

ELECTRIC SERVICE AGREEMENT
BETWEEN
ROCKY MOUNTAIN POWER
AND
US MAGNESIUM LLC

THIS ELECTRIC SERVICE AGREEMENT, made this ____ day of August, 2009 is by and between PacifiCorp, an Oregon corporation doing business as Rocky Mountain Power (hereinafter referred to as the “Seller”) and US Magnesium LLC (hereinafter “Purchaser”), a Delaware corporation having a place of business within the State of Utah and located within the county of Tooele. Seller and Purchaser are sometimes referred to separately as a “Party” and collectively as “Parties”.

WITNESSETH:

WHEREAS, Purchaser desires to purchase interruptible electric power and energy for the Plant under this Agreement, and

WHEREAS, Seller is willing to provide interruptible electric power and energy.

NOW THEREFORE, the Parties agree as follows:

Article I. DEFINITIONS

As used in this Agreement, the following terms have the meanings specified.

1.1 “**Affiliate**” means, in the case of Seller, MidAmerican Energy Holdings Company and its direct and indirect subsidiaries and, in the case of Purchaser, Purchaser and its direct and indirect parent entities and subsidiaries.

1.2 “**Agreement**” means this Electric Service Agreement and the attached Exhibits, which are incorporated by reference.

1.3 “**Billing Period**” means the period of approximately thirty (30) days intervening between regular successive meter reading dates.

1.4 “**Business Day**” means any Day except Saturday, Sunday, Days that are observed as business holidays by either Party and Days that are authorized as holidays by banks in New

York, New York.

1.5 **“Change in Law”** means any change in any international, federal, state, or foreign law, treaty, convention, rule, regulation, ruling, directive, requirement, determination, or decision of any Governmental Authority, including any of the same concerning GHGs, including amendments to the Clean Air Act Amendments of 1990 or any regulations promulgated thereunder, passage of the Waxman-Markey American Clean Energy and Security bill or any variant, conference report, or replacement thereof, regulation of any GHGs by the Environmental Protection Agency or any successor agency, or any ratification or implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change or any aspect thereof.

1.6 **“Commission”** means the Utah Public Service Commission.

1.7 **“Curtailed Capacity”** means the Demand available for curtailment under this Agreement. For recordkeeping purposes, Curtailed Capacity will be measured at the time of Seller’s Curtailed Notice.

1.8 **“Curtailed Day”** means any non-NERC Holiday Day, Monday through Friday of each Curtailed Month during the Term.

1.9 **“Curtailed Hours”** means the four (4) consecutive Summer hours and four (4) Winter hours (two (2) periods of two (2) hours each) chosen by the Seller pursuant to the provisions of Section 4.1 during each Curtailed Period during each Curtailed Day.

1.10 **“Curtailed Month(s)”** means the Summer and Winter months, as set forth in this Agreement, during which the Facility’s electric load may be curtailed as specified in Section 4.1.

1.11 **“Curtailed Period”** means the hours from 12:00 PM to 8:00 PM (hours 1200 to 2000) (8 hours) Mountain prevailing time (MPT) for each Curtailed Day during Summer and hours from 6:00 AM to 11:00 AM (hours 0600 to 1100) and 4:00 PM to 8:00 PM (hours 1600 to 2000) MPT (two - 4 hour periods) during Winter.

1.12 **“Day”** means a calendar day.

1.13 **“Delivered Power”** means the capacity and associated electric energy delivered by Seller to Purchaser as shown by the meters located at the Point of Metering for all Non-Curtailed Hours.

1.14 **“Delivered Power Charges”** means charges for Delivered Power calculated in accordance with Section 3.3.

1.15 “**Demand**” means the rate in kilowatts at which Seller delivers electricity to Purchaser as shown by the meters located at the Point of Metering. Demand measurements are calculated based on the average (integrated) usage over fifteen (15) minute periods of time, starting at 00, 15, 30 and 45 minutes past each hour. Abnormally high demands established as a result of extraordinary conditions existing on the Seller’s interconnected system or as a result of accidents caused by the Seller’s negligence resulting in temporary separation of the Parties’ systems shall be excluded from the determination of demand.

1.16 “**Dollars**” or “**\$**” means the lawful currency of the United States of America.

1.17 “**Force Majeure**” means any act or event that delays or prevents Seller or Purchaser from timely performing its obligations under this Agreement or from complying with this Agreement if such act or event is beyond the reasonable control of the Party relying thereon as justification for such delay, nonperformance or noncompliance, including, without limitation, (a) an act of God or the elements, explosion, fire, epidemic, landslide, mudslide, sabotage, lightning, earthquake, flood or similar cataclysmic event, an act of public enemy, war, blockade, civil insurrection, riot, civil disturbance, strike or other labor difficulty caused or suffered by third parties beyond the reasonable control of Purchaser or Seller (whether such cause is similar or dissimilar to the foregoing or is foreseen, unforeseen, or foreseeable), or (b) any restraint or restriction imposed by law or by rule, regulation, or other acts of governmental authorities, whether federal, state or local, not initiated or supported by the Party claiming the event of Force Majeure. Notwithstanding the foregoing, none of the following constitute “Force Majeure”: (i) changes in economic or market conditions; (ii) changes to the cost of fuel or fuel transportation, (iii) changes in the cost of electricity or its transmission, (iv) changes in the demand for products manufactured by Purchaser; (v) changes to the price of energy (including Purchaser’s ability to buy energy at a lower price or Seller’s ability to sell energy at a higher price than the Hourly Market Price established pursuant to this Agreement); (vi) an act or event that is not otherwise an event of Force Majeure that renders this Agreement uneconomic or unprofitable for a Party; (vii) economic hardship, including lack of money, including funds authorized or promised by a state or the federal government or agencies thereof and not delivered; (viii) delay or failure to obtain or perform any required permit or authority to operate, or (ix) a general increase in prevailing regional wages.

1.18 “**Forecasted Temperature**” means the forecasted maximum temperature for the

Salt Lake City International Airport as reported by the National Weather Service at www.wrh.noaa.gov/slc/forecast/ and available as of 7:00 a.m. MPT for the following Day. The “Tabular State Forecast” shall but used, with “Salt Lake City” as the reference point.

1.19 **“Greenhouse Gases”** (“GHGs”) means carbon, methane, sulfur hexafluoride, or other greenhouse gases, whether as elements, oxides or in other compounds.

1.20 **“Greenhouse Gas Costs”** means any and all federal, state or local costs, expenses, assessments, taxes, losses, charges, payments, amounts due, fines, penalties, and obligations of any kind or nature, however named or designated, and on whomever assessed, payable to or payable by (including any now or hereafter imposed by any Governmental Authority on Seller or any PacifiCorp Affiliate or their assets), whether or not contestable, whether or not currently anticipated or predictable, with respect to or on account of any matter or thing respecting GHGs or actual or potential emissions to the air, water or ground of GHGs, including any (A) due to a Change in Law; (B) relating to or arising from emissions from the generating facility or the existence, transportation, generation, transmission, purchase, sale or use of fuel, capacity, or energy; (C) mandating GHG sequestration; (D) concerning or taxing the GHG content, emissions potential or molecular composition of fuel or emissions; (E) so-called “cap and trade” regime respecting GHGs, including the cost of auctioned, or value of allocated, allowance permits, or alternative compliance payments; or (F) changing the emissions baseline of a PacifiCorp Indemnitee’s GHG emissions; and all reasonable legal and accounting costs and expenses respecting any of the foregoing.

