BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF CHANGES TO ITS ELECTRIC SERVICE SCHEDULES AND A PRICE INCREASE OF $32.7 MILLION, OR APPROXIMATELY 15.0 PERCENT	)	**CASE NO. PAC-E-11-12**
	)	**Direct Testimony of Cathy S. Woollums**

ROCKY MOUNTAIN POWER

CASE NO. PAC-E-11-12

May 2011

Introduction

Q. Please state your name and business address and position.

A. My name is Cathy S. Woollums. My business address is 106 East Second Street, Davenport, Iowa. My position is senior vice president of environmental services and chief environmental counsel for MidAmerican Energy Holdings Company (MEHC). PacifiCorp is a subsidiary of MEHC.

Qualifications

Q. Please describe your education and business experience.

A. I received a Bachelor of Arts Degree in Political Science from Winona State University and a Juris Doctorate from Drake University Law School. I was admitted by examination to practice law in Iowa and Illinois and maintain my licensure in both states. Following law school, I served a one-year appointment as a law clerk in the 7th Judicial District in Iowa and then entered the private practice of law where I was engaged in general and litigation for approximately three years. I joined Iowa-Illinois Gas and Electric Company, a predecessor of MidAmerican Energy Company and MEHC, in 1991 where I served in the capacity of an attorney within the general counsel's office and handled environmental matters, among others. I became the manager of environmental services in 1995 and have held increasing positions of responsibility for environmental issues within MEHC. In my current role as the senior vice president of environmental services, I have responsibility for the development and implementation of MEHC's worldwide corporate environmental policy, strategy and programs, including the development of comments on proposed state and

federal laws and regulations, integrating environmental assessments of existing and anticipated environmental regulations into planning and operating decisions of business units, and advising management of the impact of proposed regulations and developing potential compliance strategies. In addition, I oversee the organization's environmental compliance assurance management program, environmental permitting and reporting, and environmental litigation.

I have served on the Iowa State Bar Association's Environmental and Natural Resources Section Council, the Edison Electric Institute's Environment Executive Advisory Committee, the Iowa Climate Change Advisory Council, the Midwestern Governors' Association Power Sector Working Group, the Midwestern Governors' Renewable Electricity Advanced Coal with Carbon Capture Advisory Group, and The Climate Registry Advisory Committee. I was appointed to serve two terms as the Iowa governor's appointee to the Clean Air Act Compliance Advisory Panel, chaired the Iowa Association of Business and Industry's Environmental Committee for four years, and was recently invited to serve on the GHG Reporting and Mitigation Advisory Committee, a partnership of The Climate Registry and the Greenhouse Gas Management Institute.

Q. Have you previously provided testimony before regulatory bodies?

A. Yes. While I have not had the opportunity to testify before the Idaho Public Utilities Commission, I am a Company witness on environmental matters pending before the Wyoming Public Service Commission and I have testified in hearings before the Environmental Protection Agency ("EPA") and various state environmental proceedings. I have also provided testimony before various

legislative bodies.

Purpose of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide the Commission and parties with information supporting the prudence of the Company's pollution control expenditures for coal-fired power generation plants and the Company's processes to identify environmental policy and compliance drivers that influenced the installation of the emissions controls that are subject to review in this case.

Q. Does your testimony discuss the complexity in balancing stakeholder interests that the Company faces in making prudent pollution control capital investment decisions?

A. Yes. There are many different viewpoints regarding whether the Company should make investments in its coal-fueled facilities. Some stakeholders take the position that it is imprudent to make those investments prior to the time they are absolutely required; some believe that the environmental regulations are too uncertain to make such investments. Others believe no controls should be installed because the units should be shut down. Compliance with current environmental requirements is necessary to ensure the availability of a reliable source of electricity at a reasonable cost, now and into the future.

