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 IDAHO PUBLIC  
 UTILITIES COMMISSION

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Attorney for FMC Corporation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
 OF IDAHO POWER COMPANY AND FMC )  
 CORPORATION FOR APPROVAL OF A )  
 SPECIAL CONTRACT FOR SERVICE TO )  
 FMC CORPORATION AND A REVISED )  
 SCHEDULE 28--FMC TARIFF; )  
 )  
 AND )  
 )  
 FOR APPROVAL OF REVISIONS TO THE )  
 POWER COST ADJUSTMENT MECHANISM )  
 OF IDAHO POWER COMPANY AS A RESULT )  
 OF THE NEW FMC SPECIAL CONTRACT. )  
 \_\_\_\_\_ )

CASE NO. IPC-E-97-13  
 JOINT APPLICATION

COMES NOW, FMC Corporation (FMC) and Idaho Power Company  
 (Idaho Power), by and through their respective attorneys, Conley E. Ward and Larry D.  
 Ripley, and herewith file this joint application for approval of an "Electric Service  
 Agreement" between FMC and Idaho Power (the "Contract"). As set forth in the

attached Contract (Attachment 2), the parties have successfully negotiated a new special contract and tariff schedule and have agreed that the new Contract and Tariff Schedule be effective January 1, 1998, or upon approval by the Commission. Approval of the Commission is requested for and upon the following grounds:

I.

The existing Agreement For Supply of Interruptible Power and Energy between FMC and Idaho Power is dated April 20, 1973, as amended March 8, 1982 (the "1973 Agreement"). The current FMC Tariff Schedule 28 reflects the current rates paid by FMC under the 1973 Agreement. The 1973 Agreement as amended and the current Schedule 28 are attached hereto as Attachment 1.

II.

FMC and Idaho Power have attempted to modernize the 1973 Agreement, recognizing that the 1973 Agreement was based upon a total Idaho Power hydro system. Currently Idaho Power is a mixed hydro/thermal system, and the 1973 Agreement does not recognize this change. The unique operating characteristics of the FMC phosphate plant have not significantly changed. Accordingly it was necessary to revise the 1973 Agreement to incorporate the new resources makeup of Idaho Power while at the same time taking into account the unique operating characteristics of the FMC phosphate plant. FMC and Idaho Power believe that this has been accomplished without detriment to Idaho Power's existing customers and that, in fact, the changes and revisions that have been made are beneficial to Idaho Power's existing customers, and thus the new Contract is in the public interest and should be approved by the Commission.

### III.

The new Contract between FMC and Idaho Power with the revised Schedule 28 is attached hereto as Attachment 2.

### IV.

There are many similarities between the 1973 Agreement and the new Contract. For example, the 1973 Agreement provides for a contract demand up to 250 MW and the new Contract is for a contract demand of 250 MW. The 1973 Agreement was divided into two (2) parts, primary power and secondary power. The new Contract provides for a first block of energy and a second block of energy. Under the 1973 Agreement the amount of primary power was defined as one-half of the contract demand. Under the new Contract the first block of energy is 120 MW. Under the 1973 Agreement FMC's primary power was subject to limited interruptibility. The new Contract retains the interruptibility capability in the first block of energy for load shedding during system transmission disturbances, although under the new Contract Idaho Power cannot curtail FMC's first block of energy for generating/supply (load resource) purposes.

### V.

Under the 1973 Agreement, when Idaho Power interrupted electric service to FMC, the 1973 Agreement provided that, with the consent of FMC as to rates, terms, and conditions, Idaho Power would purchase power to serve the FMC secondary load. That provision has been revised to provide that there is no obligation on the part of Idaho Power to provide any power from Idaho Power resources for the second block of energy. While the second block of energy may be provided from Idaho Power

resources, all power supplied, either from Idaho Power resources or from third parties, must be approved as to prices, terms and conditions by FMC.

## VI.

As a result of the new Contract, FMC will pay demand and energy charges for the first block in the amount of \$22,830,480, and normalized charges for the second block will be \$2,933,550 based on Idaho Power delivery costs. Commodity purchases and related charges for the second block are additional costs borne by FMC.

