

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Rocky Mountain Power for Approval of Revisions to Back-Up, Maintenance, and Supplementary Power Service Tariff, Electric Service Schedule 31)
)
) DOCKET NO. 13-035-196
) ORDER CONFIRMING BENCH RULING
)
)

ISSUED: July 23, 2014

SYNOPSIS

The Commission approves a settlement stipulation addressing PacifiCorp's application to revise Schedule 31. At hearing on June 30, 2014, the Commission issued a bench order approving the Stipulation. This Order memorializes the Commission's findings and conclusions.

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APPEARANCES

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Kurt J. Boehm, Esq. Boehm, Kurtz & Lowry	"	The Kroger Co.
Meshach Y. Rhoades, Esq. Greenberg Traurig LLP	"	Wal-Mart Stores, Inc. and Sam's West, Inc.

I. INTRODUCTION

This matter is before the Public Service Commission of Utah (“Commission”) on the December 4, 2013, Application (“Application”) of Rocky Mountain Power, dba PacifiCorp (“PacifiCorp”) requesting approval to revise Electric Service Schedule No. 31 for Back-Up, Maintenance, and Supplementary Power (“Schedule 31”). In the Application, PacifiCorp proposes to: (1) change the current rates and the methodology for the calculation of partial requirements service, *i.e.* backup or standby service (Partial Requirements Service), to coincide with cost causation principles; (2) require customers with onsite generation of 1,000 kilowatts (“kW”) up to and including 15,000 kW, in addition to those with onsite generation greater than 15,000 kW who meet the criteria of a qualifying facility (“QF”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) and needing supplementary, backup, maintenance or excess power service (other than for emergency supply during times of utility outages) to take such services under Schedule 31; and (3) change the name of Schedule 31 to “Partial Requirements Service.”

II. PROCEDURAL HISTORY

On December 4, 2013, PacifiCorp filed its Application, together with testimony and associated exhibits, and revised tariff sheets for Schedule 31. On the same day, the Commission issued an action request to the Division of Public Utilities (“Division”) for its review and recommendations, due January 3, 2014.

Following a scheduling conference conducted on December 11, 2013, the Commission issued a scheduling order on December 12, 2013, setting a procedural schedule in this docket. On January 22, 2014, the Commission issued a Scheduling Order, Notice of Scheduling Order Suspension and Notice of Hearings (“Order”) in Docket Nos. 13-035-196 and

13-035-184 (“2014 GRC”)¹. In the Order, the Commission suspended the schedule set forth in the December 12, 2013, Scheduling Order for Docket No. 13-035-196 and incorporated a new schedule to coincide with the cost of service, Phase II, schedule in the 2014 GRC.

Between January 23, 2014, and May 15, 2014, the following parties petitioned for leave to intervene in Docket No. 13-035-196, which the Commission granted: Kennecott Utah Copper LLC and Tesoro Refining and Marketing Co., collectively referred to as the Utah Industrial Energy Consumers (“UIEC”); the Utah Association of Energy Users (“UAE”); US Magnesium LLC (“US Mag”); Wal-Mart Stores, Inc. and Sam’s West, Inc. (collectively, “Wal-Mart”); and Southwest Energy Efficiency Project (“SWEEP”). On May 22, 2014, SWEEP, US Mag, the Division, and UIEC filed direct testimony in this docket.

On June 23, 2014, the Division filed a motion in this docket indicating a settlement was imminent and requesting the Commission suspend the remaining schedule and set a hearing to consider the pending stipulation. On June 24, 2014, the Commission granted the motion. On June 25, 2014, PacifiCorp filed a settlement stipulation (“Stipulation”) executed by PacifiCorp, the Division, the Office of Consumer Services (“Office”), US Mag, and SWEEP. UIEC executed it on June 30, 2014. Hereafter, the parties executing the Stipulation will be collectively referred to as the “Parties.”

On June 30, 2014, the Commission held a hearing to consider the Stipulation and, pursuant to PacifiCorp’s request, issued a bench order at the conclusion of the hearing approving the Stipulation. This Order memorializes the Commission’s findings and conclusions.

¹ See *In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations*, Docket No. 13-035-184.

III. THE STIPULATION

Without modifying the Stipulation, attached as Appendix A, its key elements are presented below.

Paragraph 11: All customers with onsite generation of 1,000 kW up to and including 15,000 kW, regardless of generation type, needing supplementary, backup, maintenance or excess power service (other than for emergency supply during times of utility outages) are required to take the service under Schedule 31. All customers with onsite generation exceeding 15,000 kW needing supplementary, backup, maintenance or excess power are served under a special contract to be negotiated by the relevant parties and approved by the Commission.