Justification of Pollution Control Investment

Q. Why has the Company invested in pollution control equipment?

A. Because it is legally required to do so. Through the 1977 amendments to the Clean Air Act, Congress set a national goal for visibility to remedy impairment

from manmade emissions in designated national parks and wilderness areas; this goal resulted in development of the Regional Haze Rules, adopted in 2005 by the EPA. The first phase of these rules trigger Best Available Retrofit Technology ("BART") reviews for all coal-fired generation facilities built between 1962 and 1977 that emit at least 250 tons of visibility-impairing pollution per year. Visibility-impairing pollutants include sulfur dioxide SO_2, nitrogen oxides NO_x and particulate matter ("PM"). The Company has 14 units that meet the construction and emissions threshold criteria and are, therefore, "BART-eligible units." Pursuant to federal regulations at 40 CFR 51.308(e)(1)(ii), each state is required to determine which BART-eligible sources are also "subject to BART." BART-eligible sources are subject to BART if they emit any air pollutant that may reasonably be anticipated to cause or contribute to impairment of visibility in any designated national park or wilderness area. The investments in pollution control equipment are at the Company's BART-eligible units that have been determined by the state environmental regulators to be necessary after considering available technology; costs of compliance; energy and non-air quality environmental impacts; existing control equipment and the remaining useful life of the facility; and the degree of improvement in visibility reasonably anticipated to result from the use of such technology.

Q. Have the state environmental agencies in Wyoming and Utah completed their BART determinations?

Yes. After considering these five factors, the respective state departments of environmental quality for the units made their BART determinations and

incorporated the results of the above mentioned BART analyses into the operating permits, construction permits and Approval Orders (defined below) for the pollution control equipment included in this case.

With respect to the Naughton Unit 2 low NO_X burners and Wyodak low NO_X burners and bag house projects, the Wyoming Department of Environmental Quality ("WY DEQ") issued BART permits for those units on December 31, 2009, incorporating the equipment and installation schedules recommended via the BART reviews. The conditions of the BART permits have been incorporated into the Wyoming State Implementation Plan ("SIP") for Regional Haze in support of its goals to reduce visibility impairing emissions. The Wyoming SIP is subject to EPA review and approval. The WY DEQ has also issued construction permits for the Naughton, Wyodak, and Jim Bridger pollution control projects included in this case.

With respect to the Hunter Unit 2 and Huntington Unit 1 projects, the Utah Department of Environmental Quality ("UT DEQ") has incorporated the results of BART reviews completed for those facilities into the Utah SIP. The Utah SIP is also subject to EPA review and approval. The State of Utah has also issued Approval Orders (*i.e.*, permits to construct) for each of the Hunter and Huntington pollution control projects included in this case.

Q. Are the Regional Haze regulations final?

A. Yes. The Regional Haze regulations were initially adopted in 1999 but were appealed and revised, with amended regulations being issued in 2005. Both Utah and Wyoming submitted their initial Regional Haze state implementation plans in

2003, in 2008, and again in 2011, focusing on meeting emission reduction goals to improve visibility. The attached Exhibit No. 18 demonstrates the EPA's timeline for states to implement the Regional Haze rule; however, the timeline does not include the time for EPA to take final action on the proposed regional haze state implementation plans. The 2011 state implementation plan submittals are final insofar as state action is considered; these submittals have not yet been approved by the EPA but, nonetheless, do result in substantive requirements being imposed on the Company's facilities. These requirements are confirmed in the WY DEQ's Decision Document on the Company's BART permit applications dated December 31, 2009, noting:

> The entire submittal is currently undergoing EPA review and the State has no control over how long the EPA takes to review the SIP. The State, however, does not wait for EPA to complete its review before implementing a SIP. . .The SO_2 levels have shown compliance with the milestones and continue to demonstrate declining SO_2 emissions levels.

Q. Do the pollution control investments included in this case also support compliance with other environmental regulations?

A. Yes. In addition to the BART requirements under the Regional Haze Rules, increasingly more stringent National Ambient Air Quality Standards have been and are being adopted for criteria pollutants, including SO_2, NO_2, ozone, and PM. Implementation of the pollution control projects described herein assists in meeting these more stringent standards, avoiding the negative consequences of an area being declared to be a nonattainment area. Further, while the Clean Air Mercury Rule, which would have required a reduction of mercury emissions of approximately 70 percent by 2018, was overturned by the United States Court of

Appeals for the District of Columbia Circuit in February 2008, the EPA has proposed a new rule that will require coal-fired generating facilities to reduce mercury, and other emissions of hazardous air pollutants, through a Maximum Achievable Control Technology (MACT) standard. Under a consent decree, the EPA issued a proposed rule to regulate hazardous air pollutant emissions in March 2011 and must issue a final rule no later than November 2011. Compliance with the final standards is expected to be required by November 2014. The bag house and scrubber projects described herein will assist in meeting the forthcoming MACT requirements.

