

To: The Public Service Commission of Utah

From: Rocky Mountain Power  
Paul Clements, Power Marketer/Originator

Date: November 17, 2010

Subject: Rocky Mountain Power's Response to the Office of Consumer Services' and the Division of Public Utilities' Memorandums dated November 15, 2010 in Docket No. 10-035-115 (Praxair, Inc.)

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### Background

On October 18, 2010, Rocky Mountain Power ("Company") filed with the Public Service Commission of Utah ("Commission") a petition for approval of a one year Electric Service Agreement ("ESA") between the Company and Praxair, Inc. ("Praxair"). On November 15, 2010, the Office of Consumer Services ("OCS") and the Division of Public Utilities ("DPU") each filed recommendations on the Company's petition. This memorandum responds to the issues raised and the recommendations made in those memorandums.

### OCS Comments

The OCS's primary issue is the treatment of Praxair as a special contract customer. The OCS objects to treating Praxair as a special contract customer because "no justification has been provided for Praxair to be considered a special contract customer".<sup>1</sup> The Company continues to maintain that Praxair remain a special contract customer for the reasons outlined in the Company's "Explanation of Certain Contract Issues Related to the Master Electric Service Agreement between Rocky Mountain Power and Praxair, Inc. Dated October 18, 2010," filed with the Commission on October 28, 2010. Praxair has specific characteristics that require unique treatment in a negotiated contract.

Therefore, the Company does not agree with the OCS's recommendation to deny approval of the ESA. Furthermore, the Company does not agree with conditions 1 through 3 requested by the OCS in the event the Commission approves the ESA.

### DPU Comments

The DPU recommends approval of the ESA with the single condition that "45 days be set as the new maximum delay period for future Praxair contracts."<sup>2</sup> The Company does not oppose this condition.

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<sup>1</sup> OCS November 15, 2010, Confidential Memorandum in Docket 10-035-115, p. 3

<sup>2</sup> DPU November 15, 2010 Confidential Memorandum in Docket No. 10-035-115, p. 3.