Paragraph 12: The agreed-upon monthly Backup Facilities Charge is calculated based on a portion of generation planning reserves, a portion of demand-related transmission costs, and distribution costs, where applicable. No agreement is reached as to the appropriate methodology used to calculate the agreed upon Backup Facilities Charge.

Paragraph 13: Demand-related generation and transmission costs not included in the monthly Backup Facilities Charges are included in the agreed-upon Daily Power Charge, such that a customer who uses backup power every day during a month would pay essentially the same as a customer on the otherwise-applicable general service tariff.

Paragraph 14: The charges and other terms of service agreed upon by the Parties are reflected in the Schedule 31 tariff sheets attached as Exhibit A to the Stipulation. The Schedule 31 rates, shown in Table 1 of the Stipulation, will become effective on September 1,

2014 and on September 1, 2015,² which are the rate effective dates of the two-step rate increases proposed in a stipulation filed on June 25, 2014, in the 2014 GRC (“2014 GRC Stipulation”).

Paragraph 15: The proposed rates and resulting revenue from Schedule 31 are also reflected in Exhibit C to the 2014 GRC Stipulation.

Paragraph 16: PacifiCorp agrees to collect and maintain billing data for backup and maintenance service, and will attempt to collect and maintain outage data related to customers with on-site generation. PacifiCorp further agrees to provide the immediately preceding three year’s Schedule 31 customers’ aggregated (1) billing data for backup and maintenance service and, to the extent possible, (2) outage data related to customers with on-site generation to the Parties with the workpapers to be filed in its next general rate case.

IV. COMMENTS ON THE STIPULATION

PacifiCorp maintains the Stipulation is in the public interest and is intended to resolve all of the issues in this docket. PacifiCorp testifies all parties who have filed testimony in this docket have signed the Stipulation and it is not aware of any parties who oppose the Stipulation. PacifiCorp asserts the Stipulation was negotiated in good faith by all parties and a settlement was reached through a fair amount of compromise. PacifiCorp also asserts, while individual parties may not agree with some elements of the Stipulation, the Parties agree the Stipulation as a whole is just and reasonable and in the public interest.

The Division is generally in support of PacifiCorp’s Application to revise Schedule 31 and testifies the three issues raised by the Division in direct testimony were addressed in the Stipulation. First, the Division was concerned that currently Schedule 31 is

² While the Stipulation states the step 2 rates are effective September 1, 2015, all parties at hearing clarified that in the event the Sigurd-Red Butte transmission line is not placed into service by then, the step 2 rate will be effective on the date that line is placed into service. *See* Transcript of Hearing on June 30, 2014, at 53; lines 2-19.

applicable to customers with onsite generation less than 10,000 kW, but those customers are not required to take service pursuant to that schedule. Under the revised Schedule 31 however, PacifiCorp is proposing to require, with a few exceptions, all customers with onsite generation to take power under the proposed Schedule 31. The Stipulation addresses this concern in that customers have the flexibility to nominate as much, or as little, power to be included under this schedule. The Division believes this flexibility makes the requirement reasonable. Second, the Division raised the issue of revenue neutrality. The Division asserts it is PacifiCorp's intent that the changes in Schedule 31 will be revenue neutral. While the Division could not reconcile this through data requests, after discussions with the Parties it was clear the changes would be revenue neutral but there could be a relatively large impact to some customers' bills. Third, the potential impact to some customers' bills was addressed in the Stipulation by increasing the facility charge by much less than PacifiCorp had originally proposed. The Division believes this will result in rates that are reasonable, just and in the public interest.

The Division recommends the Stipulation be adopted as filed. The Division also notes that pursuant to the Stipulation, PacifiCorp has agreed to collect, retain and submit data in the next general rate case which will help clarify and re-set future rates.

The Office does not represent any customers who now take service under Schedule 31 or who will be affected by the proposed changes. The Office contends however, to the extent any relevant costs associated with Schedule 31 are not fully recovered, those costs will be paid for by other customers. For this reason, the Office has fully participated in this proceeding to ensure rates are just and reasonable for Schedule 31 and other customers. Based on its analysis, the Office testifies the Schedule 31 settlement is a reasonable compromise and in the public interest and recommends the Stipulation be approved.

At hearing, no other parties testified in support of the Stipulation. No parties opposed the Stipulation.