Utah also has specific state regulations (State Rule 307-424-4) that require electric generating units to meet specific mercury emission rates or control efficiencies, notwithstanding any federal rules. The bag house and scrubber projects at the Hunter and Huntington facilities will assist in meeting the requirements of that regulation as well.

In short, the pollution control investments contemplated in this case are required to maintain compliance with the environmental requirements described above.

Q. Please clarify the definition of a "presumptive BART emission limit" as it pertains to established federal pollution control standards.

A. The use of the term "presumptive BART emission limit" in the instance cited does not mean that BART emission limits are uncertain future requirements. Instead, the use of the term refers to emission rates identified in the Regional Haze Rule, Code of Federal Regulations (CFR), Title 40, Sections 51.300 through

51.309, and Appendix Y. Electronic copies of the referenced CFRs can be found at the following link:

http://www.access.gpo.gov/nara/cfr/waisidx_09/40cfr51_09.html

Presumptive BART emission limits come from Appendix Y cited above, and are rates defined by the EPA. States use the rates defined by the EPA to assist in determining whether a BART-eligible facility is presumed to meet the requirement to install best available retrofit technology. For example, if the installation of low-NOx burners on a BART-eligible facility with cell-burners firing sub-bituminous coal achieves an emission rate of 0.28 lb/MMBtu, which is below the EPA presumptive BART rate of 0.45 lb/mmBtu (the presumptive rate for a cell-burner unit burning sub-bituminous coal), it can be presumed that the installation of low-NO_x burners on this unit meets federal BART requirements with respect to NO_x control, and no additional controls would be likely to be required. With respect to SO_2 control, the states of Utah and Wyoming, along with New Mexico, are participating in a market-trading program identified in the Regional Haze Rule, CFR, Title 40, Section 51.309. Under this program the states have set SO_2 emission reduction milestones that must be achieved. These milestones have been developed assuming that each coal-fired generating unit meets the lower of its historic emission rate or the presumptive SO_2 rate. The EPA has defined the presumptive SO_2 emissions rate as 0.15 lb/mmBtu or 90 percent removal. Here again, if the installation of pollution control equipment on a BART-eligible facility achieves an emission rate less than that presumptive limit and overall emission reduction goals are being met, it can be presumed that the

installation meets federal BART requirements and no additional controls will be required.

Q. Please describe the process the Company engages in to determine whether to make investments in environmental controls.

A. First and foremost in the decision to invest in environmental controls are the Company's compliance obligations. If a permit or regulation requires the Company's plants to reduce emissions or achieve emission limits that cannot be met with existing equipment, compliance options are examined to ascertain what equipment can be installed to achieve the emission requirements. The Company also monitors state and federal rulemaking activities and legislative proposals that would have an impact on the facilities' operations. Monitoring these future requirements allows the Company to ensure it is taking a longer term view of the potential investments that may be required to lawfully continue operation of the facilities.

Q. How does the Company plan for existing and future environmental requirements?

A. Existing environmental permit and regulatory requirements, such as operating within a permitted emission limit or complying with the regulatory requirements of waste management activities, are implemented through operating practices, procedures, and plans on a daily basis within the Company's operating facilities. New compliance obligations may be imposed when operating permits are renewed or applied for to reflect changes in regulatory requirements. To assess the potential impacts of new environmental regulatory initiatives, the Company

employs environmental professionals in the business units who coordinate with dedicated staff in the environmental policy and strategy group; we review proposed and final regulatory requirements and are actively engaged in the regulatory processes at both the state and at the federal level. We seek feedback from our environmental regulators to assess their concerns, read and analyze legislation and regulations proposed at the state and federal levels, provide feedback on legislation, and review and comment on proposed regulations. The Company submits written comments in regulatory proceedings and participates in public hearings on the proposals, ensuring that the Company's concerns or support, as appropriate, are considered in these public forums. We are both well informed and engaged on these issues.

In addition, when significant environmental rulemaking or legislative proposals are released, we assess those proposals and advise Company management of the potential impacts of the proposals. If the preliminary or final form of a proposal would alter the Company's business plan, those plans may be amended to reflect the likely impact on the Company to achieve compliance with the requirements within the relevant compliance period after considering our compliance options.