1.21 **“Hourly Market Price”** means the applicable Index Price for the specified time period (On-peak or Off-peak) in a given Day multiplied by the applicable Hourly Shaping Factor set forth in Tables 1 through 3 in Exhibit A for each Curtailment Hour.

1.22 **“Hourly Shaping Factor”** means the Hourly Shaping Factors utilized by Seller for transactions at Palo Verde, as set forth in Tables 1 through 3 of Exhibit A for each hour. By notice given to Seller at least sixty (60) days before the beginning of another Year, Seller may adjust the Hourly Shaping Factors set forth in Exhibit A in a commercially reasonable manner, with such adjustment to be in effect during the next Year; provided, the summation of the Hourly Shaping Factors for the on-peak sixteen (16) hour period, divided by sixteen (16), shall equal one (1), and the summation of the Hourly Shaping Factors for the eight (8) hour off-peak time period, divided by eight (8), shall equal one (1), and the summation of the Hourly Shaping Factors for a

twenty-four (24) hour period, divided by twenty-four (24), shall equal one (1). Such adjustment shall be subject to Seller's consent, which Seller shall not unreasonably withhold, condition or delay.

1.23 **"Index Price"** means the Intercontinental Exchange (ICE) Day-Ahead Palo Verde On-Peak Index, for On-Peak, and the Intercontinental Exchange (ICE) Day-Ahead Palo Verde Off-Peak Index for Off-Peak. Intercontinental Exchange (ICE) Day-Ahead indexes are calculated seven days a week, including NERC holidays. If the Intercontinental Exchange (ICE) Day-Ahead index or any replacement of that index ceases to be published during the Term, Seller shall select as a replacement a substantially equivalent index that, after any appropriate or necessary adjustments, provides the most reasonable substitute for the index in question. Seller's selection shall be subject to Purchaser's consent, which Purchaser shall not unreasonably withhold, condition or delay.

1.24 **"Interruptible Contract Demand"** means the maximum amount of Demand that Seller is obligated to provide to Purchaser at any time. The Interruptible Contract Demand during the Term is 125 MW.

1.25 **"Interruptible Power and Energy"** means the electric power expressed in kilowatts and associated energy in kilowatt-hours made available by the Seller to meet Purchaser's load subject to interruption and curtailment at the Seller's option under the conditions set forth in this Agreement and in the most current version of Seller's applicable Electric Service Regulations, including Electric Service Regulation No. 4.

1.26 **"kW"** means kilowatt.

1.27 **"Line Loss Adjustment"** means 1.051.

1.28 **"Measured Energy"** for any period means the algebraic sum of the electric energy in kilowatt-hours as shown by or computed from the readings of the existing kilowatt-hour meters located at the Point of Metering and adjusted for: (i) losses, if any, between the Point of Metering and the Point of Delivery and, (ii) Power Factor adjustment as set forth in Section 3.5.

1.29 **"Month"** means a calendar month.

1.30 **"MW"** means megawatt, or 1,000 kW.

1.31 **"MWh(s)"** means megawatt-hour(s).

1.32 **"Netted Agreement"** means any present or future contract or agreement between

the Parties not explicitly excluded from the offset provisions contained in Section 3.10 of this Agreement.

1.33 **“Non-Curtailment Hour(s)”** means any hour that is not a Curtailment Hour.

1.34 **“Party”** and **“Parties”** have the meanings given in the preamble of this Agreement.

1.35 **“Payment Default”** means any failure by Parties to make payment, including prepayments and deposits, on or before the date due under the terms of this Agreement.

1.36 **“Person”** means any individual or a corporation, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, government (or any agency or political subdivision thereof) or other entity of any kind.

1.37 **“Physical Curtailment”** means Purchaser stopping or reducing electric power purchases from Seller.

1.38 **“Plant”** means Purchaser’s magnesium production and related facilities located within Tooele County in the State of Utah, which consist of Purchaser’s Rowley facilities.

1.39 **“Point of Delivery”** means the 138-kV side of the 138 to 13.8-kV transformers at the Rowley Substation located in Tooele County, Utah.

1.40 **“Point of Metering”** means the 13.8-kV side of the Rowley Substation located in Tooele County, Utah.

1.41 **“Power Factor”** means the percentage determined by dividing Purchaser’s average kilowatt-hours by Purchaser’s average kilovolt-ampere hours in any given month.

1.42 **“Power Purchase Agreement”** means the applicable Commission-approved agreement between Seller and Purchaser for the purchase of power by Seller from Purchaser’s qualifying facility.

1.43 **“Prudent Utility Practices”** means, at a particular time, those practices, methods and equipment, as changed from time to time, that are commonly used in engineering and operations to operate electric equipment lawfully and safely and that are in accordance with the applicable standards promulgated by a regulatory or standard-setting body including, but not limited to, the National Electrical Safety Code and the National Electric Code in effect during the Term of this Agreement.

1.44 “**Purchaser**” has the meaning given to it in the preamble of this Agreement.

1.45 “**Purchaser’s Curtailment Response**” means a response to a Seller’s Curtailment Notice provided by Purchaser to Seller in accordance with Section 5.2.

1.46 “**Replacement Power**” means the Measured Energy for any Curtailment Hour.

1.47 “**Replacement Power Charges**” means the charges for Replacement Power calculated in accordance with Section 5.3.

1.48 “**Self Curtailment**” means a request for self curtailment by Purchaser in accordance with section 4.1.1.

1.49 “**Seller**” has the meaning given to it in the preamble of this Agreement.

1.50 “**Seller’s Curtailment Notice**” means notice of curtailment provided to Purchaser by Seller in accordance with Section 4.1.3.

1.51 “**Summer**” means the months of June through September, inclusive.

1.52 “**Term**” has the meaning given to it in Section 2.3 of this Agreement.

1.53 “**Winter**” means the months of December and January.

1.54 “**Year**” means a calendar year commencing at hour 0100 MPT on January 1 and ending 2400 MPT on December 31 during the Term of this Agreement.

Article II. TERM AND TERMINATION

2.1 **Effective Date.** This Agreement shall become effective on January 1, 2010, after execution by both Parties and after approval by the Commission (“Effective Date”); provided, however, this Agreement shall not become effective until the Commission has determined that the prices for energy and capacity sold to Purchaser are just and reasonable, and in the public interest. For the purposes of inter-jurisdictional cost allocation, the costs and revenues from the energy and capacity sold to Purchaser by Seller will be assigned on a situs basis to the State of Utah and in accordance with the Revised Protocol. In the event that the Commission order approving this Agreement contains any condition that is materially adverse to either party, the party adversely impacted by the condition may terminate this Agreement by providing the other party notice within thirty (30) days of the entry of the Commission's order. In the event the Commission Order approving the Agreement either requires imputation of revenue to Company, or provides for possible future imputation of revenue to Company, Company may terminate the Agreement by providing Purchaser notice within thirty (30) days of the entry of the

Commission's Order. In the event the Commission Order does not provide for the direct assignment of the revenues and costs from the Agreement to the Utah jurisdiction in accordance with the Revised Protocol for rate making purposes, Company may terminate this Agreement by providing Purchaser notice within thirty (30) days of the entry of the Commission's Order. In either such event, the parties will negotiate in good faith to reach agreement on substitute rates, terms and conditions for service to Purchaser.