V. DISCUSSION, FINDINGS, AND CONCLUSIONS

The standards for approval of stipulations by the Commission are outlined in Utah Code Ann. (“UCA”) § 54-7-1. Section 54-7-1(1) provides, “Informal resolution, by agreement of the parties, of matters before the commission is encouraged as a means to:

- (a) resolve disputes while minimizing the time and expense that is expended by:
 - (i) public utilities;
 - (ii) the state; and
 - (iii) consumers;
- (b) enhance administrative efficiency; or
- (c) enhance the regulatory process by allowing the commission to concentrate on those issues that adverse parties cannot otherwise resolve.”

Further, the Commission “may adopt any settlement proposal entered into by two or more of the parties . . . at any stage of the adjudicative procedure.” UCA § 54-7-1(3)(b) and (e)(i). The Commission “may adopt a settlement proposal if: (A) the commission finds that the settlement proposal is just and reasonable in result; and (B) the evidence, contained in the record, supports a finding that the settlement proposal is just and reasonable in result.” UCA § 54-7-1(3)(d)(i). Finally, the Commission “shall conduct a hearing before adopting a settlement proposal if requested by: . . . (C) an intervening party to the adjudicative proceeding.” UCA § 54-7-1(3)(e)(ii).

Based on the testimony and comments, the lack of opposition to the Stipulation, and our deliberations, the Commission finds the Stipulation is just and reasonable, and in the

public interest. Additionally, the Commission concludes the Stipulation is consistent with applicable statutes and orders.

VI. ORDER

Pursuant to the foregoing discussion, findings and conclusions, we order:

1. The Stipulation, filed in this docket on June 25, 2014, is approved.
2. The approved step 1 and step 2 Schedule 31 rates are effective September 1, 2014, and September 1, 2015,³ respectively.
3. PacifiCorp shall file revised tariff sheets, pursuant to Utah Administrative Code (“UAC”) R746-405-2.D.6, reflecting the changes to Schedule 31 approved in this Order. The Division shall review the final tariff sheets for compliance with the terms of this Order.

DATED at Salt Lake City, Utah, this 23rd day of July, 2014.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#258625

³ While the Stipulation states the step 2 rates are effective September 1, 2015, all parties at hearing clarified that in the event the Sigurd-Red Butte transmission line is not placed into service by then, the step 2 rate will be effective on the date that line is placed into service. *See* Transcript of Hearing on June 30, 2014, at 53; lines 2-19.

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this written 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 does not grant a request for review or rehearing within 20 days after the filing of the request, 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 §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 23rd day of July, 2014, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center (datarequest@pacificorp.com)
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APPENDIX A

SETTLEMENT STIPULATION

BACKGROUND

On December 4, 2013, Rocky Mountain Power (“Company” or “Rocky Mountain Power”) filed an application, together with pre-filed testimony and exhibits (“Application”), and revised tariff sheets requesting authority to revise Utah Schedule 31, Back-Up, Maintenance, and Supplementary Power Service (“Schedule 31”). Generally, the Company proposed changes to the applicability to require, rather than offer as an option, qualifying customers with certain levels of onsite generation to take service under Schedule 31.¹ The Company proposed to establish a methodology for the calculation of rates for backup service on Schedule 31. The proposed methodology included setting the backup facilities charge to include distribution costs, all demand-related transmission costs, and 13 percent of demand-related generation costs; tying the calculation of the daily backup power charge to the applicable full requirements schedule; and seasonally differentiating the daily backup power charges.

3. On December 12, 2013, the Commission issued its Scheduling Order setting a procedural schedule in this case.

4. On January 16, 2014, the Commission convened a scheduling conference in Docket No. 13-035-184.

5. On January 22, 2014, the Commission issued a Scheduling Order, Notice of Scheduling Order Suspension and Notice of Hearings (“Order”) in the present Docket, as well as in Docket No. 13-035-184. In the Order, the Commission suspended the schedule

¹ Qualifying customers included those with onsite generation of 1,000 kW up to and including 15,000 kW, in addition to those with onsite generation greater than 15,000 kW that meet the criteria of a qualifying facility (QF) under the Public Utility Regulatory Policies Act of 1978 (PURPA) that need supplementary, backup, maintenance or excess power service (other than for emergency supply during times of utility outages).

set forth in this docket and incorporated a new schedule to coincide with the cost of service, phase II, schedule in Docket No. 13-035-184.

6. On May 22, 2014, intervenors filed direct testimony.
7. On June 16 and 17, 2014, parties held settlement discussions.
8. The Parties have reached a compromise as specified herein on the proposed changes to Schedule 31 and respectfully request approval of the terms and conditions provided in this Stipulation.
9. This Stipulation is intended to resolve all of the issues in this case, in accordance with their respective terms and conditions.
10. On June 24, 2014, the Commission granted a motion to amend the schedule in this docket, to suspend rebuttal testimony and all other dates scheduled in this docket based on the Parties ongoing settlement discussions.