Q. When you consider the Company's compliance options, what factors are considered?

A. There are a multitude of factors, depending on the specific regulation. If a regulation prescribes a specific emissions limit, the Company reviews what types of controls may be available to achieve the requisite emissions limit, given the

specific characteristics of each unit. System impacts, reliability, capital costs, operating and maintenance costs, the life of the controls, the life of the unit itself, cost of replacement generation, and other factors are all considered. If an emissions trading mechanism is available to achieve compliance, the costs of obtaining the emissions allowances is compared to the costs to install and operate controls, considering the factors noted above.

Timing of Investments

Q. How are future environmental requirements factored into the Company's analysis of its environmental compliance options?

A. The Company develops a base set of environmental assumptions that reflects the most likely scenarios to comply with air, water and waste regulations for inclusion in the development of its annual business planning process. These environmental assumptions reflect both existing and expected requirements under the most likely scenario and are utilized as the basis for the Company's integrated resource planning as well as for the Company's 10-year business plan. We also examine the actual and potential compliance timeframes and how those timeframes may be coordinated with planned plant outage schedules. Coordinating major environmental control projects with existing outage schedules allows the Company to avoid additional outage time, reducing the need for replacement power, minimizes costs, and maintains system reliability.

Q. Why is PacifiCorp installing pollution control equipment at this time?

A. The Company is installing pollution control equipment at this time to comply with the Regional Haze Rules, as well as in response to more stringent National

Ambient Air Quality Standards, the impending mercury requirements, and a number of existing and emerging emission reduction requirements. Final installation activities and tie-in of the pollution control equipment described above can only be accomplished when the units are off-line. Meeting the timing requirements of construction permits and Approval Orders and reducing plant outage time necessitated completion of final installation activities and tie-in of the pollution control equipment during the scheduled overhauls within this test period. Installation of the pollution control equipment and associated systems included in this case represent a significant step for PacifiCorp's coal-fueled power plant fleet toward meeting the SO_2 and NO_X reductions required by the Regional Haze Rules and established by the respective states' emissions reduction milestones.

Q. Has the Company installed the pollution control investments presented in this case prematurely?

A. No. The Company has been engaged in Regional Haze Rule compliance planning with the respective state departments of environmental control since the initial development of the western states' regional program. During the initial 2003 to 2008 planning period, the Company was required by the Wyoming Division of Air Quality ("WDAQ") to conduct detailed BART reviews. It was the initial expectation of the western states' regional haze program that individual states would establish BART emission limits for BART eligible units and would require installation of appropriate controls by 2013. PacifiCorp originally submitted these evaluations of its BART eligible facilities in Wyoming in January 2007, with

revisions submitted in October 2007. Addendums to individual facility BART reviews were developed in March 2008. WDAQ completed its final reviews of the BART evaluations and the Company's associated permit applications and issued Air Quality Permits (construction permits) for the projects presented in this case in May 2009. WDAQ followed up by issuing BART permits for the pollution control projects presented in this case in December 2009. The pollution control projects presented in this case meet the Company's obligations in this regard.

Q. Did the Company follow a similar process for its Utah coal fueled plants?

A. Yes. For the Hunter and Huntington scrubber projects the Company completed detailed scrubber technology screening studies in 2007 and submitted its Notice of Intent (construction permit) applications to the Utah Division of Air Quality ("UDAQ") for the Hunter project in November 2007, with supplements submitted in December 2007, and its Notice of Intent application for the Huntington project in April 2008, with a supplement submitted in January 2009. UDAQ completed its final reviews of the Company's permit applications for the pollution control projects and issued Approval Orders (construction permits) in March 2008 for the Hunter projects and January 2010 for the Huntington projects. UDAQ also included these projects in its regional haze SIP in 2008. The pollution control projects presented in this case meet the Company's obligations in this regard.

Q. Do the timelines discussed above provide a reasonable progression of evaluation, agency coordination, and decision-making for the respective pollution control projects?

A. Yes. The pollution control projects presented in this case are extremely complex

and require a significant amount of evaluation and planning to bring to fruition. The permitting processes described above are required to define the technical requirements the Company needs to move forward with establishing competitive pricing for the work and ultimately executing the projects. The timeline for securing contracts for this type of work through project completion often has a multi-year duration.

Q. Did other regional emissions control regulations impact planning of the Company's scrubber projects?

A. Yes. The states of Utah and Wyoming also participate in a Regional SO_2 Milestones and Backstop Trading Program. These pollution control investments support the milestones established in these states as part of this program.