The result is an increase in the rates to be paid by FMC for first block power when compared to the primary power under the 1973 Agreement and a floating rate for the second block of energy as compared to the existing 23 mills for the secondary power under the 1973 Agreement.

## VII.

The new FMC Contract requires revisions to the Power Cost Adjustment (PCA) mechanisms of Idaho Power.

Currently sales to FMC under the 1973 Agreement have implications both to the PCA itself and to FMC's annual rates. As previously stated, the 1973 Agreement provides for FMC's total load to be divided into primary and secondary components. The total contract demand is divided evenly between the two components. For example when FMC's contract demand is set at 240 MW, 120 MW are designated as primary and 120 MW are designated as secondary. For PCA purposes, the primary is included as a firm system load in the Idaho jurisdiction, while the secondary is treated as a revenue offset to the total system power supply costs. The revenue offset from secondary sales is in addition to the revenue offset from Idaho Power's other nonfirm off-system sales. The new Contract can be viewed similarly in that the first block of 120

MW is essentially the existing primary power provided by Idaho Power system resources, while the second block is subject to FMC acceptance based upon market conditions.

In the 1973 Agreement the energy rate for the primary service is adjusted by the PCA and the rate for secondary service is not. The new Contract provides that the first block energy rate also be adjusted by the PCA. The second block would not be adjusted since the second block should already be reflective of market conditions.

Approval of the new FMC Contract will require the following changes to the PCA:

1. The normalized energy included as firm system load and as firm Idaho retail load will be changed to reflect the difference between the current primary amount and the new first block amount.
2. The Idaho retail allocation would be adjusted to reflect item 1 adjustments.
3. The first block energy will be considered as actual firm load on an ongoing basis.
4. The normalized secondary revenue offset will be removed from the PCA base and replaced with the second block energy revenue.
5. The actual secondary revenue offset will be removed from the PCA base and replaced with the actual second block energy revenue.

The second block revenue can be normalized by applying surplus sales prices to the normalized secondary kWh.

It is proposed that the Commission convene a workshop for Staff, Idaho Power, FMC, and other interested parties to determine exactly how Idaho Power's

Power Cost Adjustment mechanism should be revised. The parties would then report to the Commission the results of that workshop.

**VIII.**

FMC and Idaho Power have agreed that the rates for service set forth in the new FMC Contract would not be subject to change except for the conditions set forth in Sections 6 and 17 of the new FMC Contract.

**IX.**

FMC and Idaho Power have agreed that an employee of Idaho Power will be stationed at the FMC plant to facilitate the supply of second block energy. The cost that Idaho Power incurs for this employee will be recovered in the demand charge for the second block.

**X.**

There are other changes between the existing FMC Contract and the new Contract.

**Notices**

It is requested that copies of all pleadings be mailed to FMC and Idaho Power at the following addresses:

Conley E. Ward, Esq.  
Givens, Pursley & Huntley  
P. O. Box 2720  
Boise, Idaho 83702  
Attorney for FMC Corporation

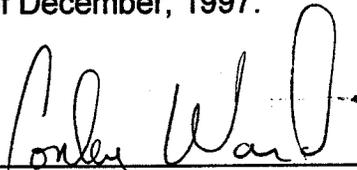
Larry D. Ripley, Esq.  
Idaho Power Company  
P. O. Box 70  
Boise, Idaho 83707  
Attorney for Idaho Power Company

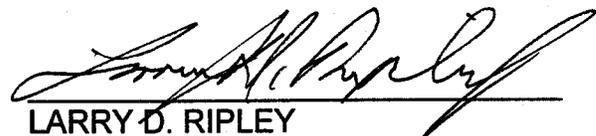
Ken Tandy  
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P.O. Box 4111  
Pocatello, Idaho 83202

John R. Gale, General Manager  
Pricing & Regulatory Services  
Idaho Power Company  
P. O. 70  
Boise, Idaho 83707

WHEREFORE, FMC Corporation and Idaho Power Company respectfully request that the Commission approve the attached Contract and accompanying Rate Schedule 28. In addition, the Commission, as a part of its consideration of the FMC Contract, should also schedule a workshop for Staff and interested parties to discuss any required changes to Idaho Power's Power Cost Adjustment mechanism.