SETTLEMENT TERMS

For purposes of this Stipulation, the Parties agree and recommend the Commission approve the following:

11. All customers with onsite generation of 1,000 kW up to and including 15,000 kW, regardless of generation type, that need supplementary, backup, maintenance or excess power service (other than for emergency supply during times of utility outages) are required to take the service under Schedule 31. All customers with onsite generation exceeding 15,000 kW that need supplementary, backup, maintenance or excess power will be served under a special contract to be negotiated by the relevant parties and approved by the Commission.
12. The agreed-upon monthly Backup Facilities Charge was calculated based on a portion of generation planning reserves, a portion of demand-related transmission

costs and distribution costs, where applicable. No agreement has been reached as to the appropriate methodology used to arrive at the agreed upon Backup Facilities Charge.

13. Demand-related generation and transmission costs not included in the monthly Backup Facilities Charges were included in the agreed-upon Daily Power Charge, such that a customer that uses backup power every day during a month would pay essentially the same as a customer on the otherwise-applicable general service tariff.

14. The charges and other terms of service agreed upon by the Parties are reflected in the Schedule 31 tariff sheets attached as Exhibit A to this stipulation. The Schedule 31 rates that will become effective on September 1, 2014 and on September 1, 2015, which are the rate effective dates of the two-step rate increases proposed in a stipulation in the general rate case, Docket No. 13-035-184 (“2014 GRC”), are shown in Table 1 below:

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Table 1

	Schedule 31		
	<u>Present</u>	<u>Step 1 - Proposed</u> (≤ 15 MW)	<u>Step 2 - Proposed</u> (≤ 15 MW)
Customer Charges¹			
Secondary Voltage	\$127.00	\$131.00	\$133.00
Primary Voltage	\$577.00	\$596.00	\$605.00
Transmission Voltage	646	\$668.00	\$678.00
Backup Facilities Charges²			
Secondary Voltage	\$4.66	\$5.52	\$5.60
Primary Voltage	\$3.66	\$4.40	\$4.46
Transmission Voltage	2.08	\$2.59	\$2.63
Backup Power Charges³			
On-Peak Secondary Voltage			
May - Sept	\$0.6419	\$0.87	\$0.88
Oct - Apr	\$0.6419	\$0.61	\$0.62
On-Peak Primary Voltage			
May - Sept	\$0.6248	\$0.85	\$0.86
Oct - Apr	\$0.6248	\$0.59	\$0.60
On-Peak Transmission Voltage			
May - Sept	\$0.4906	\$0.75	\$0.76
Oct - Apr	\$0.4906	\$0.50	\$0.51
Excess Power Rate⁴			
Secondary Voltage			
May - Sept	\$60.48	\$40.22	\$40.81
Oct - Apr	\$60.48	\$31.58	\$32.04
Primary Voltage			
May - Sept	\$43.59	\$37.98	\$38.54
Oct - Apr	\$43.59	\$29.34	\$29.77
Transmission Voltage			
May - Sept	\$41.97	\$31.88	\$32.35
Oct - Apr	\$41.97	\$23.02	\$23.36
Backup Energy Charges	Sch 8, 9	Sch 8, 9	Sch 8, 9
Supp Power and Energy Charges⁵	Sch 8, 9	Sch 8, 9	Sch 8, 9
Notes:			
¹ per Customer per Month.			
² per kW of Backup Contract Power.			
³ per On-Peak kW per Day; No charge for Off-Peak Demand. 1/2 On-Peak Charges during scheduled maintenance.			
⁴ per kW.			
⁵ Facilities Charges, Power Charges and Energy Charges for Supplementary Power shall be billed under the applicable general service schedule.			

15. The proposed rates and resulting revenues from this Schedule 31 are also reflected in Exhibit C to the stipulation in the 2014 GRC.

16. The Company agrees to collect and maintain billing data for backup and maintenance service, and will attempt to collect and maintain outage data related to

customers with on-site generation, of its Schedule 31 customers. The Company further agrees to provide the immediately preceding three year's Schedule 31 customers' aggregated (1) billing data for backup and maintenance service and, to the extent possible, (2) outage data related to customers with on-site generation to the Parties with the workpapers to be filed in its next general rate case.

GENERAL TERMS AND CONDITIONS

17. Not all Parties agree that each aspect of this Stipulation is warranted or supportable in isolation. Utah Code Ann. §54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Parties are not able to agree that each specific component of this Stipulation is just and reasonable in isolation, all of the Parties agree that this Stipulation as a whole is just and reasonable in result and in the public interest.