2.2. **Termination.** Except as otherwise provided herein, this Agreement shall terminate at 2400 MPT on December 31, 2014.

2.3 **Term.** The Term of the Agreement is five (5) years unless otherwise provided for in the Agreement.

Article III. RATES, BILLING, PAYMENTS AND ADJUSTMENTS

3.1 Seller shall sell and deliver and Purchaser shall purchase and receive Interruptible Power and Energy under the terms and at the rates specified herein. Notwithstanding the curtailment plan in Article IV, Seller does not guarantee constant or uninterrupted delivery of Electric Service. The parties agree that continuity of service shall be governed by the most current version of Seller's applicable Electric Service Regulations, including Electric Service Regulation No. 4.

3.2 **Monthly Billing.** The monthly billing hereunder shall be the sum of the monthly Delivered Power Charges, as determined pursuant to the provisions of Section 3.3 and the monthly Replacement Power Charges, as determined pursuant to the provisions of Section 5.3

3.3 **Delivered Power Charges.** Delivered Power Charges shall be calculated for each Billing Period as follows:

Contract Rate multiplied by Measured Energy for all Non-Curtailment Hours.

2010 Contract Rate: \$ 29.35 per MWh

2011 Contract Rate: (2010 Contract Rate * 2011 Rate Adjustment) + \$2.10 per MWh

2012 Contract Rate: (2011 Contract Rate * 2012 Rate Adjustment) + \$1.68 per MWh

2013 Contract Rate: (2012 Contract Rate * 2013 Rate Adjustment) + \$1.26 per MWh

2014 Contract Rate: (2013 Contract Rate * 2014 Rate Adjustment) + \$0.84 per MWh

3.4 **Rate Adjustments.** The Contract Rate in this Agreement shall be adjusted during the Term of the Agreement as follows: The Contract Rate shall be adjusted effective January 1 of each of 2011, 2012, 2013 and 2014 in order to reflect the average percentage increase or decrease to the Schedule 9 class, if any, ordered by the Commission in any general rate case or single item rate case during the prior calendar year (“Rate Adjustment”). The Rate Adjustment shall be calculated by taking the revenue requirement per MWh for the Schedule 9 class in effect as ordered by the Commission as of December 31 of a given calendar year and dividing it by the revenue requirement per MWh for the Schedule 9 class in effect as ordered by the Commission as of January 1 of that same calendar year. The result is the Rate Adjustment applicable to the next calendar year. The Rate Adjustment shall be rounded to the fourth decimal place. Examples of how the Rate Adjustment shall be applied are shown in Exhibit C. Notwithstanding anything else to the contrary in this Agreement, at no point shall Purchaser’s Contract Rate exceed Purchaser’s per unit cost of service as determined by the Commission in an appropriate rate proceeding.

3.5 **Power Factor.** The rates contained in this Agreement are based on Purchaser maintaining at all times a Power Factor of not less than 90% lagging at the Rowley Plant site as determined by the simultaneous measurement of the meters at the Point of Metering. If the average Power Factor during any Billing Period is found to be less than 90% lagging, the Measured Energy during such Billing Period will be increased by 3/4 of 1% for every 1%, or portion thereof, that the Power Factor is less than 90%.

3.6 **Billing Statements.** All billing statements shall show the amounts due for Delivered Power Charges, Replacement Power Charges, and any other charges authorized under this Agreement or under Electric Service Schedule 300. Each bill for the Billing Period shall be transmitted to Purchaser by facsimile.

3.7 **Payment.** Purchaser will pay to Seller by wire transfer on the first and fifteenth of each Month amounts which represent approximately fifty percent (50%) of the estimated Billing Period amount due for electric service, net of payments under other applicable agreements. During Summer and Winter Curtailment Months in 2010, the prepayment amounts will initially be \$577,259, which is fifty percent of the estimated monthly amount due. During all other Months, the prepayment amount will initially be \$343,681, which is fifty percent of the

estimated monthly amount due. The prepayment amount due on the fifteenth of each Month may be increased or decreased, as applicable, to reflect the estimated increase or decrease in the Demand and/or Hourly Market Price for that Month. The 2010 amounts shall be adjusted in January 2010 to reflect projected monthly electrical usage for 2010. Promptly after the end of each Billing Period, Seller will invoice Purchaser for the amount due under this Agreement for actual usage. Purchaser and Seller will true-up the bimonthly payments to the actual amounts due by a wire transfer from Purchaser to Seller of the shortfall within three (3) Business Days after transmission to Purchaser by facsimile of the true-up billing if such amount due is greater than \$50,000; otherwise any remaining amount due or any overage shall be due or credited with the next bimonthly payment. On or before the annual anniversary date of the Agreement the amount of the pre-payments will be adjusted to reflect the projected monthly electrical usage for the next 12-month period.

3.8 Payment Default and Disputes. In the event of a Payment Default, after the date on which this Agreement is entered, as to an amount which is not or cannot in good faith be disputed Seller will provide written notice of the default by facsimile. If payment in the amount of the defaulted payment is not made within fifteen (15) Days after transmission to Purchaser by facsimile of the default notice, Seller may, without further notice, terminate electric service to Purchaser and apply the Deposit to Purchaser's unpaid charges. In the event that a portion of the bill or adjustment arising hereunder is disputed, payment of the portion not in dispute shall be made when due. Purchaser and Seller shall seek to resolve any disputed amount within thirty (30) days after issuance of Purchaser's notice of dispute by reviewing all pertinent billing data defined in this Agreement. Should the parties be unable to resolve any such dispute, they shall present it to the Commission for resolution.

3.9 Rights and Remedies. In the event either Party defaults in any of its obligations under this Agreement or the applicable Electric Service Regulations, either Party may exercise any or all of its rights and remedies as described in Article X.

3.10 Set-Off. Upon an event of default by Purchaser hereunder, in addition to and not in limitation of any other right or remedy under contract or applicable law (including any right to set-off, counterclaim, suspend performance or otherwise withhold payment, combination of accounts, lien or other right howsoever arising), Seller may at its option: (1) set-off, against any amounts due *to* Purchaser under any Netted Agreement: (a) any amounts due *from* Purchaser

under any Netted Agreement, or (b) any amounts due any Affiliate of Seller *from* Purchaser under any present or future contract or agreement between Purchaser and any Affiliate of Seller (each an “Affiliate Netted Agreement”), and (2) set-off or cause the setoff against any amounts due *from* Purchaser under any Netted Agreement: (a) any amounts due *to* Purchaser under any Netted Agreement, or (b) any amounts due *to* Purchaser from any Affiliate of Seller under any Affiliate Netted Agreement. If any obligation is unliquidated, Purchaser or its Affiliate, as applicable, may in good faith, estimate that obligation and setoff in respect of the estimate, subject to accounting when the obligation is liquidated. Seller shall give Purchaser written notice after any set-off, but failure to give such notice shall not affect the validity of the set-off. Any letters of credit, performance assurance, cash pledged or other property provided or in which a security interest is now or hereafter granted by Purchaser to Seller under any Netted Agreement shall also secure the obligations of Purchaser to Seller arising under any other Netted Agreements. Any Open Access Transmission Tariff interconnection, transmission service or other agreement with Seller acting in its regulated transmission or retail power delivery function shall not be a Netted Agreement or Affiliate Netted Agreement. Notwithstanding anything to the contrary herein, in no way shall any provision hereof be applied to cause Seller acting in its regulated transmission or retail power delivery function to have any liability to any person or entity in excess of the amounts to which its liability is limited pursuant to its applicable tariffs.

