressed. To that end, we pledge to provide our assistance to achieve the necessary engineering and environmental designs to satisfactorily address the concerns of the regulatory agencies and other participating parties. We encourage an open dialogue during the process and will work towards striking an amicable balance with resolutions meeting the needs of all parties.

Coal continues to play a vital role in PacifiCorp's sustainable energy supply and is a very important part of its balanced energy portfolio. Coal is needed to meet the energy demands of both today and the future. The uniqueness of this project will provide sustained coal production for power generation and we feel further supports the public interest in sustainable development involving federal and state lands while integrating and balancing the basic components of social well being, environmental health and economic prosperity. This project will benefit this region by contributing to sustained employment over the remaining mine life while providing economic benefits for many local businesses, together with production royalties and a source of tax revenue for local government and schools.

As we work together on this project, we believe a balance can be accomplished to conserve and protect the environment while accommodating the construction of new surface facilities in Rilda Canyon. Thank you for the opportunity to comment on this matter.

Respectfully,



Dee W. Jense
President

SMC\EnergyWest\Lucia Malin (Rilda) 2004-02a.doc

cc: IMC - B. King, S. Child, C. Pollastro, N. Getzelman
EWMC - D. Johnson, C. Semborski