18. 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 Admin. Code R746-100-10.F.5, neither the execution of this Stipulation nor any Order adopting it shall be deemed to constitute an admission or acknowledgment 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.

19. The Parties agree that no part of this Stipulation or the formulae and methodologies used in developing the same or a Commission Order approving the same shall in any manner be argued or considered as precedential in any future case except

with regard to issues expressly called-out and forever resolved by this Stipulation. This Stipulation does not resolve and does not provide any inferences regarding, and the Parties are free to take any position with respect to any issues not specifically called-out and settled herein.

20. The Parties request that the Commission hold a hearing on this Stipulation. Rocky Mountain Power, the Division of Public Utilities (“DPU”), and the Office of Consumer Services (“OCS”) each will, and other Parties may, make one or more witnesses available to explain and offer further support for this Stipulation. The Parties shall support the Commission’s approval of this Stipulation. As applied to the DPU and the OCS, the explanation and support shall be consistent with their statutory authority and responsibility.

21. The Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Stipulation, each Party will use reasonable efforts to support the terms and conditions of this Stipulation. As applied to the DPU and the OCS, the phrase “use reasonable efforts” means that they shall do so in a manner consistent with their statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Stipulation, no Party shall take a position in that judicial review proceeding in opposition to the Stipulation.

22. Except with regard to the obligations of the Parties under the five immediately preceding paragraphs of this Stipulation, this Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission.

23. This Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Stipulation or imposes any material change or condition on approval of this Stipulation or if the Commission's approval of this Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, any Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses, with respect to issues resolved by the Stipulation, and no party shall be bound or prejudiced by the terms and conditions of the Stipulation.

24. 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.

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DATED this 25th day of June 2014.

<p>UTAH OFFICE OF CONSUMER SERVICES</p> <p>/s/ Michele Beck</p> <hr/> <p>Michele Beck Director Office of Consumer Services 160 East 300 South, 2nd Floor Salt Lake City, UT 84114</p>	<p>ROCKY MOUNTAIN POWER</p> <p>/s/ R. Jeff Richards</p> <hr/> <p>R. Jeff Richards VP and General Counsel Rocky Mountain Power 201 S. Main St., Suite 2400 Salt Lake City, UT 84111</p>
<p>UTAH DIVISION OF PUBLIC UTILITIES</p> <p>/s/ Chris Parker</p> <hr/> <p>Chris Parker Utah Division of Public Utilities 160 East 300 South, 4th Floor Salt Lake City, UT 84114</p>	<p>US MAGNESIUM LLC</p> <p>/s/ Gary A. Dodge</p> <hr/> <p>Gary A. Dodge Hatch James & Dodge 10 West Broadway, Suite 400 Salt Lake City, UT 84101 <i>Attorney for US Magnesium</i></p>
<p>UTAH INDUSTRIAL ENERGY CONSUMERS</p> <p>/s/ William J. Evan (signed on 6/30/14)</p> <hr/> <p>William J. Evans Vicki M. Baldwin Parsons Behle & Latimer 201 South Main Street, Suite 1800 Salt Lake City, UT 84111 <i>Attorneys for UIEC</i></p>	<p>SOUTHWEST ENERGY EFFICIENCY PROJECT</p> <p>/s/ Christine Brinker</p> <hr/> <p>Christine Brinker Southwest Energy Efficiency Project 2334 Broadway Suite A Boulder, CO 80113</p>

EXHIBIT A

ROCKY MOUNTAIN POWER
ELECTRIC SERVICE SCHEDULE NO. 31
STATE OF UTAH

Partial Requirements Service – Large General Service – 1,000 kW and Over (C)

AVAILABILITY: At any point on the Company's interconnected system where there are (C)
facilities of adequate capacity. (D)

APPLICATION: This Schedule is for customers who would otherwise qualify for (N)(D)
Schedule 8 or 9 requiring Supplementary, Backup, Maintenance Power or Excess Service (partial
requirements service) in addition to regular electric requirements obtained from on-site generation.
This Schedule is applicable to customers with on-site generation of more than 1,000 kW but that does
not exceed 15,000 kW. Delivery shall be at one point and at Company's locally standard voltage.
This Schedule is not applicable to service for resale. This Schedule is not required where on-site
generation is used primarily for emergency supply during times of utility outage or to Customers
taking service under Schedule 135. Partial requirements service from the Company for customers
with less than 1,000 kW of on-site generation shall be provided under the applicable general service
schedule. Partial requirements service from the Company for customers with more than 15,000 kW
of on-site generation shall be provided under contractual arrangements to be negotiated on a case-by-
case basis.