3.11 **Deposit.** Seller currently has a deposit (“Deposit”) from Purchaser in the amount of \$577,259. Beginning January 1, 2010, the Deposit shall be adjusted to equal 15 days net electrical usage, calculated based on the projected average daily net electrical usage during the curtailment months of 2010. Thereafter, the Deposit will be adjusted annually, calculated in the same manner for the projected usage in the coming Year, to equal 15 days net electrical usage.

3.12 **Energy Cost Adjustment Mechanism.** In the event the Commission adopts an energy cost adjustment mechanism (“ECAM”) for Seller in Utah and applies the ECAM to Purchaser, this contract will be amended as necessary, as determined by the Commission in the ECAM proceeding.

3.13 **Demand-Side Management Surcharge.** Purchaser and Seller agree that Purchaser will be subject to demand-side management surcharges if so ordered by the Commission.

3.14 **Greenhouse Gas Emissions.** In the event that any Greenhouse Gas Costs are

imposed on Seller or Purchaser, this contract will be amended as necessary, as determined by the Commission in an appropriate proceeding.

Article IV. CURTAILMENT

4.1 **Curtailment.** Seller shall have the right at its sole and complete discretion to curtail Interruptible Power and Energy to the Plant for up to four (4) Curtailment Hours in each Curtailment Day during Summer and Winter in accordance with this Section 4.1.

4.1.1 Summer. During Summer, Seller shall have the right to curtail Interruptible Power and Energy to the Plant for up to four (4) consecutive Curtailment Hours on those Curtailment Days when the Forecasted Temperature is greater than the period of record average maximum temperature as reported by the National Weather Service for the Salt Lake City International Airport for that full (July and August) or partial (June and September) calendar month, as indicated below. For June, the time period of June 15 through June 30 was used. For September, the time period of September 1 through September 15 was used. During Summer, Purchaser may elect Self Curtailment for up to four (4) consecutive Curtailment Hours on those Curtailment Days when the Forecasted Temperature is less than or equal to the period of record average maximum temperature as reported by the National Weather Service for the Salt Lake City International Airport for that full (July and August) or partial (June and September) calendar month, as indicated below. For the Summer months, the following average maximum temperature shall apply:

<u>Month</u>	<u>Average Maximum Temperature</u>
June	87° F
July	93° F
August	91° F
September	83° F

4.1.2 Winter. During Winter, Seller shall have the right to curtail Interruptible

Power and Energy to the Plant for up to two (2) blocks of two (2) Curtailment Hours in any Curtailment Day.

4.1.3 Seller's or Purchaser's Curtailment Notice. Seller or Purchaser shall provide notice of curtailment to the other Party by email or facsimile by 12:00 p.m. MPT of the day before the Curtailment Day of any Curtailment Hour that Seller or Purchaser elects for curtailment. The Curtailment Notice shall specify the Curtailment Hour(s) for that Curtailment Day. Such email or fax notice shall utilize the form of curtailment notice attached hereto as Exhibit B. The Parties may agree to other notice provisions.

4.1.4 Seller's Option to Bank Curtailment Hours. Seller shall have the option to bank Curtailment Hours instead of requiring Purchaser to curtail Interruptible Power and Energy on any given Curtailment Day when curtailment is otherwise allowed under 4.1.1 or 4.1.2. When Seller elects to bank Curtailment Hours, Seller shall provide notice of its desire to bank Curtailment Hour(s) to Buyer by email or facsimile by 12:00 p.m. MPT of the day before the Curtailment Day. The Curtailment Notice shall specify the number of banked Curtailment Hours for that Curtailment Day and the total cumulative banked Curtailment Hours. Such email or fax notice shall utilize the form of curtailment notice attached hereto as Exhibit B. The Parties may agree to other notice provisions. The Parties agree the intent is for banked hours to be used for operational flexibility. All banked Curtailment Hours must be used in the same calendar year they were banked.

4.1.5 Seller's Use of Banked Curtailment Hours. Seller shall have the right to utilize banked Curtailment Hours only during hours in which curtailment would not otherwise be available for any reason under either 4.1.1 or 4.1.2. To utilize banked Curtailment Hours, Seller shall provide notice as required under 4.1.3. Such notice shall indicate that the Curtailment Hours are banked Curtailment Hours. Such notice shall include the total number of banked Curtailment Hours remaining following the curtailment. Seller can utilize banked Curtailment Hours at any time and on any day with the exception of the restrictions set forth in this section 4.1.5, provided, however, in no event shall Seller be allowed to utilize more than four (4) banked Curtailment Hours in any given day.

4.2 **System Reliability.** Seller may also temporarily require or cause Physical

Curtailement of service to Purchaser's Plant when Seller reasonably determines, pursuant to Prudent Utility Practice, that an interruption or curtailment of Interruptible Power and Energy to Purchaser is necessary to maintain service to customers, not including Purchaser, receiving retail service from Seller. Except under emergency conditions, Seller shall give Purchaser at least two hours advance notice of desired interruption and/or curtailment and at least one hour's notice when interruption and/or curtailment are to be discontinued. If an interruption or curtailment under this Section 4.2 occurs during Curtailment Hours, the hours of curtailment or interruption under this Section will reduce the Curtailment Hours otherwise available during the same Curtailment Day. Upon reasonable request and for good cause, Purchaser shall have the right upon reasonable notice to audit books and records necessary to confirm the basis for system reliability interruptions.

Article V. REPLACEMENT POWER

5.1 Option to Accept Replacement Power. If Seller or Purchaser provides Seller's or Purchaser's Curtailment Notice under Section 4.1, Purchaser may elect either to physically curtail or to purchase Replacement Power during any or all of the Curtailment Hour(s) specified in Seller's or Purchaser's Curtailment Notice by giving notice in accordance with Section 5.2 or Section 5.4.

5.2 Purchaser's Curtailment Response. Purchaser shall notify Seller by facsimile of its decision to either to physically curtail or to purchase Replacement Power for all or any portion of its load within one (1) hour after Seller provides Seller's Curtailment Notice or with Purchaser's Curtailment Notice. *For example, if Seller provides Seller's Curtailment Notice to Purchaser by 1200 MPT, Purchaser must provide Purchaser's Curtailment Response to Seller by 1300 MPT.* Purchaser's Curtailment Response shall specify the portion of its load for each Curtailment Hour for which Purchaser elects to buy Replacement Power and the portion that is to be physically curtailed. The Parties may agree to other notice provisions.

5.3 Replacement Power Charges for each Curtailment Hour shall be calculated as follows:

*Hourly Market Price multiplied by Replacement Power multiplied by Line Loss
Adjustment*

Monthly Replacement Power Charges shall equal the sum of hourly Replacement Power Charges for that Curtailment Month.

5.4 Failure to Provide Purchaser's Curtailment Response for Curtailment.

5.4.1 If Purchaser fails to provide Purchaser's Curtailment Response as specified in Section 5.2, Purchaser will be deemed to have elected to purchase Replacement Power for its entire Curtailment Capacity for all Curtailment Hours specified in Seller's or Purchaser's Curtailment Notice.

5.4.2 In the event that the Seller's system coincident peak in a Summer Curtailment Month occurs during a Curtailment Hour of a Curtailment Day when the Forecasted Temperature was not above the applicable average maximum temperature set forth in Section 4.1.1 and Purchaser chose not to request Self Curtailment, then Section 4.1.1 shall not apply and Purchaser will be subject to curtailment pursuant to section 4.1 during all Curtailment Hours on every Curtailment Day for the twelve (12) month period following notice by Seller.

