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State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission of Utah

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Manager
Charles Peterson, Technical Consultant

Date: October 23, 2017

Re: Application of Rocky Mountain Power for Approval of the Electric Service Agreement Extension between PacifiCorp and Nucor Corporation
Docket No. 17-035-55.

RECOMMENDATION (Approve with Conditions)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve the contract extension (Extension) to March 31, 2018 between PacifiCorp and Nucor Corporation (collectively, Parties) with the Condition that the Company file for Commission approval the new electric service agreement (New Agreement) between the Parties on or before January 2, 2018.

ISSUE

In an Application filed on October 10, 2017, Rocky Mountain Power (Company) requested that the Commission approve a three month extension of the current electric service agreement between the Parties to March 31, 2018. In a Scheduling Order dated October 17, 2017, the

Commission ordered that comments on this matter be filed by October 23, 2017. This memorandum sets forth the Division's comments.

DISCUSSION

Approximately two years ago in Docket No. 15-035-81, the Commission approved a two-year extension of the previous electric service agreement with an expiration date of December 31, 2017. While styled as an extension, the agreement contained many substantive changes. The Parties have informed the Division that while negotiations are underway, the negotiations will probably not be concluded in time to have them properly reviewed by the Division and Office of Consumer Services and adjudicated by the Commission before December 31, 2017. Therefore, the Company has requested a three month extension of the current contract to March 31, 2018. The Division understands that the extension will not change any of the terms that have been in effect since January 1, 2017. The Parties have indicated to the Division their intent to conclude negotiations and file the New Agreement for Commission approval before the end of 2017.

If the New Agreement is filed on or before January 2, 2018, the Division believes that it will have sufficient time to investigate the New Agreement and report to the Commission in time for the New Agreement potentially to be approved by the Commission by March 31, 2018. Therefore, the Division recommends that the Extension be approved to March 31, 2018 provided that the New Agreement is filed on or before January 2, 2018.

CC: Jana Saba, RMP
Michele Beck, OCS