Q. Did the Company consider future environmental requirements when undertaking the emission reduction projects proposed for cost recovery in this case?

A. Yes. While the projects proposed in this case were implemented as a result of current environmental requirements, the Company also considered the need for the emission reductions and the type of controls that could be required in the future when it planned for these projects. There are a multitude of environmental requirements the electric industry faces over the next several years. Exhibit No. 19, referenced colloquially as the so-called "EPA train wreck" slide, identifies some of the requirements that are currently underway or in development. There is a great deal of uncertainly associated with future environmental requirements; however, the Company must comply with the requirements that exist today and

prepare for the regulations that will be adopted in the future.

Q. Is there emission reduction equipment that is being installed to comply with the requirements that exist today that would not be required in the future?

A. No. The controls are required to comply with existing requirements. Further, the addition of scrubbers, low-NO_x burners and baghouses will position the Company well to meet impending environmental requirements, including the Utility Hazardous Air Pollutant Maximum Achievable Control Technology standards that were proposed on March 16, 2011, and will be final in November 2011.

Q. Did the Company need to make the investments included in this case if it expects to continue operating the plants?

A. Yes. In order to comply with the requirements that are set forth in the facilities' air quality permits, it is necessary to install and operate the controls in question. The Company has an obligation to operate its facilities in compliance with its permit requirements and the applicable laws and regulations. There have been many electric utilities around the country that have made announcements that they plan to retire plants rather than make investments in emissions control equipment. These planned retirements are not limited to coal-fueled plants, as evidenced by Exelon's December 8, 2010, announcement that it would shut its Oyster Creek nuclear plant ten years early to avoid having to comply with a requirement to install cooling towers, because doing so would cost more than the value of the plant.[1] The Company does not have plans to shut down the facilities in which the proposed investments have been made.

[1] See: http://www.nytimes.com/2010/12/09/nyregion/09nuke.html?_r=1&partner=rss&emc=rss

Q. Shouldn't the uncertainty associated with future environmental regulations weigh in favor of waiting until the regulations are final to install any controls?

A. No. The full and final scope of environmental regulations is not easily determined, particularly when rulemakings are often lengthy in their own right and just as often followed by extensive and lengthy litigation before the rule is finalized. Perfect foresight is not possible; the EPA has recently begun to acknowledge that its approach to regulation makes it difficult for companies with compliance obligations to make long-term decisions on compliance. In EPA Administrator Lisa Jackson's remarks prepared on the release of the Utility Hazardous Air Pollutants Maximum Achievable Control Technology standards (HAPs MACT) on March 16, 2011, she stated:

> The proposal and implementation of these standards will also have benefits for American utilities. For the first time in twenty years, they will have certainty about the standards they must meet. And setting national standards for mercury and air toxics will level the competitive playing field and close loopholes for big polluters. Utilities that have already put pollution control technology in place will no longer have to compete with those who have delayed those investments – a group that includes almost half of the nation's coal-fired plants, which lack advanced pollution control equipment. In fact, facilities that have already taken responsible steps to reduce the release of toxins into our air will be at a competitive advantage over their heavy-polluting counterparts. And to ensure cost-effectiveness, we have proposed flexibility in meeting the standards. The technologies being required already exist in abundance, and under the proposal, power providers have four years to comply.[2]

The lack of certainty in environmental regulation is well recognized, but

[2] Remarks available at:
http://yosemite.epa.gov/opa/admpress.nsf/12a744ff56dbff8585257590004750b6/b7e570d651cadc03852578550057011c!OpenDocument

does not obviate existing compliance obligations. The uncertainty of future environmental regulations is also acknowledged by state utility regulators. On February 16, 2011, the National Association of Regulatory Utility Commissioners Board of Directors adopted a resolution, included as Exhibit No. 20, urging the EPA to ensure, as the agency develops public health and environmental programs, that reliability, cost, compounded economic impacts of multiple environmental rulemakings, and flexibility of timeframes for compliance be considered.

Q. Does the Company believe that any of the emissions control equipment subject to review in this proceeding will not be necessary as a result of future environmental requirements?

