

December 29, 2017

VIA ELECTRONIC FILING

Utah Public Service Commission Heber M. Wells Building, 4th Floor 160 East 300 South Salt Lake City, UT 84114

Attention: Gary Widerburg

Commission Secretary

RE: Docket No. 17-035-72 – In the Matter of the Application of Rocky Mountain

Power for Approval of Electric Service Agreement Between PacifiCorp and

Nucor-Plymouth Bar Division, a Division of Nucor Corporation

Rocky Mountain Power (the "Company") hereby submits for electronic filing an Application for Approval of the Electric Service Agreement in the above referenced matter.

The Company respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): <u>datarequest@pacificorp.com</u>

utahdockets@pacificorp.com
Jana.saba@pacificorp.com
Daniel.solander@pacificorp.com

By regular mail: Data Request Response Center

PacifiCorp

825 NE Multnomah, Suite 2000

Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,

Joelle R. Steward

Vice President, Regulations

Enclosures

Daniel E. Solander Rocky Mountain Power 1407 N. West Temple, Suite 320 Salt Lake City, UT 84116 Telephone: (801) 220-4014

Attorney for Rocky Mountain Power

daniel.solander@pacificorp.com

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of ROCKY MOUNTAIN POWER for Approval of Electric Service Agreement) Docket No. 17-035-72
Between PacifiCorp and Nucor Corporation	 APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF ELECTRIC SERVICE AGREEMENT

Rocky Mountain Power, a division of PacifiCorp, hereby applies for an order from the Public Service Commission of Utah ("Commission") approving the Electric Service Agreement ("Agreement") between PacifiCorp and Nucor Steel-Utah, a Division of Nucor Corporation ("Nucor") dated December 29, 2017. In support of its Application, Rocky Mountain Power states as follows:

- Rocky Mountain Power is an electrical corporation and a public utility in the state of Utah and is subject to the jurisdiction of the Commission. Rocky Mountain Power also provides retail electric service in the states of Idaho and Wyoming.
 - 2. Communications regarding this Application should be addressed to:

Jana Saba Rocky Mountain Power 1407 W. North Temple, Suite 330 Salt Lake City, UT 84111 Telephone: (801) 220-2823

jana.saba@PacifiCorp.com

Daniel E. Solander

Rocky Mountain Power

1407 W. North Temple, Suite 320

Salt Lake City, UT 84116 Telephone: (801) 220-4459

Email: daniel.solander@pacificorp.com

With a copy to:

By e-mail (preferred): datarequest@pacificorp.com

By fax: (503) 813-6060

By mail: Data Request Response Center

Rocky Mountain Power

825 NE Multnomah St., Suite 800

Portland, OR 97232

3. Nucor owns and operates a steel manufacturing facility located in Rocky Mountain Power's service territory in Box Elder County, Utah.

4. The term of the existing electric service agreement between PacifiCorp and Nucor was extended by Commission Order issued November 15, 2017, through March 31, 2018. As part of the Stipulation and Settlement Agreement between the Company, the Utah Division of Public Utilities ("DPU"), and the Utah Office of Consumer Services ("OCS"), the Company committed to filing an application for approval of the Agreement prior to January 1, 2018. PacifiCorp and Nucor executed the Agreement attached hereto as Confidential Exhibit A. The term of the Agreement begins April 1, 2018, and expires on December 31, 2019, with two automatic one-year extensions through the end of 2020 and 2021, unless either party gives 180 days' notice to terminate.

5. Under the Agreement, PacifiCorp will continue to provide Nucor with retail full requirements service of electric power and energy and Nucor will provide PacifiCorp with certain interruptible products. The rates for full requirements service

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that Nucor will pay PacifiCorp are the same as in the existing agreement. The Agreement also provides a Curtailment Credit to Nucor against the rates it pays PacifiCorp at the same rate as in the existing agreement. The curtailment credit rate takes into account the short- and long-term value of the reserves as modeled in the Company's GRID model and System Optimizer ("SO") model. It also takes into consideration the confidence the Company has that the reserves will be there when needed, due to both Nucor's relatively high load factor, and their long history of providing these reserves to the Company. Nucor will continue to be subject to Surcharge Rates, including the Energy Balancing Account, REC Balancing Account, Low Income Residential Lifeline, and Solar Incentive Surcharge (collected through Utah Tariff Schedule 136).

- 6. The current Electric Service Agreement expires on March 31, 2018. The parties desire to avoid the scenario where Nucor's existing agreement expires with no replacement agreement approved by the Commission. Therefore, the parties request that the Agreement be approved on or before March 31, 2018. Rocky Mountain Power requests that the Commission hold a scheduling conference to establish a procedural schedule as soon as possible so that interested parties may comment on the application and Agreement.
- 7. The prices, terms and conditions of the Agreement are just and reasonable and in the public interest.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue its Order approving the Agreement and finding that the Agreement and the terms and conditions set forth therein are just and reasonable and in the public interest.

DATED this 29th day of December 2017.

Respectfully submitted,

Daniel E. Solander

Attorney for Rocky Mountain Power

Confidential Exhibit A

THIS EXHIBIT IS CONFIDENTIAL IN ITS ENTIRETY AND IS PROVIDED UNDER SEPARATE COVER

CERTIFICATE OF SERVICE

Docket No. 17-035-72

I hereby certify that on December 29, 2017, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

cmurray@utah.gov Cheryl Murray mbeck@utah.gov Michele Beck

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Erika Tedder etedder@utah.gov

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Nucor Corporation

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Peter Mattheis pjm@smxblaw.com Eric Lacey eil@smxblaw.com

Rocky Mountain Power

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Katie Savarin

Coordinator, Regulatory Operations