

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
PACIFICORP Utah Power & Light Company for)
Approval of Provisions for the Supply of Electric)
Service to Magnesium Corporation of America)

DOCKET NO. 01-035-38
ORDER APPROVING
ELECTRIC SERVICE AGREEMENT

ISSUED: July 15, 2003

By the Commission:

On May 24, 2002, and July 2, 2002, the Commission issued orders resolving certain aspects of an electric service dispute between PacifiCorp, dba Utah Power and Light, and Magnesium Corporation of America. Pursuant to a bankruptcy relief plan, US Magnesium acquired the assets of Magnesium Corporation of America on or about June 24, 2002. On March 10, 2003, PacifiCorp filed a Petition requesting the Commission approve a proposed service agreement between PacifiCorp and US Magnesium. The Petition was opposed by US Magnesium by filing submitted April 9, 2003. Subsequently, the parties reached an agreement on the terms of a service agreement that is consistent with the Commission's prior orders. PacifiCorp submitted the parties' agreement for approval on June 25, 2003.(Agreement Attached) Counsel for US Magnesium has indicated that the company has no opposition to Commission approval of that agreement.

Upon review of the submitted agreement, the Commission concludes that its terms are consistent with the Commission's prior orders resolving various aspects of the parties' dispute. We will direct the Division of Public Utilities to review the submitted agreement to determine whether all terms of the entire agreement are in the public interest and constitute just and reasonable service terms. The Commission will issue an order approving the agreement, subject to possible modification dependant upon the Division's recommendation and subsequent hearing if needed.

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

The electric service agreement between PacifiCorp and US Magnesium, submitted to the Commission on June 25, 2003, is approved as discussed herein.

DATED at Salt Lake City, Utah, this 15th day of July, 2003.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

GW#34443