

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

In the Matter of the Joint) DOCKET NO. 02-035-13
Application of PacifiCorp and Nucor)
Steel for Approval of an Electric) REPORT AND ORDER APPROVING AN ELECTRIC
Service Agreement.) SERVICE AGREEMENT AND STIPULATION

ISSUED: July 28, 2003

SUMMARY

By this Order, the Commission approves an Electric Service Agreement and Stipulation. The Electric Service Agreement specifies the rates, terms and conditions under which PacifiCorp will provide electric service to Nucor Steel. The Stipulation requires PacifiCorp to provide cost-of-service studies for Nucor Steel in future general rate and surcharge proceedings. The Stipulation also requires PacifiCorp to file any future amendments to the Electric Service Agreement with the Commission. In addition, the Stipulation requires PacifiCorp to provide an analysis of any proposed changes to the allocation treatment of special contracts.

Appearances:

Edward A. Hunter	for	PacifiCorp
Patricia Schmid Assistant Attorney General	for	Division of Public Utilities
Reid Warnick Assistant Attorney General	for	Committee of Consumer Services
Peter Matheis	for	Nucor Steel

By The Commission:

PROCEDURAL HISTORY

On November 12, 2002, PacifiCorp ("PacifiCorp" or the "Company") and Nucor Steel ("Nucor") filed a joint application for approval of an Electric Service Agreement ("Agreement"). On February 18, 2003, the Committee of Consumer Services ("Committee") filed the results of its investigation of the Agreement and its written recommendations regarding the joint application with the Commission. On February 28, 2003, the Division of Public Utilities ("Division") submitted its analysis and recommendations regarding the Agreement to the Commission. On April 16, 2003, the Division, the Committee, Nucor and the Company filed a Stipulation with the Commission.

EVIDENCE PRESENTED

A hearing was held on April 16, 2003. At the hearing, PacifiCorp, the Division, Nucor and the Committee presented the Stipulation to the Commission for approval. In addition, the parties presented witnesses in support of approval of the Stipulation and the Agreement. Each of the witnesses that appeared at the hearing agreed that the Stipulation was a fair and reasonable compromise of the positions of the parties and that approval of the Stipulation and the Agreement by the Commission were in the public interest.

No party appeared in opposition to approval of either the Agreement or the Stipulation.

STIPULATION

Without modifying the terms of the Stipulation in any way, the following is a brief summary of the major terms of the Stipulation. The parties agreed that, based on the most

recent Commission approved cost of service study, the rates for service under the Agreement reflect the current costs of providing service to Nucor and that the Agreement should be approved by the Commission without conditions other than those set forth in the Stipulation. PacifiCorp agreed that it would provide a cost of service study for Nucor, performed in a manner consistent with the cost of service study for all other customer classes, in any future general rate or surcharge proceeding. In addition, PacifiCorp agreed to file with the Commission any future amendments to the Agreement and to provide an analysis of any proposed changes to the allocation treatment of special contracts.

A copy of the Stipulation is attached to this Order and incorporated herein.

DISCUSSION

The law favoring settling disputes is applicable to regulatory proceedings. *Utah Dept. of Admin. Services v. Public Service Comm'n*, 658 P.2d 601, 613 (Utah 1983). Statutorily, "[i]nformal resolution, by agreement of the parties, of matters before the commission is encouraged." U.C.A. § 54-7-1. As a result, we will address the Stipulation pursuant to U.C.A. § 54-7-1.

The testimony provided in this Docket demonstrates that this matter was thoroughly reviewed and considered. The Division and Committee conducted discovery in this Docket and analyzed each aspect of the Agreement.

In addition, we rely on the fact that the Division and the Committee, in their statutory roles, have found that the Agreement and the Stipulation to be in the public interest. The Division is charged with representing the public interest, balancing the interests of the

Company and its customers. U.C.A. § 54-4a-6. The Committee is charged with representing the interests of residential and small commercial customers. U.C.A. § 54-10-4.

Based upon the foregoing, we find and conclude that the rates, terms and conditions of the Agreement are just and reasonable and it is in the public interest to approve the Agreement. We also find and conclude that the terms and conditions of the Stipulation are in the public interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

The Agreement and the Stipulation are approved.

DATED at Salt Lake City, Utah, this 28th day of July, 2003.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard,
Commission Secretary

G#34697