Respectfully submitted this 31st day of December, 1997.

  
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CONLEY E. WARD  
Attorney for FMC Corporation

  
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LARRY D. RIPLEY  
Attorney for Idaho Power Company

**CASE NO. IPC-E-97-\_\_\_\_\_**

**ATTACHMENT 1**

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**Agreement For Supply of Interruptible Power and Energy  
FMC Corporation - Idaho Power Company  
April 20, 1973**

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**Amendment to Agreement Dated April 20, 1973 For Supply  
of Interruptible Power and Energy Between  
Idaho Power Company and FMC Corporation  
March 8, 1982**

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**Existing  
Idaho Power Company  
Electric Service Rate  
Schedule 28  
for  
FMC Corporation**

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AGREEMENT FOR SUPPLY OF INTERRUPTIBLE  
POWER AND ENERGY

FMC CORPORATION  
IDAHO POWER COMPANY

0.1 THIS AGREEMENT, Made and entered into this 20<sup>th</sup> day of April, 1973, between FMC CORPORATION, a Delaware corporation (hereinafter called "Customer"), and IDAHO POWER COMPANY, a Maine corporation (hereinafter called "Company"), both corporations being qualified and doing business in the State of Idaho;

WITNESSETH:

0.2 WHEREAS, Customer and Company heretofore entered into agreements dated December 16, 1947, June 22, 1950, June 25, 1951, and August 29, 1963, as amended April 1, 1964, June 7, 1966, October 26, 1966, April 25, 1967 and March 18, 1971, under which Company agreed to supply and Customer agreed to purchase certain Contract Amounts of electric power and energy as might be specified by Customer up to a total amount of 250,000 KW for the operation of Customer's electric furnace plant and related operations at or near Pocatello, Idaho; and

0.3 WHEREAS, Customer has to date scheduled in accordance with the provisions of the agreements 230,000 KW; and

0.4 WHEREAS, it is the desire of the parties hereto to enter into a single agreement which will provide for the terms and conditions under which the Customer's total power requirements will be supplied.

NOW, THEREFORE, in consideration of the premises and the mutual benefits from the covenants hereinafter set forth, the parties hereby agree as follows:

ARTICLE I - TERM OF AGREEMENT

1.1 The original term of this agreement shall be for a period beginning January 1, 1974, and ending December 31, 1981, which term shall be automatically extended for two-year periods to run concurrently with the term of any Service Schedule in effect.

1.2 This agreement shall, upon becoming effective January 1, 1974, terminate any agreements or contracts between the Company and the Customer providing for the sale and purchase of electric energy which may be in force at the time this agreement becomes effective; provided, however, this paragraph 1.2 shall not relieve the Customer from payment for electric energy delivered under the previous agreements or contracts.

ARTICLE II - POWER TO BE SUPPLIED

2.1 During the effective term of this agreement, Company will supply or stand ready to supply to Customer, and Customer will purchase and pay for, electric power and energy in the amounts, of the types, under the conditions, and at the rates hereinafter set forth. The types of power to be supplied and purchased hereunder are Interruptible Primary Power as hereinafter defined and described in paragraph 3.1 hereof, and Secondary Power as hereinafter defined and described in paragraph 3.2 hereof. The maximum

Contract Amount of Power to be supplied under this agreement and four related Service Schedules is 250,000 KW, and said maximum Contract Amount shall at all times be equally divided among four Service Schedules. The power supplied hereunder and related Service Schedules shall consist one-half of Interruptible Primary Power and one-half Secondary Power, and shall be available for the terms and at rates specified in four Service Schedules attached hereto and made a part hereof.

