

Daniel E. Solander (11467)  
Rocky Mountain Power  
201 South Main Street, Suite 2300  
Salt Lake City, UT 84111  
Telephone: (801) 220-4014  
Facsimile: (801) 220-3299

Attorney for Rocky Mountain Power

---

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

---

<p><b>In the Matter of the Application of ROCKY MOUNTAIN POWER for Approval of Electric Service Agreement Between Rocky Mountain Power and Magnum Holdings, LLC</b></p>	<p><b>DOCKET NO. 11-035-___</b></p>
<p><b>APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF ELECTRIC SERVICE AGREEMENT</b></p>	

Rocky Mountain Power, a division of PacifiCorp, an Oregon corporation (“Company” or “Rocky Mountain Power”) hereby applies for an order approving an Electric Service Agreement between Rocky Mountain Power and Magnum Holdings, LLC, a Utah Limited Liability Company, dated March 9, 2011. The Agreement is being filed under seal, and confidential treatment of the Agreement and related information under Commission Rule R746-100-16 is hereby requested. In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp. PacifiCorp is an Oregon corporation that provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington. Rocky

Mountain Power is a public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately 824,000 customers in Utah. Rocky Mountain Power's principal place of business in Utah is 201 South Main Street, Suite 2300, Salt Lake City, Utah 84111.

2. Communications and data requests regarding this Application should be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[Dave.taylor@pacificorp.com](mailto:Dave.taylor@pacificorp.com)  
[daniel.solander@pacificorp.com](mailto:daniel.solander@pacificorp.com)

By mail: Data Request Response Center  
Rocky Mountain Power  
825 NE Multnomah St., Suite 800  
Portland, OR 97232

Dave Taylor  
Rocky Mountain Power  
201 South Main, Suite 2300  
Salt Lake City, UT 84111  
Telephone: (801) 220-2923

Daniel E. Solander  
Rocky Mountain Power  
201 South Main Street, Suite 2300  
Salt Lake City, UT 84111

3. Magnum Holdings, LLC and its affiliates (“Magnum”) intend to construct and operate an integrated underground natural gas storage project and related facilities located in Rocky Mountain Power’s service territory in Millard County, Utah. Magnum has asked Company to provide retail electric services needed for the project, with an initial contract demand in excess of 1MW.

4. Given the large amount of load that was requested and the constraints it would place on Rocky Mountain Power's existing 46 kV transmission system in the general area of the Facility, Customer requested the system impact study focus on Rocky Mountain Power's ability to interconnect with and deliver transmission service at 46 kV from the two 46 kV busses at the existing 345 kV/46 kV substation located at the Intermountain Power Project (“IPP”).

5. Rocky Mountain Power determined it would be prudent to allow an exception to Rocky Mountain Power’s line extension tariff, Electric Service Regulation 12, given that the existing 46kV Rocky Mountain Power facilities near this delivery point and in the area would require some significant improvements in order to serve the relatively large load request while the IPP facility is located within two miles. To provide the requested service using Rocky Mountain Power resources would require adding capacitor banks to improve system voltage and construction of a new 230-69 kV substation. Constructing the necessary facilities would cost approximately \$25.0 m. A second study examined the cost and impact of providing the requested service through IPP facilities. In this scenario, interconnection would require construction of less than a mile of line owned by IPP, and approximately 1.5 miles of line owned by Rocky Mountain Power, terminating at Magnum’s facility. Due to the required additional facilities, and cost to serve from Rocky Mountain Power resources compared to the relative ease of acquiring the necessary wholesale service through IPP, the study recommended that the Magnum load be served with such third party resources in the exact amount to meet Magnum’s needs.

6. The parties jointly determined that the most cost-effective and prudent method for Company to provide retail electric services to the Magnum project was through a wholesale power purchase arrangement with the Los Angeles Department of Water and Power (“LADWP”).

7. Rocky Mountain Power has entered into a wholesale Power Purchase Agreement (“PPA”) with LADWP, subject to regulatory approval, to supply to Company the electric services required by Magnum. The PPA will be used exclusively to supply services to Magnum, and will not be used by Company to meet other customer’s needs. Magnum has agreed to pay all costs incurred by Company in connection with the PPA.

8. In order to facilitate delivery of power to the facility, Magnum has agreed to construct certain lines and facilities, including certain lines and facilities to be owned by Company (“New RMP Facilities”) pursuant to an Applicant Built Line Extension Agreement entered into between Company and Magnum, and other lines and facilities to be owned by Intermountain Power Agency (“IPA”) pursuant to a Facilities Construction, Operation and Maintenance Agreement entered into between Magnum and IPA. Magnum is responsible under both agreements to pay all costs for construction of the necessary lines and facilities.

9. To facilitate the interconnection of the New RMP Facilities with facilities to be owned by IPA, Rocky Mountain Power has entered into a Distribution Interconnection Agreement (“Interconnection Agreement”) with IPA. Magnum has agreed to pay all costs incurred by Company in connection with the Interconnection Agreement.

10. Rocky Mountain Power and Magnum have executed a Master Electric Service and Facilities Improvements Agreement (“Agreement”) on March 9, 2011, a copy of which is attached hereto as Exhibit 1. At Magnum’s request, the Agreement has been marked confidential and confidential treatment of the Agreement and related information under Commission Rule R746-100-16 is hereby requested.

11. Under the Agreement, Rocky Mountain Power will provide Magnum with electric power and energy to the extent available under the PPA, and Magnum will pay Rocky Mountain Power monthly for all costs incurred by the Company under the PPA, plus an administrative fee, plus ongoing costs of operation and maintenance, repair, replacement and removal associated with the New RMP Facilities. As such, the methods for calculating facilities charges, contract minimum billing, and termination charges differs from Rocky Mountain Power’s tariffs. Magnum has agreed to pay these rates for retail electric service in lieu of receiving retail electric service at the applicable standard tariff rates under standard tariff provisions.

12. In addition to the rate and terms necessary to reflect the source of power and energy, the Agreement contains different terms from those terms generally applicable to similarly situated customers. The parties agreed upon different provisions for early termination by Rocky Mountain Power, for removal of facilities in the event the Agreement terminates, for payment of ongoing maintenance and capital repairs of the power line constructed to serve Magnum, for any modifications required by an increase in the IPP line voltage, for onsite generation, for a line extension allowance, for assignment of the Agreement, and for set-off against affiliates.

13. The prices, terms and conditions of the Agreement are just and reasonable and in the public interest.

14. The Company requests approval of the Agreement in regular proceedings to be scheduled and conducted in accordance with the Commission's usual procedures and practices. The Company hereby requests a scheduling conference in this docket.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue its Order approving the Agreement and finding that the Agreement and the rates, terms and conditions set forth therein are just and reasonable and in the public interest.

DATED this \_\_\_\_ day of March, 2011.

Respectfully submitted,

---

Daniel E. Solander  
Attorney for Rocky Mountain Power

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_ day of March 2010, I caused to be served via electronic mail, a true and correct copy of the foregoing Application of Rocky Mountain

Power to the following:

Patricia Schmid  
Assistant Attorney General  
Division of Public Utilities  
500 Heber M. Wells Building  
160 East 300 South  
Salt Lake City, UT 84111  
pschmid@utah.gov

Paul Proctor  
Assistant Attorney General  
Committee of Consumer Services  
500 Heber M. Wells Building  
160 East 300 South  
Salt Lake City, UT 84111  
pproctor@utah.gov

Gary A. Dodge  
Hatch, James & Dodge  
10 West Broadway, #400  
Salt Lake City, UT 84101  
gdodge@hjdllaw.com  
Attorneys for Magnum