

Attorneys for Rocky Mountain Power

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In the Matter of the Application of Rocky)	Docket No. 21-035-69
Mountain Power for Approval of Electric Service)	
Agreement Between PacifiCorp and Nucor-)	APPLICATION
Plymouth Bar Division, a Division of Nucor)	
Corporation)	
)	
)	

In support of this Application, the Company states as follows:

1. PacifiCorp is an Oregon corporation that provides electric service to customers in the states of Utah, Wyoming, and Idaho, through its Rocky Mountain Power

division. The Company is a public utility in the state of Utah and is subject to the jurisdiction of the Commission with respect to its rates and service.

2. Communications regarding this Application should be sent to:

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In addition, the Company respectfully requests that all data requests regarding this matter be addressed to:

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

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah St, Suite 2000
Portland, Oregon 97232

Informal inquiries related to this Application may be directed to Jana Saba, Utah Regulatory Affairs Manager, at (801) 220-2823.

BACKGROUND

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

4. In Docket No. 17-035-72, on March 23, 2018, the Commission approved the Existing ESA between with the Company and Nucor for a term expiring December 31, 2021.

5. The Company and Nucor (collectively the “Parties”) actively engaged in negotiations for a new agreement prior to the Existing ESA’s termination; however, the Parties were unable to reach an agreement regarding all terms of a new agreement to present to the Commission prior to the Existing ESA’s termination on December 31, 2021. Instead, the Parties agreed to extend the term of the Existing ESA until February 28, 2022 (“ESA Extension”).

6. On December 17, 2021, the Company provided the Commission with a Courtesy Notice of Intent to File New Contract (“Notice”) notifying the Commission of the Existing ESA’s extension and of the Company’s plan to file a new bilateral contract for approval or seek the Commission’s assistance resolving outstanding issues before February 28, 2022.

7. On January 18, 2022, the Division of Public Utilities (“Division”) recommended that the Commission acknowledge the Notice.

8. The Parties have now executed the Proposed ESA, which is described in the testimony of Mr. Craig M. Eller, and which is attached to Mr. Eller’s testimony as Confidential Exhibit RMP__(CME-1).

9. The term of the Proposed ESA begins March 1, 2022, and expires on December 31, 2031. The Proposed ESA further provides that, on or before, January 31, 2029, the Parties will commence good-faith negotiations to reach an agreement for service after December 31, 2031. If the Parties are unable to reach an agreement by July 1, 2029,

either party may seek a Commission order specifying the terms for electric service effective January 1, 2032.

10. Under the Proposed ESA, PacifiCorp will continue to provide Nucor with full electrical service requirements, and Nucor will continue to provide PacifiCorp with certain interruptible products, with several modifications to the terms of the Existing ESA. Specifically, the Proposed ESA: (1) increases the average rate and improves the rate structure; (2) revises the curtailment credit value, limits future increases to the curtailment credit value, and reduces Nucor's allowance for downtime; (3) obligates Nucor to procure all its electrical service from PacifiCorp, and (4) includes additional operational requirements to mitigate and minimize voltage flickers to improve performance parameters. These changes and certain existing terms are further summarized below.

RATES AND RATE STRUCTURE

11. The Proposed ESA increases Nucor's rates and includes a facilities charge, energy charge, and power charge. The rates and rate structure are improved from the Existing ESA because the new rates better reflect the cost of service and modernize the seasons and time of use hours consistent with the changes to Electric Service Schedules No. 8 and 9 resulting from the Company's most recent general rate case in Docket No. 20-035-04.

12. Like the Existing ESA, the Proposed ESA provides that Nucor will be subject to base rate changes, and its retail prices will be uniformly adjusted by the average price change for all Utah customers following general rate and major plant addition cases.

13. The Proposed ESA provides that Nucor will be subject to Electric Service Schedules No. 91, 94, 98, 196, 197, as well as other tariffs and schedules that the

Commission determines are applicable. Since Schedule 196, the Sustainable Transportation and Energy Plan (STEP) program has now concluded and the tariff is no longer in effect, PacifiCorp requests that the Commission determine that Nucor is subject to new Schedule No. 198 – Electric Vehicle Infrastructure Program (EVIP) that was effective January 1, 2022.

14. As explained in Mr. Eller’s testimony, Nucor is not subject to Electric Service Schedule No. 193.

CURTAILMENT TERMS

15. As with the Existing ESA, the Proposed ESA continues to allow PacifiCorp to interrupt 85 megawatts (“MW”) of Nucor’s load at its sole discretion following a seven-minute notice.

16. Under the Proposed ESA, Nucor will continue to receive a curtailment credit for the curtailment products. The analysis supporting the curtailment credit is fully described in Mr. Eller’s testimony.

17. An additional change in the Proposed ESA from the Existing ESA is that future curtailment credit adjustments will only occur to the extent that rates increase more than a specified annual increase allowance after the effective date of the Proposed ESA. The Proposed ESA also clarifies the circumstances under which the curtailment credit provided to Nucor will be reduced due to Nucor’s plant being unavailable for curtailment. These changes are also fully discussed in the testimony of Mr. Eller.

NUCOR OBLIGATIONS

18. The Proposed ESA requires Nucor to procure its full electrical service from the Company and not install any electrical generation facilities or enter into other power

purchase agreements, except that Nucor may lease or install up to 26 MW of renewable power if PacifiCorp is unwilling to provide an equivalent alternative.

19. In addition, apart from the 26 MW exception noted above, the Proposed ESA prohibits Nucor from seeking or supporting any legislation or regulation that would allow Nucor to purchase power from a supplier other than the Company.

PERFORMANCE PARAMETERS

20. To improve PacifiCorp's performance parameters and ensure that other customers are not negatively affected by the Proposed ESA, the agreement requires Nucor to mitigate and minimize voltage flickers inherent to its furnace operations. Specifically, the Proposed ESA requires Nucor to operate its own automatic static var and filter systems to prevent harmonic voltage migrating to the Company's system. In addition, Nucor must maintain certain Pst flicker limit samples. These allowable Pst flicker limit samples are required to decrease from the currently allowed levels prior to future increases in contract demand, as further described by Mr. Eller.

21. Lastly, similar to the requirements in the Existing ESA, under the Proposed ESA, the Parties are required to cooperate to detect, identify, and resolve flicker problems.

CONCLUSION

22. The details of the terms and conditions of the Proposed ESA are fully set forth in Mr. Eller's testimony.

23. The prices, terms and conditions of the Proposed ESA are just and reasonable and in the public interest.

24. As noted above, the Parties previously agreed to extend the Existing ESA through February 28, 2022, and a copy of the ESA Extension is provided as Exhibit

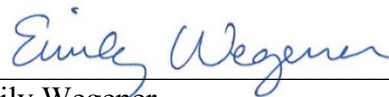
RMP__(CME-2). The terms of the Proposed ESA are effective March 1, 2022. The Company seeks the Commission's approval of both the ESA Extension and the Proposed ESA, and respectfully requests that the Commission hold a scheduling conference to establish a procedural schedule as soon as possible so that interested parties may comment on the Application. The Company is not seeking an expedited review of this Application.

WHEREFORE, the Company respectfully requests that the Commission issue an order:

- a. approving the Parties' ESA Extension, effective January 1, 2002,
- b. approving the Proposed ESA, effective March 1, 2022,
- c. determining that the Proposed ESA is subject to new Schedule No. 198 – EVIP,
- d. and find the terms and conditions of the Proposed ESA to be just, reasonable and in the public interest.

DATED this 17th day of February 2022.

Respectfully submitted,
ROCKY MOUNTAIN POWER



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