2.2 Service Schedules shall be the agreements between the parties with respect to the amount of Interruptible Primary Power and Secondary Power to be made available by the Company, the term of availability and the charges for the Interruptible Primary Power and Secondary Power. Except as specifically stated therein, each Service Schedule shall be subject to the terms and conditions expressed in this agreement.

2.3 The Contract Amount of power to be supplied hereunder shall be as follows:

(a) The term "Contract Amount," as used herein, means as to any month that total amount of electric power (one-half of which is Interruptible Primary Power and one-half Secondary Power) which Customer agrees to purchase hereunder and which Company agrees to supply under the conditions set forth herein and the Service Schedules in effect at the time. Said Contract Amounts are as set forth in the schedules provided for in subparagraphs (b) and

(c) in this paragraph 2.3.

(b) The Contract Amount under this agreement for the four Service Schedules shall be 230,000 KW from January 1, 1974 and thereafter, except as provided in subparagraph 2.3(c) hereafter,

(c) On or before October 1 of each year, beginning October, 1973, Customer shall submit to Company in writing a schedule setting forth (a) the Contract Amount or Amounts, by half-year periods, for the succeeding calendar year, and (b) Customer's estimated power requirements, by half-year periods, for the next succeeding four calendar years. The Contract Amount or Amounts set forth for each of the two six-month periods of the first calendar year in each such schedule shall not vary upwards or downwards by more than 12,000 KW (equally divided among the Service Schedules in effect at the time) from the Contract Amount applicable for the immediately preceding annual schedule, or the level established pursuant to the provisions of subparagraph 5.3(c); provided, however, that all increases in Contract Amounts shall be limited by the maximum amount of power specified in paragraph 2.1 to be supplied hereunder.

#### ARTICLE III - DESCRIPTION OF POWER

3.1 Interruptible Primary Power - Interruptible Primary Power shall mean power which is available at all times (except during emergency conditions as set forth in paragraph 5.3(a) hereof or in section 25 of Company's Rules and Regulations referred to in

paragraph 11.1 hereof, or necessary repairs of or changes in facilities, as included in section 26 of said Rules and Regulations, if such facilities are essential for supply of power to Customer), subject, however, to temporary reductions or interruptions by Company when load and capacity conditions on Company's system require; provided, however, during such temporary reductions or interruptions, Company shall make available Interruptible Primary Power equivalent to 7% of the Contract Amount scheduled pursuant to paragraph 2.3(b) or (c) for operation of Customer's auxiliary equipment or such lesser amount as may be requested by Customer. Interruptions or reductions of such supply by Company shall be upon telephone notice from Company's load dispatcher to Customer's designated representative, and upon receipt of such notice Customer shall reduce or discontinue use of such power by the amounts and for the period or periods specified in such notice. The aggregate amounts of such reductions or interruptions by Company shall not in any calendar year exceed 300 kilowatt-hours per kilowatt of Interruptible Primary Power Contract Amount in effect during such calendar year; provided that, in the event that the Contract Amount of Interruptible Primary Power is increased during a calendar year, the amount of interruption per kilowatt of additional Contract Amount in said calendar year shall be prorated in the relation that the remaining number of days in the calendar year bears to 365. Inability of Company to

supply power due to emergency conditions (as set forth in paragraph 5.3(a) hereof, or in section 25 of Company's Rules and Regulations referred to in paragraph 11.1 hereof), or necessary repairs of or changes in facilities (as included in section 26 of said Rules and Regulations), if such facilities are essential for supply of power to Customer, shall not be deemed an interruption for the purpose of this paragraph and curtailments or failures of supply, if any, due to such cause shall not be included in the aforesaid annual limitation of 300 kilowatt-hours of aggregate interruptions per kilowatt.