5.5 Interruption for System Reliability. At all times, all of Purchaser's Plant load shall remain subject to system reliability interruption in accordance with Section 4.2, and Purchaser shall not be obligated to pay for, nor entitled to receive, Replacement Power during a period of system reliability interruption. Seller shall have no liability for losses or damage arising from interruptions made pursuant to this Section.

Article VI. OPERATIONS AND MAINTENANCE

6.1 Cooperation in Operation

6.1.1 No later than ten Days prior to the beginning of each calendar quarter, Purchaser shall provide Seller with a written estimate of its anticipated demand and energy usage during each calendar quarter of the following 12-month period. Such estimates shall not be binding on either party.

6.1.2 Purchaser shall make reasonable commercial efforts to notify the Seller in advance regarding changes in conditions that are reasonably expected to affect Purchaser's load that may aid Seller in load dispatching and in planning Seller's power system operation, such as the probable schedule and duration of substantial daily load

changes. Following an unexpected outage, Purchaser shall notify Seller's dispatcher as quickly as possible of the expected duration of such outage. Such estimates or advance information shall not be binding on either party.

Article VII. METERING

7.1 Purchaser shall be metered with existing profile metering equipment. Such metering equipment has been installed such that both power and energy provided by Seller can be measured during time intervals of not more than fifteen (15) minutes. Purchaser has provided at the identified metering point(s) at the Rowley plant site, telephone lines so that the meters can report their measurements to Seller, or so that the meter(s) can be interrogated by Seller. Purchaser has provided dedicated telephone line(s) where necessary including any direct line as required. Purchaser shall pay all charges related to the operation and maintenance of such telephone lines.

7.2 Seller has provided and installed suitable metering equipment, including panels, to obtain measurements needed for its operating purposes and in connection with settlements hereunder. The metering equipment is installed in Purchaser's substations made available by Purchaser without charge. The metering equipment including panels, the location of the substations, and the installation have been approved by Purchaser and any changes contemplated to said metering equipment shall require Purchaser's prior approval, which will not be unreasonably withheld.

7.3 Seller shall provide, maintain, and test meters and metering equipment required for purposes of settlement hereunder except any potential transformer and current transformers owned by Purchaser. Seller shall maintain and periodically test such meters and metering equipment in accordance with generally accepted practices and in accordance with its Electric Service Regulations. Upon reasonable request by Seller, Purchaser will allow Seller's designated agents access to such metering equipment at all reasonable times and shall permit Seller to install and operate from time to time any testing equipment needed in conjunction with operations or settlements hereunder. In exercise of the rights granted by this Section, Seller shall not interfere with the operation of Purchaser and shall schedule any activity to minimize any interference with Purchaser operations.

7.4 If, at any test of any meter or metering equipment, an inaccuracy is disclosed exceeding two percent, the account for service therefore supplied shall be adjusted to correct the inaccuracy from the last periodic test to the date of such test or for the period during which such inaccuracy may be determined to have existed, whichever period is shorter. Under no circumstance shall adjustments be made for inaccuracies occurring during time periods more than six months prior to the date of such test. Should any meter at any time fail to register, or should registration be so erratic as to be meaningless, the quantities shall be determined from check meters, if installed, or otherwise from the best data available.

Article VIII. ASSIGNMENT

8.1 **Permitted Assignment by Seller.** Purchaser may assign its rights and obligations under this Agreement to any Person who purchases the Plant and assumes in writing the Purchaser's obligations under this Agreement.

8.2 **Restriction on Assignment.** Other than as specified in Section 8.1, neither Party may assign this Agreement without the other Party's prior written consent, which the other Party shall not unreasonably withhold, condition or delay. A Party may reasonably withhold its consent to such an assignment if the assigning Party proposes to assign its rights or delegate its duties under this Agreement in part, or to any party that is in bankruptcy or otherwise has an inability to perform this Agreement in accordance with its terms. If a Party wishes to assign or delegate its rights or obligations under this Agreement, it shall provide the other Party with reasonably detailed information concerning the proposed assignee so as to enable the other Party to make the determination contemplated by the preceding sentence. Any assignment in violation of this Section 8.2 shall be void. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

8.3 **Assumption of Liabilities.** Any permitted assignee or transferee of a Party's interest in this Agreement must assume in writing all existing and future obligations of the assigning Party to be performed under this Agreement, in which case the assignor is released from such obligations.

Article IX. RESALE OF POWER

Electric power purchased by Purchaser hereunder shall not be re-sold but shall be used solely by Purchaser.

Article X. REMEDIES; WAIVER; FEES

10.1 Either party may exercise any or all of its rights and remedies under this Agreement, the applicable Electric Service Regulations and under any other applicable laws, rules and regulations affecting Purchaser. Under no circumstances shall either party be liable for any special, indirect, incidental, consequential, punitive, or exemplary damages. No provision of this Agreement or the Electric Service Regulations shall be deemed to have been waived unless such waiver is in writing signed by the waiving party. No failure by any party to insist upon the strict performance of any provision of this Agreement or the Electric Service Regulations or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of such provision or of any other provision. No waiver of any provision of this Agreement, or the Electric Service Regulations shall be deemed a waiver of any other provision of this Agreement, the Electric Service Regulations or a waiver of such provision with respect to any subsequent breach, unless expressly provided in writing.

10.2 In any suit or action, arising out of or related to this Agreement or the Electric Service Regulations, or an applicable Electric Service Schedule, involving a claim, counterclaim or cross-claim made by either Party against the other Party, the substantially prevailing Party shall be entitled to recover the costs and fees (including, without limitation, reasonable attorneys' fees, the fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other costs of discovery) incurred by such substantially prevailing Party in such suit or action, including, without limitation, any post-trial or appellate proceeding, or in the collection or enforcement of any judgment or award entered or made in such suit or action.

Article XI. GOVERNING LAW; JURISDICTION; VENUE

11.1 All provisions of this Agreement and the rights and obligations of the parties hereto shall in all cases be governed by and construed in accordance with the laws of the State of Utah applicable to contracts executed in and to be wholly performed in Utah by persons

domiciled in the State of Utah. Each party hereto agrees that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Electric Service Regulations or the transactions contemplated hereby or thereby, may only be brought before the Commission, the Federal courts located within the State of Utah, or state courts of the State of Utah, and each party hereby consents to the exclusive jurisdiction of such forums (and of the appellate courts there from) in any such suit, action or proceeding.

11.2 Each Party agrees to treat this Agreement as confidential, not to disclose the terms, conditions or rates of this Agreement to any other Person, and to request confidential treatment of this Agreement by the Commission. Either party may disclose this Agreement as required by legal process; provided, that if either Party is served with any subpoena or any other judicial or administrative process calling for the production of the terms, conditions, or rates of this Agreement, that Party shall immediately notify the other Party in order that the other Party may take such action as it deems necessary to protect its interest.

Article XII. JURISDICTION OF REGULATORY AUTHORITIES;

12.1 This Agreement is subject to the approval of the Commission.

12.2 The applicable Electric Service Regulations of Seller, together with all changes and amendments thereto as approved by the Commission, are incorporated by reference herein and made a part of the agreement. Once the Commission approves the Agreement, the provisions of the Agreement shall take precedence over any conflicting provisions of Seller's Electric Service Regulations.