MONTHLY BILL:

Customer Charges:	Secondary Voltage	\$131.00 per Customer
	Primary Voltage	\$596.00 per Customer
	Transmission Voltage	\$668.00 per Customer

If a Primary Customer is metered on the secondary side of the transformer the Secondary
Voltage Customer charge shall apply and meter readings will be increased to reflect
transformer losses.

Facilities Charges:	Secondary Voltage	\$5.52 per kW
	Primary Voltage	\$4.40 per kW
	Transmission Voltage	\$2.59 per kW

The Facilities Charge applies to the kW of Backup Contract Power.

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 13-035-196

FILED: June x, 2014

EFFECTIVE: September 1, 2014

(continued)

(N)

ELECTRIC SERVICE SCHEDULE NO. 31 - Continued

(N)(D)

MONTHLY BILL: (continued)

Backup Power Charges:

On-Peak Secondary Voltage

May - September: \$0.87 per kW Day

October - April: \$0.61 per kW Day

On-Peak Primary Voltage

May - September: \$0.85 per kW Day

October - April: \$0.59 per kW Day

On-Peak Transmission Voltage

May - September: \$0.75 per kW Day

October - April: \$0.50 per kW Day

During Scheduled Maintenance

One Half (1/2) On-Peak Charge

Off-Peak

No Charge

The Power Charge for Backup Power is billed on a per day basis and is based on the fifteen (15) minute period of the Customer's greatest use of Backup Power during on-peak hours each day.

Excess Power Charges:

On-Peak Secondary Voltage

May - September: \$40.22 per kW

October - April: \$31.58 per kW

On-Peak Primary Voltage

May - September: \$37.98 per kW

October - April: \$29.34 per kW

On-Peak Transmission Voltage

May - September: \$31.88 per kW

October - April: \$23.02 per kW

Supplementary Power and all Energy: Supplementary Power and all Energy shall be billed under the pricing provisions of the applicable general service schedule.

SURCHARGE ADJUSTMENT: All monthly bills shall be adjusted in accordance with Schedule 193.

POWER FACTOR: This rate is based on the Customer maintaining at all times a Power Factor of 90% lagging, or higher, as determined by measurement. If the average Power Factor is found to be less than 90% lagging the Power as recorded by the Company's meter will be increased by 3/4 of 1% for every 1% that the Power Factor is less than 90%.

(continued)

(N)(D)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 13-035-196

FILED: June x, 2014

EFFECTIVE: September 1, 2014

ELECTRIC SERVICE SCHEDULE NO. 31 - Continued

VOLTAGE LEVELS: Primary Voltage applies where a distribution Customer takes service ^{(N)(D)} from Company's available lines of 2,300 to less than 46,000 volts and provides and maintains all transformers and other necessary related equipment. Transmission Voltage applies where service is supplied at approximately 46,000 volts or greater through a single point of delivery.

TIME PERIODS:

On-Peak: October through April inclusive
7:00 a.m. to 11:00 p.m., Monday thru Friday, except holidays.
May through September inclusive
1:00 p.m. to 9:00 p.m., Monday thru Friday, except holidays.

Off-Peak: All other times.

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Pioneer Day, Labor Day, Thanksgiving Day, and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be considered a holiday and consequently Off-Peak.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005 the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April, and for the period between the last Sunday in October and the first Sunday in November.

TYPE OF SERVICE: Whether Power is considered scheduled maintenance, supplementary, back-up, or excess is determined as follows. When the Customer has pre-scheduled Maintenance Service, the power measurements from 0 kW up to the level equal to the pre-scheduled Backup Power shall be considered Scheduled Maintenance Power. Power measurements above the Scheduled Maintenance Power up to the level equal to the Supplementary Contract Power shall be considered supplementary power. Power measured above the sum of the Scheduled Maintenance Power and Supplementary Contract Power level up to the Total Contract Power (the sum of the Supplementary Contract Power and the Backup Contract Power) shall be considered Backup Power. Power measurements in excess of Total Contract Power shall be considered Excess Power.

When the Customer has not pre-scheduled Maintenance Service power measurements from 0 kW up to the level equal to the Supplementary Contract Power shall be considered Supplementary Power. Power measurements above the Supplementary Contract Power level but less than Total Contract Power (the sum of the Supplementary Contract Power and the Backup Contract Power) shall be considered Backup Power. Power measurements in excess of Total Contract Power shall be considered Excess Power. ^{(N)(D)}

(continued)

ELECTRIC SERVICE SCHEDULE NO. 31 - Continued

DEFINITIONS:

(N)(D)

BACKUP CONTRACT POWER: The specified Power in kilowatts of Backup Power that the Customer contracts with the Company to supply and which the Company agrees to have available for delivery to the Customer in excess of which the Company is under no obligation to supply. The Backup Contract Power shall be established by agreement between the Customer and the Company. The level of Backup Contract Power shall not exceed the total output capacity of the Customer's generation facilities.