3.2 Secondary Power - (a) Secondary Power shall mean power that shall be available at the discretion of Company, provided that Secondary Power shall be available in an aggregate amount during each 10-year span starting respectively January 1, 1974, and January 1, 1984, equivalent to an average of not less than 6,720 kilowatt-hours per kilowatt per year (beginning January 1) of the average Secondary Power Contract Amount in effect during the 10-year span; provided, further, that Secondary Power shall be available in an amount of not less than 4,380 kilowatt-hours per kilowatt of the average Secondary Power Contract Amount during each 12-month span beginning January 1, 1974. In the event that the Contract Amount of Power is increased, the amount of Secondary Power for each additional kilowatt to be made available in the 12-month span of such increase shall not be less than the product

of the remaining number of days in said 12-month span multiplied by 12 kilowatt-hours.

(b) Availability of Secondary Power shall be established for the purposes hereof by notices by Company to Customer's designated representative in the manner hereinafter set forth. When used in connection with availability of Secondary Power or accounting for Secondary Power, the word "day" shall mean a 24-hour period starting at 12:00 midnight, unless otherwise agreed upon. Company, not later than 4:00 PM on Wednesday of each week, will submit by mail to Customer's designated representative a tentative program showing for the four subsequent weeks, by days and by periods within each day (beginning Monday 12:01 AM), the amounts of Secondary Power expected to be made available, such tentative program to be for the convenience of Customer and not to be binding upon either party. Actual availability of Secondary Power shall be established for each day by a schedule given over telephone by Company's load dispatcher to Customer's designated representative before 4:00 PM of the previous day, which daily schedule may either confirm or modify the amounts shown in the tentative program previously given, and may provide for either a uniform amount of Secondary Power throughout the day or amounts varying for different periods within the day, provided that the highest amount provided for in such daily schedule shall be made available for at least five consecutive hours in such day. The

amounts of Secondary Power set forth in such daily schedules shall be the amounts deemed to be made available hereunder, and a cumulative record of kilowatt-hours shown by such daily schedules shall be maintained for comparison with the minimum amounts specified in paragraph 3.2(a).

(c) Secondary Power Billing Demand, for which Customer shall be obligated, shall be based upon the minimum amount of Secondary Power shown in each daily schedule as provided in paragraph 3.2(b).

(d) During any emergency period, as defined in paragraph 5.3(b), or any Down Period requested by Customer as provided in paragraph 3.5, in which Customer's power requirements are reduced at Customer's request, Company will schedule Secondary Power as available only to the extent as determined by paragraph 5.3(a) to be the reduced amount of Secondary Power, or in such lesser amounts as Customer may request, but any reduction in scheduling of Secondary Power from this cause shall reduce correspondingly the aforesaid annual minimum and 10-year minimum amounts computed as set forth in subparagraph 3.2(a), and shall not indicate a reduction in availability of Secondary Power. During any emergency periods as defined in paragraph 5.3(a), or any Down Period requested by Company as provided in paragraph 3.5, in which Customer's power supply is reduced at Company's request, Company will schedule Secondary Power as available only to the extent as

determined by paragraph 5.3(a) to be the reduced amount of Secondary Power, and such schedule shall be the basis for determining availability and Billing Demand of Secondary Power as specified in paragraphs 3.2(b) and (c). In event both parties have an emergency or request a Down Period, the excess reduction of one party's request over the other party's request will be reflected in the manner specified above for the party requesting the excess reduction.

3.3 Service Schedules - Not less than twelve (12) months prior to the expiration of the term of each Service Schedule, Customer shall notify the Company in writing whether or not it desires to enter into a new Service Schedule to replace the expiring Service Schedule. Subject only to agreement by the parties on the rates and charges, the Customer shall have the right to renew the expiring Service Schedule for a term of eight (8) years. Not later than October 15 of the calendar year in which the Service Schedule expires, the parties after giving consideration to the changes in all factors bearing upon the costs for the service supplied, shall agree upon rates and charges for the ensuing two-year period to be included in each and every Service Schedule, and shall execute one Service Schedule for a term of eight years and amend the remaining Service Schedules to the extent necessary to incorporate therein the agreed upon rates and charges. Upon

termination of any Service Schedule, the Contract Amount applicable to such Service Schedule shall be terminated. The Contract Amount for any Service Schedule, upon renewal, will be the same as the Contract Amount for the remaining Service Schedules in effect at the time of renewal. In the event it is necessary to segregate the total demand and energy deliveries between the Service Schedules for any purpose, the division shall be accomplished by dividing the Contract Amount, Interruptible Primary Contract Demand, Secondary Billing Demand and kilowatt-hours associated therewith by the number of Service Schedules in effect at the time.