Article XIII. WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ELECTRIC SERVICE SCHEDULES, THE ELECTRIC SERVICE REGULATIONS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN

WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

Article XIV. HEADINGS

The descriptive headings contained in this Agreement are included for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Article XV. REPRESENTATIVES AND NOTICES

Except to the extent the Agreement specifies another method of delivery or notice, a notice or notification required, permitted or contemplated hereunder shall be in writing, shall be addressed to the Party to be notified at the address set forth below or at such other address as a Party may designate for itself from time to time by notice hereunder, and shall be deemed to have been validly served, given or delivered (i) five (5) Business Days following deposit in the United States mail, with proper first class postage prepaid, (ii) the next Business Day after such notice was delivered to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees, or (iii) upon receipt of notice given by facsimile or personal delivery, so long as a copy is also sent contemporaneously by first class United States mail, postage prepaid:

To Purchaser:

All Notices:

Mike Legge
US Magnesium LLC.
238 North 2200 West
Salt Lake City, Utah 84116
Phone: (801) 532-2043
Facsimile: (801) 534-1407
Email : mlegge@usmagnesium.com

and

Roger Swenson
238 North 2200 West
Salt Lake City, Utah 84116
Phone: (801) 532-2043
Facsimile: (801) 534-1407
Email: roger.swenson@prodigy.net

**With additional Notices of an Event of Default or Potential
Event of Default to:**

Gary A. Dodge
10 W. Broadway, Suite 400
Salt Lake City, UT 84101
Phone: (801) 363-6363
Facsimile: (801) 363-6666
Email: gdodge@hjdllaw.com

To Seller:

All Notices:

Street: 825 NE Multnomah Street
City: Portland, OR 97232
Attn: Contract Administration, Suite 600
Phone: (503) 813 - 5952
Facsimile: (503) 813 - 6291
Duns: 00-790-9013
Federal Tax ID Number: 93-0246090

Credit and Collections:

Attn: Credit Manager, Suite 1800
Phone: (503) 813 - 5684
Facsimile: (503) 813 - 5609

**With additional Notices of an Event of Default or Potential
Event of Default to:**

Rocky Mountain Power General Counsel
Phone: (801) 220-4459 or (801) 220-4270
Facsimile: (801) 220-4058

and

PacifiCorp Energy General Counsel
1407 W. North Temple, Suite 320
Salt Lake City, Utah 84116
Facsimile: 801-220-4615

Article XVI. GENERAL PROVISIONS

16.1 **Severability.** The invalidity, in whole or in part, of any of the articles, sections or paragraphs of this Agreement shall not affect the validity of the remainder of such articles, sections or paragraphs; *provided, however*, that the Parties shall promptly negotiate in good faith to amend this Agreement to preserve the benefits and burdens contemplated by this Agreement.

16.2 **Amendment.** No modification, amendment, or other change to this Agreement will be effective unless consented to in writing by each of the Parties.

16.3 **Effect of Force Majeure.** Except for the obligation to make any payments that are due and payable, Purchaser or Seller, as the case may be, shall be excused from performance under this Agreement to the extent, but only to the extent, that performance under this Agreement is prevented by an act or event of Force Majeure. Purchaser or Seller, as the case may be, shall use its commercially reasonable efforts to overcome or mitigate the effects of such an act or event of Force Majeure; *provided, however*, that nothing in this Agreement shall be deemed to obligate the Party affected by an act or event of Force Majeure to forestall or settle any strike, lock-out or other labor dispute against its will.

16.4 **Interest on Amounts Due.** Any amounts owing after the due date thereof shall bear interest at the Rate specified in the Electric Service Regulations (currently one percent (1%)).

16.5 **No Third Party Beneficiaries.** Except for Persons to whom this Agreement is assigned in compliance with Article VIII, there are no third party beneficiaries to this

Agreement, and this Agreement shall not impart any rights enforceable by any Person that is not a Party.

16.6 **Time.** Unless otherwise specified in this Agreement, all references to specific times under this Agreement shall be references to Mountain standard or Mountain daylight savings time, whichever is then prevailing.

16.7 **Headings.** The various headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of the provisions.

16.8 **Interpretation.** Whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning the plural or feminine or body politic or corporate and vice versa, as the context requires. Whenever the words include(s) or including are used in this Agreement, they should be interpreted to mean include(s) or including, but not limited to. Because both Parties have participated in the drafting of this Agreement, the usual rule of contract construction that resolves ambiguities against the drafter shall not apply. This Agreement shall be governed by the internal laws of the State of Utah.

16.9 **Compliance with Law.** The parties shall in the performance of this Agreement comply with all laws, executive orders, regulations, ordinances, rules, proclamations, demands and requisitions of national governments or of any state, local or other governmental authority which may now or hereafter govern performance hereunder including all applicable laws, executive orders, regulations, ordinances, rules and proclamations regarding Equal Employment Opportunity.

16.10 **Operating Reserve Termination.** Purchaser and Seller have entered into a separate agreement (the "Operating Reserve Agreement") pursuant to which Seller will compensate Purchaser for providing operating reserves. Purchaser would not have entered into this agreement without entering into the Operating Reserve Agreement. Therefore, in the event that either Party terminates the Operating Reserve Agreement, this Agreement will terminate upon Purchaser's notice. In such an event, the Parties will negotiate in good faith to reach an agreement on substitute rates, terms and conditions for service to Purchaser.

16.11 **Entire Agreement.** This Agreement (including all attached Exhibits) contains the complete agreement between Seller and Purchaser with respect to the matters contained in this Agreement and supersedes all other agreements and Electric Service Regulations, whether written or oral, with respect to the matters contained in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by persons duly authorized as of the date first above written.

PACIFICORP dba ROCKY MOUNTAIN US MAGNESIUM LLC.
POWER

By:_____

Name: A. Richard Walje

Title: President

Address: 201 S. Main, Suite 2300
Salt Lake City, UT 84111

By:_____

Name:

Title:

Address: 238 North 2200 West
Salt Lake City, Utah 84116

Exhibit A
Hourly Scalars

Table 1. Monday - Friday Scalars

	January	February	March	April	May	June	July	August	September	October	November	December
Hour 1	96.7%	97.1%	96.8%	96.8%	96.6%	97.9%	98.4%	100.5%	98.7%	98.9%	96.6%	97.5%
Hour 2	92.7%	94.4%	92.6%	93.8%	91.6%	93.0%	96.0%	96.2%	95.1%	91.7%	91.1%	93.4%
Hour 3	93.1%	93.3%	91.4%	89.7%	87.1%	87.7%	90.4%	90.5%	91.7%	89.2%	91.1%	91.7%
Hour 4	95.2%	93.0%	92.8%	89.6%	87.6%	85.4%	86.7%	88.2%	90.5%	88.6%	91.1%	93.8%
Hour 5	100.2%	99.2%	96.1%	96.5%	92.0%	85.6%	88.6%	88.7%	93.9%	94.5%	97.8%	100.2%
Hour 6	107.2%	106.9%	104.2%	102.6%	99.0%	88.6%	87.9%	93.7%	99.0%	104.5%	109.1%	106.7%
Hour 7	98.4%	98.5%	96.2%	93.5%	78.4%	69.2%	63.0%	71.8%	81.4%	85.8%	95.1%	101.5%
Hour 8	103.0%	102.0%	100.4%	98.1%	84.9%	75.5%	72.8%	80.8%	84.8%	92.6%	99.3%	102.5%
Hour 9	100.1%	101.6%	100.0%	99.2%	88.5%	81.5%	76.7%	86.0%	88.3%	95.5%	99.2%	101.6%
Hour 10	99.5%	99.9%	99.2%	98.4%	92.1%	86.2%	81.5%	90.4%	93.4%	96.8%	98.4%	98.2%
Hour 11	99.7%	99.2%	96.3%	99.6%	94.4%	93.1%	89.5%	95.2%	96.2%	97.1%	97.5%	96.0%
Hour 12	97.9%	97.2%	97.5%	97.9%	100.8%	101.4%	96.3%	99.5%	99.5%	98.3%	96.6%	94.4%
Hour 13	93.9%	96.7%	99.0%	98.8%	102.4%	106.7%	108.0%	105.8%	104.1%	102.0%	96.4%	93.4%
Hour 14	93.9%	95.6%	97.8%	98.9%	105.2%	109.2%	113.9%	107.7%	106.1%	103.0%	97.9%	91.1%
Hour 15	91.6%	94.9%	97.9%	99.0%	110.1%	112.4%	118.5%	111.5%	109.7%	102.8%	96.9%	91.0%
Hour 16	93.6%	95.2%	98.4%	100.7%	108.7%	112.8%	120.2%	113.2%	111.0%	104.7%	97.1%	92.1%
Hour 17	99.6%	96.4%	98.3%	102.0%	108.9%	116.0%	121.2%	113.5%	110.8%	104.7%	101.8%	100.8%
Hour 18	105.6%	103.9%	102.3%	102.2%	108.6%	115.6%	120.1%	112.1%	109.8%	106.1%	106.5%	108.9%
Hour 19	110.0%	105.9%	103.9%	102.8%	106.1%	112.6%	114.5%	109.7%	105.7%	107.3%	109.1%	111.8%
Hour 20	109.2%	105.8%	105.3%	105.7%	105.3%	108.2%	110.0%	106.3%	104.7%	106.4%	107.0%	110.3%
Hour 21	103.9%	105.4%	105.7%	103.8%	104.2%	102.4%	100.4%	101.1%	99.4%	101.8%	104.0%	106.4%
Hour 22	100.2%	101.8%	101.8%	99.3%	101.4%	97.2%	93.4%	95.4%	95.2%	95.1%	97.4%	100.0%
Hour 23	111.2%	111.6%	117.1%	120.9%	127.8%	136.4%	129.6%	123.8%	117.8%	119.9%	114.2%	111.7%
Hour 24	103.6%	104.5%	109.0%	110.0%	118.4%	125.5%	122.5%	118.4%	113.3%	112.6%	109.0%	105.0%

Table 2. Saturday Scalars

	January	February	March	April	May	June	July	August	September	October	November	December
Hour 1	100.5%	98.9%	103.3%	100.3%	96.8%	97.1%	100.9%	99.8%	99.6%	104.5%	101.1%	97.5%
Hour 2	96.4%	100.7%	99.0%	97.3%	96.5%	89.1%	95.7%	95.9%	95.0%	100.1%	96.5%	92.8%
Hour 3	96.9%	97.9%	95.5%	93.7%	93.7%	89.8%	92.0%	93.5%	92.7%	95.3%	99.6%	93.7%
Hour 4	99.0%	96.0%	95.5%	93.5%	95.1%	89.6%	86.9%	94.4%	90.6%	93.3%	96.1%	94.4%
Hour 5	100.3%	99.9%	93.3%	95.4%	94.3%	87.1%	88.7%	93.1%	89.3%	92.7%	98.6%	98.4%
Hour 6	101.0%	103.8%	94.8%	98.3%	94.0%	87.1%	88.6%	91.4%	91.8%	90.3%	105.6%	101.9%
Hour 7	94.7%	101.8%	89.8%	84.7%	84.3%	70.0%	63.4%	74.6%	70.9%	80.7%	90.2%	97.5%
Hour 8	98.2%	100.1%	94.2%	87.6%	87.2%	74.6%	69.8%	75.8%	75.1%	82.3%	87.0%	96.3%
Hour 9	99.6%	98.1%	91.3%	96.7%	93.1%	84.8%	74.5%	82.9%	78.0%	90.3%	94.0%	97.1%
Hour 10	99.4%	101.8%	95.8%	98.3%	95.3%	87.9%	80.0%	82.2%	82.5%	94.6%	97.4%	95.0%
Hour 11	99.5%	98.0%	99.4%	101.0%	102.5%	90.6%	85.6%	90.6%	90.8%	101.2%	98.5%	93.3%
Hour 12	96.4%	98.4%	100.9%	101.0%	100.6%	96.8%	97.5%	101.2%	100.0%	101.3%	97.3%	98.7%
Hour 13	97.4%	97.6%	101.3%	100.7%	101.9%	107.4%	112.7%	107.8%	108.8%	101.5%	98.7%	96.1%
Hour 14	96.5%	96.0%	100.7%	101.7%	104.1%	110.6%	115.0%	110.9%	111.5%	105.3%	100.3%	91.5%
Hour 15	92.1%	91.2%	98.6%	101.6%	107.5%	113.4%	117.9%	110.7%	113.0%	104.0%	97.0%	89.1%
Hour 16	96.8%	92.9%	99.7%	99.0%	106.8%	118.8%	119.6%	112.4%	114.4%	105.2%	96.0%	87.5%
Hour 17	101.3%	96.7%	101.6%	100.0%	105.1%	118.6%	118.7%	114.3%	114.9%	104.4%	106.6%	96.2%
Hour 18	103.7%	104.9%	104.6%	105.1%	108.0%	120.1%	119.6%	112.1%	112.4%	104.8%	108.5%	111.6%
Hour 19	110.4%	106.7%	108.3%	104.9%	104.8%	108.4%	114.4%	111.8%	112.3%	106.5%	111.6%	113.1%
Hour 20	106.3%	106.7%	107.0%	107.1%	103.6%	101.4%	112.2%	110.0%	111.4%	103.8%	107.6%	114.5%
Hour 21	105.1%	108.3%	106.5%	106.6%	97.1%	98.2%	100.5%	101.6%	105.5%	106.6%	105.6%	112.6%
Hour 22	102.5%	100.7%	100.4%	104.1%	98.1%	98.3%	98.4%	100.9%	98.5%	107.4%	103.5%	110.0%
Hour 23	104.3%	104.2%	111.2%	114.6%	118.8%	131.2%	128.5%	119.6%	123.3%	116.3%	104.7%	114.9%
Hour 24	101.5%	98.5%	107.4%	107.0%	110.7%	129.0%	118.7%	112.3%	117.6%	107.5%	97.9%	106.5%