A. No. The Company does not anticipate that environmental regulations will become less stringent and history demonstrates that regulations become more stringent over time. The controls subject to review in this proceeding are necessary to allow the Company to continue operating these facilities given that increasing stringency. Further, the Company's analysis suggests that these controls place the facilities in a position to continue to generate reasonably priced electricity under contemplated environmental regulations, even if greenhouse gas legislation is adopted. The Company's analysis suggests that the cost of carbon under a regulatory regime for greenhouse gas emissions would have to approach $40 per ton with gas prices sustained below the $7 - $9/mmBtu range to begin to make replacement of coal-fueled resources cost effective prior to 2030. Utilizing greenhouse gas reduction requirements as a basis for current investment decisions is highly speculative given that the current Congressional activity is focused on

delay or repeal of the EPA's authority to regulate greenhouse gases, and not on a comprehensive legislative effort to reduce greenhouse gas emissions.

Additionally, in the course of applying environmental requirements to the Company's facilities, the respective state Department of Environmental Quality or the EPA consider what constitutes cost-effective emission reductions, taking the position that all cost-effective reductions are required. As discussed earlier in my testimony, in the context of the Regional Haze program's Best Available Retrofit Technology determinations, the reviewing environmental agency must consider:

(a) the costs of compliance;

(b) the energy and non-air quality environmental impacts of compliance;

(c) any existing pollution control technology in use at the source;

(d) the remaining useful life of the source; and,

(e) the degree of visibility improvement which may reasonably be anticipated from the use of BART.

Within the foregoing mandatory BART factors are considerations such as greenhouse gas regulation and other environmental regulatory drivers that may have an impact on the remaining useful life of the source are considered.

Q. Should the Company wait until all the regulations are considered, finalized, and quantified to install controls?

A. No. Doing so would put the facilities at substantial risk of noncompliance and does not reflect the reality of the multistate operations and planning process for a utility the size of PacifiCorp. Moreover, it would be imprudent for a utility the size of PacifiCorp to assume it can install all required controls under a "just-in-

time" plan. This approach to compliance poses a significant risk to the Company and its stakeholders; as a practical matter, it cannot be economically achieved on a system the size of the Company's. Emission reduction projects are complex, multi-year projects. Trying to install multiple controls within the same short time frames poses a significant risk of noncompliance with penalties that can be substantial. Even if a regulatory agency did not impose penalties for failing to achieve emission reduction deadlines, third parties have not hesitated to bring lawsuits against the operators of those facilities that miss deadlines or are otherwise not in compliance with permit and emission limits. Indeed, the federal clean air act specifically allows for private citizen enforcement of air quality requirements.

Considering future environmental regulatory requirements such as the HAPs MACT when planning compliance projects for existing regulations avoids the concern many companies are expressing about the short three-year compliance period. Because the HAPs MACT had its genesis in the Clean Air Mercury Rule, which was issued by the EPA in 2005 but vacated by the court in 2008, the Company was able to, and did, consider the potential impacts of a mercury rule on its equipment decisions.

If a company waits for a rule to become final to begin to develop its compliance strategy, it may find itself in a situation similar to facilities in Oklahoma where the EPA recently rejected the state's implementation plan for Regional Haze and has required that companies install scrubbers on three plants or switch to natural gas within three years at a cost of approximately $1 billion.

The permitting, procurement and installation of such equipment in such a short time frame is challenging, if not impossible, and creates significant inefficiencies and cost increases.

Q. Do you believe that the Company may need to change the controls that are subject to review in this case if the EPA does not approve the State Implementation Plans?

A. No. The controls at issue, including scrubbers, low NO_x burners, and baghouses are important controls to meet both existing and future environmental regulations. Emission reduction projects completed under the Regional Haze regulations for SO_2, NO_x, and particulate matter will also serve to reduce mercury and other non-mercury hazardous air pollutants, consistent with the Utility HAPs MACT that will be finalized later this year. Likewise, these controls will assist in achieving attainment with the National Ambient Air Quality Standards, including the fine particulate standard, and the one-hour SO_2 standard as well as the impending revised ozone standard. Even if additional controls for NO_x, such as selective catalytic reduction (SCR) are required, the installation of combustion controls such as low-NO_x burners is an important step in achieving lower-cost NO_x reductions so that post-combustion controls are more efficient and operating costs are lower.

Q. Why doesn't the Company wait until it knows the outcome of all air quality, waste and water rules to implement its environmental projects?

A. The structure of the EPA and the nature of its rulemaking process are not conducive to the agency producing coordinated air quality, waste and water rules