BACKUP POWER – DAILY: The kW of Backup Contract Power supplied by the Company to the Customer. Backup Power shall be determined for each day of the Billing Period. The kW of Backup Power each day shall be the kW for the fifteen (15) minute period of the Customer's greatest use of Backup Power that day, adjusted for power factor as specified, determined to the nearest kW. The Backup Power for the Billing Period shall be the sum of the Backup Power for each day of the Billing Period. For each fifteen minute period, Backup Power shall equal the Measured Power minus the Supplementary Contract Power but shall not be less than zero nor greater than the Backup Contract Power.

BACKUP SERVICE: Backup service is electric service used by the Customer to replace electric service ordinarily generated by the Customer's own generation equipment during forced or maintenance outages of the facility.

BILLING PERIOD: The period of approximately 30 days intervening between regular successive meter reading dates. There shall be 12 billing periods per year.

POWER: The rate in kilowatts at which electric energy is generated, transferred or used. Power measurements are calculated based on the average (integrated) usage over consecutive 15 minute periods of time. Power measurements may be based on any one such fifteen minute period in a Billing Period, on the period of greatest use during the Billing Period, or on the period of greatest use during each day, adjusted for power factor as specified, determined to the nearest kW.

EXCESS POWER: Excess Power is the power supplied by the Company to the Customer in excess of the Total Contract Power. The kW of Excess Power for the Billing Period shall be the kW for the 15 minute period of the Customer's greatest use of Excess Power during the Billing Period, adjusted for power factor as specified, determined to the nearest kW. For each 15 minute period, Excess Power shall equal the Measured Power minus the Total Contract Power but shall not be less than zero.

EXCESS SERVICE: Excess service is service used by the Customer over and above the contracted amount for both Supplementary Service and Backup Service or Maintenance Service.

(continued)

(N)(D)

ELECTRIC SERVICE SCHEDULE NO. 31 - Continued

DEFINITIONS: (continued)

(N)(D)

MAINTENANCE SERVICE: Maintenance service is electric service used by the Customer to replace electric service ordinarily generated by the Customer's own generation equipment during scheduled outages of the facility.

MEASURED POWER: The kW as shown by or computed from the readings of the Power meter located at the Company's point of delivery, for the 15 minute period of the Customer's greatest use during the Billing Period or that day.

MEASURED ENERGY: The electric energy in kWh as shown by or computed from the readings of the kilowatt-hour meter located at the Company's point of delivery.

SCHEDULED MAINTENANCE POWER: Electric Power and energy made available by the Company to a Customer during the scheduled maintenance periods established in accordance with the provisions of this schedule to replace Backup Power. Scheduled Maintenance Power shall not exceed the Backup Contract Power.

SUPPLEMENTARY CONTRACT POWER: The specified Power in kW of Supplementary Power that the Customer contracts with the Company to supply and which the Company agrees to have available for delivery to the Customer. The Supplementary Contract Power shall be established by agreement between the Customer and the Company. Measured Power in excess of the Supplementary Contract Power shall not establish new Supplementary Contract Power.

SUPPLEMENTARY POWER: The kW of Supplementary Contract Power supplied by the Company to the Customer. The kW of Supplementary Power for the Billing Period shall be the kW for the 15 minute period of the Customer's greatest use of Supplementary Power during the Billing Period, adjusted for power factor as specified, determined to the nearest kW. For each 15 minute period during the Billing Period, Supplementary Power shall equal the Measured Power but shall not be less than zero nor greater than the Supplementary Contract Power.

SUPPLEMENTARY SERVICE: Supplementary service is electric service regularly used by a Customer in addition to that which the Customer generates itself.

TOTAL CONTRACT POWER: The sum of Supplementary Contract Power and Backup Contract Power.

(N)(D)

(continued)

ELECTRIC SERVICE SCHEDULE NO. 31 - Continued

DEFINITIONS: (continued)

(N)(D)

SCHEDULED MAINTENANCE: Customer shall submit to the Company, in writing, Customer's proposed maintenance schedule and nominated Scheduled Maintenance Power for each month of an 18 month period beginning with the date of the Customer's initial receipt of service under this schedule. Customer shall, prior to September 1st of each subsequent year, submit to the Company, in writing, Customer's proposed maintenance schedule for each month of an 18 month period beginning with January 1st of the following year. The proposed schedules will not be deemed a request for Maintenance Service unless so designated by the Customer and accepted by the Company in writing.

