

August 7, 2018

***VIA ELECTRONIC FILING***

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Secretary

RE: **Docket No. 16-035-33**  
Rocky Mountain Power – Application for Energy Services Agreement with Kennecott  
Utah Copper, LLC  
*Addendum to the October 7, 2016 Settlement Stipulation*

Rocky Mountain Power (“Company”) hereby submits for electronic filing an Addendum to the October 7, 2016 Settlement Stipulation (“Stipulation”), which was approved by the Utah Public Service Commission (“Commission”) on November 28, 2016.

In Docket No. 16-035-33, the Commission approved the Stipulation between the Company, the Division of Public Utilities (“Division”), and the Office of Consumer Services (“Office”), filed on October 7, 2016. Consistent with the Stipulation, the Commission also approved the Company’s application for an energy services agreement between the Company and Kennecott Utah Copper, LLC (“KUTC”), which PacifiCorp filed on August 5, 2016 (“Kennecott Contract”).

Section 4.06 of the Kennecott Contract allows the Company and KUTC to explore additional exchanges of value related to the operation of KUTC generation during the term of the Kennecott Contract. However, Section 4.06 is not specific about the types of exchanges of value that can occur under the Kennecott Contract. In December 2017, the Company met with the Division and Office to inform them that an agreement had been reached between the Company and KUTC for the Company to provide service to KUTC in exchange for KUTC idling its Unit 4 for the period of December 12 through December 31, 2017. At that meeting, parties determined that the Stipulation should be amended to clarify their agreement regarding a type of exchange of value that can occur and has occurred under Section 4.06 of the Kennecott Contract.

As a result of the December 2017 exchange, a revenue credit for Utah customers was included in Docket No. 18-035-01, the Company’s 2018 Energy Balancing Account, as discussed on page 9 of the direct testimony of Company witness Mr. Michael G. Wilding. Consistent with Mr. Wilding’s testimony, the Company and parties have reached a formal agreement to clarify the language under Section 4.06 based on the intent that any exchange in value under Section 4.06 not be detrimental to the Company’s Utah customers.

Utah Public Service Commission

August 7, 2018

Page 2

Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred):      [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
   [utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
   [jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
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By regular mail:                      Data Request Response Center  
   PacifiCorp  
   825 NE Multnomah, Suite 2000  
   Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,



Joelle Steward  
Vice President, Regulation

Enclosure

cc: Service List – Docket No. 16-035-33

**ADDENDUM TO SETTLEMENT STIPULATION  
DOCKET NO. 16-035-33**

This Addendum to the Settlement Stipulation filed with the Public Service Commission of Utah (the “Commission”) October 7, 2016 (the “Settlement Agreement”) in Docket No. 16-035-33<sup>1</sup>, is entered into this \_\_\_ day of July, 2018, by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the “Parties” and individually as a “Party”).

1. The Parties entered into the Settlement Agreement for approval of the Energy Services Agreement between Rocky Mountain Power (“RMP”) and Kennecott Utah Copper, LLC (“KUTC”) dated July 28, 2016 (“Kennecott Contract”), which was approved by the Commission November 28, 2016.

2. Section 4.06 of the Kennecott Contract allows RMP and KUTC to explore additional exchanges of value related to the operation of KUTC generation during the term of the Kennecott Contract.

3. Section 4.06 is not specific about the types of exchanges of value that can occur under the Kennecott Contract and the Parties desire to clarify their agreement regarding a type of exchange of value that can occur and has occurred under Section 4.06 of the Kennecott Contract.

4. The Parties agree that Section 4.06 of the Kennecott Contract allows KUTC and RMP to agree, at their discretion, for KUTC to not generate during certain periods, whereby RMP can provide electric service to KUTC instead, so long as the revenues collected for providing

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<sup>1</sup> See *In the Matter of the Approval of an Energy Services Agreement Between Rocky Mountain Power and Kennecott Utah Copper, LLC*, Docket No. 16-035-33

electric service under Section 4.06 flow through, and are treated in accordance with, the EBA in effect at such time. The Parties expect that any exchange in value under Section 4.06 of the Kennecott Contract will not be detrimental to RMPs Utah ratepayers.

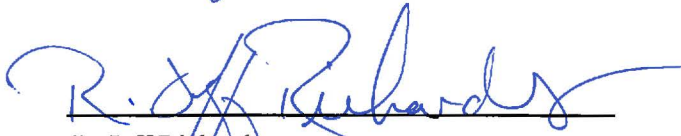
5. The Parties acknowledge that during the month of December 2017, RMP provided service to KUTC in exchange for KUTC idling its Unit 4. The Parties hereby agree that such exchange in value occurred in accordance with Section 4.06 of the Kennecott Contract with the collected revenues flowing through the EBA<sup>2</sup>, and further agree that such exchange in value can occur again under this Addendum, so long as the conditions set forth in Paragraph 4 are met.

6. The Parties agree that this Addendum only affects transactions under Section 4.06 of the Kennecott Contract, and that the rest of the terms and conditions of the Settlement Agreement remain valid and in place.

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<sup>2</sup> See *Direct Testimony of Michael G. Wilding*, Docket No. 18-035-01 at 171-190.

DATED this 2<sup>nd</sup> day of August, 2018.



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Yvonne R. Hogle  
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Salt Lake City, UT 84116

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DATED this 2 day of August, 2018.

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DATED this 3 day of August, 2018.

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**CERTIFICATE OF SERVICE**

Docket No. 16-035-33

I hereby certify that on August 7, 2018, a true and correct copy of the foregoing was served by electronic mail to the following:

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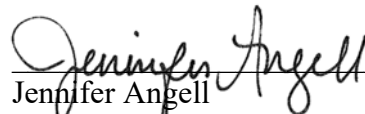
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**Rocky Mountain Power**

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