

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of US)
Magnesium LLC, for Determination of Rates) DOCKET NO. 09-035-20
and Conditions for Interruptible Service from)
and QF Sales to Rocky Mountain Power) REPORT AND ORDER

ISSUED: November 26, 2012

By The Commission:

This matter is before the Commission on the Application of Rocky Mountain Power, a division of PacifiCorp, for approval of an amendment to an existing Electric Service Agreement (“ESA”) between Rocky Mountain Power (“RMP”) and US Magnesium, LLC (“US Mag”), dated August 17, 2009 and approved by Commission Order on December 23, 2009.¹

On September 12, 2012, in response to the Commission’s action request, the Division of Public Utilities (“Division”) filed a memo recommending approval of the proposed amendment to the ESA. See Division’s Memo, filed September 12, 2012. On September 13, 2012, the Office of Consumer Services (“Office”) filed comments recommending the Commission’s order on the proposed ESA amendment require US Mag to pay its share of Energy Balancing Account (“EBA”) costs. See Office’s Memo, filed September 13, 2012. The Office argues that requiring US Mag to pay EBA costs is consistent with the Commission’s Order in Docket No. 11-035-T10 and U.C.A. § 54-7-13.5, as well as the Company’s Schedule 94, Original Sheet No. 94.1. See id.

On October 15, 2012, US Mag filed a response to the Office’s position asserted above. See Comments of US Mag, filed October 15, 2012. US Mag explains that it “is not

¹ This application was originally filed in Docket No. 11-035-182. On August, 14, 2012, the application was re-filed as an errata in this docket. See Application of Rocky Mountain Power for Approval of Amendment, filed August 14, 2012.

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conceptually opposed” to the Commission addressing the EBA issue raised by the Office; however, US Mag argues the issue should be raised in an EBA docket and not in this docket. See id. In support of its position, US Mag cites paragraph 3.12 of the 2009 ESA, which states: “In the event the Commission adopts an energy [balancing account (“EBA”)] for [RMP] in Utah and applies the [EBA] to [US Mag], this contract will be amended as necessary, as determined by the Commission in the [EBA] proceeding.” Id.

ORDER

Based upon the Division’s recommendation, the Commission approves the ESA.

The EBA issue will be addressed in Docket No. 12-035-67, and parties are hereby directed to the Scheduling Order in that docket, dated September 21, 2012. Pursuant to the Scheduling Order, parties file direct testimony and requests for intervention on December 13, 2012. The Office and any other parties desiring to assert a position on the applicability of EBA costs to US Mag or other special contracts customers should do so in their direct testimony.

DATED at Salt Lake City, Utah, this 26th day of November, 2012.

/s/ Melanie A. Reif
Administrative Law Judge

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Approved and confirmed this 26th day of November, 2012, as the Report and Order of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
239349

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 26th day of November, 2012, a true and correct copy of the foregoing Report and Order was served upon the following as indicated below:

By Electronic Mail:

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