Maintenance shall be scheduled for a maximum of 30 days per year for each generating unit. These 30 days may be taken in either one continuous period, or two continuous periods. Solely at the discretion of the Company and for good cause, the maintenance maximum may be extended.

1. The Customer may present a request for a maintenance outage for a specified unit in writing to the Company no less than 30 days in advance of the date of the scheduled maintenance with the nominated Scheduled Maintenance Power. The Company reserves the right to modify Customer's requested maintenance schedule. Any modifications by the Company must be made with reason within seven days after that schedule has been received by the Company.
2. The Customer may request an adjustment in a scheduled maintenance outage up to 14 days in advance of the expected maintenance. Company approval, or disapproval with reason, for such adjustment shall be given within seven days of such request.
3. The Company may with reason cancel a scheduled maintenance outage at any time with seven days notice prior to the beginning of a scheduled maintenance outage. Subject to the mutual agreement of the Customer and the Company, scheduled maintenance outage(s) canceled by the Company may be rescheduled.

(N)(D)

(continued)

ELECTRIC SERVICE SCHEDULE NO. 31 - Continued

TOTAL CONTRACT POWER, SUPPLEMENTARY CONTRACT POWER, AND BACKUP CONTRACT POWER: The Customer shall contract for Total Contract Power. This is the sum of Supplementary Contract Power and Backup Contract Power. The Customer may elect to increase Total Contract Power by increasing Supplementary Contract Power and/or Backup Contract Power prospectively at any time, provided there are facilities of adequate capacity, by providing notice to the Company. The Customer may elect to increase Total Contract Power by increasing Supplementary Contract Power and/or Backup Contract Power retroactively to the most recently completed Billing Period, provided there are facilities of adequate capacity, by providing notice to the Company by the statement due date of the Billing Period. The Supplementary Contract Power may be reduced for a continuous period of each year provided that at least 12 month's written notice has been provided to the Company or as specified in contract. Only one request to reduce Supplementary Contract Power may be outstanding for each account. Customer may reduce Backup Contract Power by providing written notice to the Company no less than six months in advance of the effective date of the desired reduction, provided, only one such request may be made in any 12-month period. Within 15 days of receipt of a timely written request by Customer, the Company shall advise Customer of the terms upon which the Company would accept a reduction in contract power. A period of reduction shall commence at the beginning of a billing cycle and terminate at the end of a billing cycle. (N)(D)

DISTRIBUTION AND TRANSMISSION PLANT: The Company shall be under no obligation to install distribution or transmission plant in excess of that necessary to meet the Total Contract Power. In the event that the capacity of the local facilities is or will be limited, the Company may at its sole discretion install load limiting devices in cases where the Customer's Load exceeds the Total Contract Power. Customer shall reimburse the Company at full replacement cost for any damage to Company equipment that results from Measured Powers in excess of the Total Contract Power regardless of whether the Company has or has not installed load control devices. (N)(D)

FORCE MAJEURE: The Company shall not be subject to any liability or damages for inability to provide service, and the Customer shall not be subject to any liability or damage for such inability to receive service, to the extent that such inability shall be due to causes beyond the control of the party seeking to invoke this provision, including, but not limited to, the following: (a) the operation and effect of any rules, regulations and orders promulgated by any Commission, municipality, or governmental agency of the United States, or subdivision thereof; (b) restraining order, injunction, or similar decree of any court; (c) war; (d) flood; (e) earthquake; (f) act of God; (g) sabotage; or (h) strikes or boycotts. Should any of the foregoing occur, the facilities charge shall be applied to only such Backup Contract Power as the Company is able to supply and the Customer is able to receive. The Customer will have no liability for full service until such time as the Customer is able to resume such service, except for any term minimum guarantees designed to cover special facilities extension costs, if any. The party claiming Force Majeure under this provision shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible.

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(L) to
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ELECTRIC SERVICE SCHEDULE NO. 31 - Continued

CONTRACT PERIOD: One year or longer.

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from
page 7

ASSIGNMENT: Customer may assign its Electric Service Agreement to another Customer upon advance written notice to Company and Company shall approve said assignment unless it has reasonable causes to withhold its approval. When such reasonable cause exists, Company shall notify Customer in writing of its reasons for refusing to approve the proposed assignment.

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Public Service Commission of the State of Utah, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.