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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Doug Wheelwright, Utility Technical Consultant Supervisor

Casey J. Coleman, Utility Technical Consultant

Date: October 25, 2021

Re: **Docket No. 21-035-53**, In the Matter of the Application of US Magnesium, LLC for Determination of Long-Term Rates, and Terms and Conditions of Interruptible/DSM Electric Service Between It and Rocky Mountain Power. (Approve).

Recommendation (Approve)

The Division of Public Utilities (“Division”) recommends the Utah Public Service Commission (“Commission”) approve the stipulation and extension amendment filed by US Magnesium, LLC (“USMag”) and PacifiCorp d/b/a Rocky Mountain Power (“RMP”).

Background

On September 21, 2021, USMag filed with the Commission an application to review the rates and terms and conditions for interruptible/DSM Electric Service. Because the current contract between RMP and USMag is set to expire on December 31, 2021, USMag requested a proceeding to determine the appropriate rates for the service, once the existing contract expired.

USMag, RMP, the Office of Consumer Services (OCS) and the Utah Division of Public Utilities (DPU) have met to discuss this issue and a schedule for this Docket moving forward.

On October 7, 2021 the Commission held a scheduling conference to establish the time-line for this proceeding. A Scheduling Order was issued by the Commission on October 13, 2021. The Order established Phase I and Phase II of this Docket. Phase I deals with the existing contract and provides clarity to the terms and conditions that would be enforced after December 31, 2021. Phase II deals with future rates for interruptible power and the terms and conditions of interruptible power contracts. As part of the Phase I schedule, an interim contract between Rocky Mountain Power and US Magnesium, LLC was filed October 14, 2021. This memo is the DPU's response to the interim contract and stipulation filed by RMP and USMag on October 14, 2021.

On January 26, 2021 the Division filed its comments regarding Docket No. 20-035-47. In those comments the Division recommended approval of the ESA and ORIA and found that approving those contracts would be in the public interest. Where both parties are asking the Commission to extend the current contracts approved in Docket No. 20-035-47, the Division agrees extending the contracts will be in the public interest.

The Division supports the stipulation and the extension of the interim contract to June 30, 2022. The interim contract extends all terms and conditions of the Agreement as approved by the Commission in Docket No 20-035-47. The Electric Service Agreement (ESA) and Operating Reserve Interruption Agreement (ORIA) will be extended to June 30, 2022.

cc: Certificate of Service List