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| Application of US Magnesium, LLC for Determination of Long-Term Rates, Terms, and Conditions of Interruptible/DSM Electric Service between it and Rocky Mountain Power | <p style="text-align: center;"><u>DOCKET NO. 21-035-53</u></p> <p style="text-align: center;"><u>ORDER</u></p> |
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ISSUED: June 30, 2022

PROCEDURAL HISTORY

On September 21, 2021, US Magnesium, LLC (“US Mag”) filed an application (“Application”) requesting the Public Service Commission (PSC) determine just and reasonable long-term rates, terms, and conditions for interruptible/DSM electric service for US Mag and Rocky Mountain Power (RMP). RMP provides electric service to US Mag under an Electric Service Agreement and associated Operating Reserve Interruption Agreement (collectively, the “Contracts”), each of which were set to expire on December 31, 2021.¹ US Mag requests the PSC establish long-term rates and terms of service for RMP’s service to US Mag beginning after the expiration of the Contracts.

In an October 7, 2021 scheduling conference, US Mag and RMP agreed to bifurcate this docket into two phases, one to consider a proposed interim contract between US Mag and RMP, and a second to determine US Mag’s request to establish long-term rates and terms of service. On October 13, 2021, the PSC issued a Phase I and Phase II Scheduling Order and Notice of

¹ The PSC approved the contracts in Docket No. 17-035-71 with a term beginning May 1, 2018, and ending December 31, 2019. *See Application of Rocky Mountain Power for Approval of Electric Service Agreement and Operating Reserves Agreement between PacifiCorp and US Magnesium, LLC*, Docket No. 17-035-71, Order Memorializing Bench Ruling Approving Electric Service Agreement issued April 19, 2018. In 2020, US Mag and RMP agreed to a one-year extension of the contracts approved in Docket No. 17-035-71, which the PSC approved in Docket No. 20-035-47 in an order dated March 8, 2021.

Hearings (“Initial Scheduling Order”), approving the stipulated schedule. The Initial Scheduling Order set hearings for Phase I on November 10, 2021 and Phase II on May 25, 2022.

On October 14, 2021, US Mag requested PSC approval of a stipulated extension to the Contracts (“First Stipulation”), which extended the current terms through June 30, 2022. The PSC approved the First Stipulation, after a hearing, in an order issued December 1, 2021.

On May 18, 2022, the parties filed a Stipulated Motion for Extension and Request for Expedited Treatment, explaining they were engaged in meaningful settlement discussions, asking the PSC vacate the remaining Phase II schedule, and requesting a new schedule to accommodate another stipulated extension of the Contracts and a new, later hearing date in the event the parties fail to settle. The same date, the PSC issued an order granting the stipulated motion, setting a hearing to consider an additional extension for May 25, 2022 and a hearing on the merits of Phase II for June 22, 2022.

On May 20, 2022, the parties filed another stipulation (“Second Stipulation”) further extending the existing Contracts through July 31, 2022 or the date the PSC issues a final order in this docket, whichever is later. On May 25, 2022, the PSC held a hearing to consider the Second Stipulation.

Finally, on June 17, 2022, RMP and US Mag filed a Stipulation and Settlement Agreement (“Final Settlement”), proposing terms to be effective July 1, 2022. The same date, RMP, DPU, and OCS filed a Stipulated Motion to Amend Scheduling Order, requesting the PSC vacate the remaining deadline for written surrebuttal testimony and issue a notice announcing the

parties would be allowed to present testimony in support of the Final Settlement at the previously noticed June 22, 2022 hearing.

On June 22, 2022, the PSC conducted another hearing in this docket. US Mag, RMP, and DPU offered testimony in support of the Final Settlement. Counsel for OCS appeared and represented the OCS does not object to approval of the Final Settlement. The parties also clarified the Final Settlement renders moot the Second Stipulation because the parties ask the Final Settlement's terms be effective July 1, 2022.

US Mag testified that, though it sought to establish a longer term, it has compromised and accepted an eighteen-month term with the potential for two one-year, automatic extensions. RMP, US Mag, and DPU all testified the Final Settlement's terms are fair, just, reasonable, and in the public interest.

DISCUSSION, FINDINGS, AND CONCLUSION

Negotiated resolution of matters before the PSC are statutorily encouraged. Utah Code Ann. § 54-7-1. The PSC may approve any settlement agreement provided it finds the evidence supports a finding the settlement is just and reasonable in result.

With this docket pending since September 1, 2021, the record demonstrates the parties engaged in long and earnest efforts to negotiate terms agreeable to RMP, US Mag, and the state agencies charged with representing the public's interest and ratepayers.² The agreed term, 18 months, is far less than the minimum 10 years US Mag sought in its Application. The terms of

² The DPU expressly endorses and supports the Final Settlement and the OCS has represented on the record that it does not oppose the PSC's approval of it.

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the Final Settlement have been designated confidential, but having reviewed them, the PSC finds they are just and reasonable.

Accordingly, based on the PSC's review of the Application, DPU's comments and recommendations, the testimony provided at hearing, and there being no opposition, we find the Final Settlement is just and reasonable in result.

Consistent with the parties' representations at hearing, the PSC concludes the Second Stipulation is moot.

ORDER

The Final Settlement is approved, effective July 1, 2022.

DATED at Salt Lake City, Utah, June 30, 2022.

/s/ Michael J. Hammer
Presiding Officer

Approved and Confirmed June 30, 2022, as the Order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#324700

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the 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 PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC'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 Utah Code Ann. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on June 30, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

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