Table 3. Sunday and NERC Holiday Scalars

	January	February	March	April	May	June	July	August	September	October	November	December
Hour 1	84.3%	89.7%	87.9%	90.6%	77.9%	65.2%	73.3%	85.5%	81.6%	85.9%	87.3%	86.7%
Hour 2	82.5%	89.2%	86.2%	89.3%	73.6%	60.6%	74.3%	86.1%	77.3%	85.6%	85.0%	87.4%
Hour 3	83.9%	87.7%	83.1%	85.3%	71.9%	61.7%	71.3%	80.3%	78.1%	79.5%	83.0%	82.2%
Hour 4	84.9%	87.1%	82.9%	83.9%	74.3%	61.1%	69.0%	78.1%	74.0%	77.4%	84.4%	82.5%
Hour 5	85.4%	88.1%	85.4%	76.8%	72.0%	61.0%	65.8%	75.8%	71.7%	80.6%	85.9%	85.1%
Hour 6	87.3%	90.7%	85.1%	77.3%	72.3%	58.7%	68.3%	76.3%	74.8%	81.9%	91.1%	86.1%
Hour 7	92.0%	103.6%	90.5%	88.9%	83.1%	70.2%	69.9%	80.2%	77.9%	84.3%	93.9%	95.3%
Hour 8	92.1%	103.9%	99.3%	82.6%	90.0%	81.7%	71.7%	81.9%	79.6%	87.9%	97.7%	100.5%
Hour 9	97.4%	100.8%	100.7%	99.5%	87.1%	84.5%	79.4%	87.1%	87.8%	89.5%	100.9%	101.6%
Hour 10	98.6%	101.2%	99.6%	97.1%	92.8%	93.3%	89.3%	88.8%	92.2%	94.3%	100.0%	99.8%
Hour 11	100.6%	97.2%	101.4%	98.5%	98.7%	103.8%	97.5%	94.9%	102.5%	99.8%	104.2%	99.3%
Hour 12	102.3%	97.4%	102.1%	105.2%	104.6%	112.2%	111.6%	105.6%	105.4%	102.2%	103.4%	98.4%
Hour 13	100.5%	95.5%	98.9%	108.5%	111.1%	121.6%	118.2%	109.9%	109.6%	106.1%	105.5%	99.9%
Hour 14	101.2%	94.5%	98.1%	103.9%	116.6%	126.6%	124.5%	115.4%	114.2%	109.6%	104.5%	98.5%
Hour 15	98.8%	96.8%	97.4%	106.1%	114.5%	132.3%	135.6%	117.4%	118.0%	110.5%	103.7%	95.9%
Hour 16	99.8%	100.5%	102.0%	108.1%	117.1%	135.1%	134.4%	119.9%	122.4%	110.6%	106.6%	98.3%
Hour 17	108.9%	101.3%	108.3%	105.1%	122.2%	135.1%	133.7%	121.5%	121.9%	111.3%	111.5%	105.7%
Hour 18	115.8%	113.9%	115.3%	111.6%	128.3%	139.1%	127.0%	121.4%	124.9%	116.7%	116.7%	119.6%
Hour 19	121.1%	119.8%	118.5%	112.9%	130.9%	139.8%	125.7%	120.9%	125.9%	121.8%	116.7%	124.0%
Hour 20	124.7%	120.0%	121.6%	121.6%	128.5%	128.8%	124.0%	118.3%	124.6%	122.1%	117.4%	123.5%
Hour 21	119.1%	114.4%	122.2%	119.5%	119.8%	134.4%	117.8%	113.2%	120.9%	116.0%	112.2%	119.5%
Hour 22	116.4%	111.6%	116.5%	120.0%	115.3%	117.2%	113.6%	110.8%	111.8%	115.3%	103.3%	111.9%
Hour 23	104.3%	97.7%	104.7%	105.2%	103.2%	88.0%	104.1%	107.8%	104.7%	109.6%	95.4%	102.2%
Hour 24	98.1%	97.2%	92.3%	102.6%	94.5%	87.9%	100.0%	102.9%	98.1%	101.4%	89.7%	96.2%

Exhibit B
Curtailment Notice and Contact Information

US Magnesium LLC. Curtailment Notice

Pursuant to the terms of the Electric Supply Agreement (“Agreement”), Rocky Mountain Power (“RMP”) hereby issues notice for US Magnesium, LLC (“US Mag”), during the curtailment hour(s) specified below, to: (1) physically curtail all load, (2) be subject to the financial buy through provisions of the Agreement for the portion of the load that is not curtailed, or (3) be advised of banked Curtailment Hours. **This Curtailment Notice applies to the calendar months of January, June through September, and December for all Nominated Curtailment Hours in all Curtailment Day¹(s) in that calendar month.**

Banking Curtailment? (YES / NO) Number of Hours Banked_____ Total Hours in Bank_____

Using Banked Curtailment? (YES / NO) Total Hours in Bank After Curtailment _____

Curtailment Notice			US Mag’s Response	
Hour (Mt. daylight time)	Hour Ending (Pacific prevailing time)	Curtailment Hour ² (indicate “YES”)	US Mag’s Estimate of Replacement Power to be Purchased (MW per hour)	US Mag’s Estimate of Physical Curtailment (MW per hour)
0600	0600			
0700	0700			
0800	0800			
0900	0900			
1000	1000			
1100	1100			
1200	1200			
1300	1300			
1400	1400			
1500	1500			
1600	1600			
1700	1700			
1800	1800			
1900	1900			
2000	2000			
Notices:	Email	Fax	Notice Instruction	
TO US Mag	roger.swenson@prodigy.net	801-534-1407	Day-ahead of Curtailment Day by 1200 MPT	
TO RMP	wsc@pacificcorp.com	503-813-6265	Day-ahead of Curtailment Day by 1200 MPT	

- Notes:**
1. Available Curtailment Days are Monday, Tuesday, Wednesday, Thursday, and Friday.
 2. Rocky Mountain Power may elect no more than 4 curtailment hours in any Curtailment Day.
 3. This Notice is subject to, and does not alter, any provisions in the Agreement.

Exhibit C
Rate Adjustment Examples

All examples are for illustrative purposes only.

Example 1: Calculation of 2011 Contract Rate

Assumptions:

1. Schedule 9 revenue requirement on January 1, 2010 equals \$160,564,793
2. Schedule 9 MWhs used in revenue requirement calculation for #1 equals 3,650,542
3. Schedule 9 revenue requirement on December 31, 2010 equals \$168,478,157
4. Schedule 9 MWhs used in revenue requirement calculation for #3 equals 3,705,410
5. Contract Rate for 2010 equals \$29.35 per MWh.

Calculation:

$$2011 \text{ Contract Rate} = (2010 \text{ Contract Rate} * 2011 \text{ Rate Adjustment}) + \$2.10 \text{ per MWh}$$

$$2011 \text{ Rate Adjustment} = (\$168,478,157 / 3,705,410) / (\$160,564,793 / 3,650,542) = 1.0339$$

$$2011 \text{ Contract Rate} = (\$29.35 * 1.0339) + \$2.10 = \$32.44 \text{ per MWh}$$

Example 2: Calculation of 2013 Contract Rate

Assumptions:

1. Schedule 9 revenue requirement on January 1, 2012 equals \$175,478,589
2. Schedule 9 MWhs used in revenue requirement calculation for #1 equals 3,750,884
3. Schedule 9 revenue requirement on December 31, 2012 equals \$172,569,123
4. Schedule 9 MWhs used in revenue requirement calculation for #3 equals 3,775,410
5. Contract Rate for 2012 equals \$34.85 per MWh.

Calculation:

$$2013 \text{ Contract Rate} = (2012 \text{ Contract Rate} * 2013 \text{ Rate Adjustment}) + \$1.26 \text{ per MWh}$$

$$2013 \text{ Rate Adjustment} = (\$172,569,123 / 3,775,410) / (\$175,478,589 / 3,750,884) = .9770$$

$$2013 \text{ Contract Rate} = (\$34.85 * .9770) + \$1.26 = \$35.31 \text{ per MWh}$$