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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Authority to Increase Rates by \$29.3 Million or 1.7 Percent through the Energy Balancing Account	Docket No. 12-035-67
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**STIPULATED RESOLUTION OF ISSUES RELATING TO
US MAGNESIUM'S PARTICIPATION IN
ROCKY MOUNTAIN POWER'S
UTAH ENERGY BALANCING ACCOUNT**

US Magnesium LLC ("US Mag"), the Utah Division of Public Utilities, the Utah Office of Consumer Services and Rocky Mountain Power ("RMP") hereby stipulate and agree that all issues involving the participation of US Mag in RMP'S Utah Energy Balancing Account ("EBA") should be resolved on the following term and conditions:

1. US Mag will not be required to pay any EBA-related amounts for or relating to any deferral periods prior to 2012.
2. The Commission's Final Report and Order in this docket should determine and direct that US Magnesium shall participate in the EBA for EBA deferrals beginning

January 1, 2012 or later, and that US Mag's Electric Service Agreement shall be deemed amended to require such participation, under the terms and conditions specified herein.

3. RMP intends to open a docket in March 2013 ("2013 EBA Docket") for a determination of the amount to be recovered from or returned to Utah ratepayers for over or under collection of net power costs relating to the calendar year 2012 deferral period ("2013 EBA Balance"). US Mag will be subject to the 2013 EBA Docket and the 2013 EBA Balance, and will pay an appropriate share of the 2013 EBA Balance as determined by the Commission, based on factors and allocations utilized by the Commission for all customers ("US Mag's 2013 EBA Obligation").

4. US Mag's 2013 EBA Obligation will be paid in full by US Mag, but over a slightly different collection period than other customers. The collection period for other customers will begin on the date specified in the Commission's Final Report and Order in the 2013 EBA Docket, and continue for 2 years, as stipulated by the parties and ordered by the Commission in Docket 11-035-200. The collection period for recovery of US Mag's 2013 EBA Obligation will begin on January 1, 2014, and end at the end of the 24-month collection period for other customers. Otherwise, the terms and conditions for payment of US Mag's 2013 EBA Obligation will be the same for US Mag as for RMP's other Utah customers.

5. US Mag will be subject to the EBA for deferral periods beginning on or after January 1, 2013, on the same basis and terms as for other customers, unless the Commission orders otherwise in a future proceeding.

6. US Mag hereby waives and agrees not to assert that the prohibition against retroactive ratemaking, or any other regulatory, common law or statutory principle,

precludes the Commission from ordering payment of, or RMP from collecting, US Mag's 2013 EBA Obligation under the terms and conditions specified herein.

7. Utah Code Annotated Section 54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. The parties to this stipulation agree that this stipulation as a whole is just and reasonable in result and in the public interest.

8. All negotiations related to this stipulation are confidential, and no party shall be bound by any position asserted in negotiations. Except as expressly provided in this stipulation, and in accordance with Utah Administrative Code R746-100-10.F.5, neither the execution of this stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgement by any party of the validity or invalidity of any principle or practice of regulatory accounting or ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any party except in a proceeding to enforce this stipulation.

9. All parties to this docket have either joined or do not oppose this stipulation. The parties request that the Commission approve this stipulation without further hearing as part of the final Report and Order in this docket. The parties believe that a separate hearing on approval of this stipulation should not be required, particularly in the absence of objection by any party.

10. This Stipulation may be executed by individual parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

DATED this 1st day of February, 2013.

/s/

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/s/

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 7th day of February, 2013, on the following:

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