3.4 Excess Power - The possibility is recognized that Customer may at times take power in excess of the aggregate amount which Customer is at the time entitled to take under this agreement. In such event Customer shall discontinue such excess taking upon notice from Company's load dispatcher, it being understood that failure to receive such notice shall not constitute permission by Company for Customer to continue or repeat such excess taking.

3.5 Down Periods - (a) It is understood that electric furnaces of the type operated by the Customer require periodic shut-downs for maintenance and overhauling for periods of from ten to approximately 72 calendar days, and it is the intent of the parties that such shut-down and consequent reduction of power requirements shall be coordinated with conditions on the Company's system.

Customer accordingly will arrange for Down Periods with respect to power to be supplied hereunder at times approved or requested by Company for such durations not to exceed 72 days in any calendar year; provided, however, that Company shall not request Down Periods during the January 1 - May 31 period.

(b) Company may schedule a Down Period reduction of not to exceed one-fourth (1/4) of the total Contract Amount hereunder. Customer may schedule a Down Period reduction hereunder of not to exceed 65,000 KW, provided the sum of all such reductions scheduled by Customer shall not exceed the average of the Contract Amount hereunder during the four-year period ending with the calendar year in which the Down Period occurs, and provided further, that in any calendar year a Down Period may reduce the kilowatt-days of Contract Amount (days times Contract Amount in kilowatts) in not to exceed a 90-consecutive-day period up to an amount which is equal to one-fourth (1/4) times the current Contract Amount times 72 days. In the event Down Period reductions are requested by both parties in any year, and subject to the proviso in the last foregoing sentence, the higher of the two Down Period amounts so requested shall be scheduled.

(c) The reduction in the amount of power (Contract Amount) during a Down Period shall be one-half Interruptible Primary Power and one-half Secondary Power. During such Down Periods Company

will waive the Interruptible Primary Demand Charges on the Interruptible Primary Demand reduction and will reduce the scheduling of Secondary Power in a like amount.

(d) Each year Company shall advise Customer at least four months (120 days) in advance of the time Company desires such Down Period to begin. In the event Company does not advise Customer of the time a Down Period is desired, Customer may schedule a down period in the July - December 31 period.

#### ARTICLE IV - SERVICE SPECIFICATIONS

4.1 The electric power supplied under this agreement shall be in the form of 3-phase, alternating current at a frequency of approximately 60 cycles per second, and at a nominal phase-to-phase potential of approximately 13,500 volts. Voltage variations at the point of delivery shall not be greater than 5% below or 5% above the normal operating voltage, except under emergency conditions.

4.2 The point of delivery for power supplied hereunder shall be on the 13,500 volt side of Company's substation located near Pocatello, Idaho.

4.3 Company will provide suitable metering equipment for obtaining measurements required in connection with settlements under this agreement. Company shall, at its own expense, test such metering equipment once in each calendar year.

4.4 The Customer shall limit the operation of individual furnaces so that the electrical demand of each furnace, including auxiliaries, shall not exceed the following limits:

- (i) Furnace No. 1            60,000 KW
- (ii) Furnace No. 2           85,000 KW
- (iii) Furnace No. 3          85,000 KW
- (iv) Furnace No. 4          60,000 KW

ARTICLE V - DETERMINATION OF AMOUNTS OF  
POWER AND ENERGY SUPPLIED

5.1 Definitions of Terms - For purposes of this agreement, the following terms shall have the meanings indicated:

- (1) "Demand Interval" means any clock half-hour.
- (2) "Customer's Demand" means as to any Demand Interval the integrated amount of power supplied during that interval.
- (3) "Interruptible Primary Contract Demand" means as to any month one-half of such Contract Amount as may be established as provided in paragraph 2.3.
- (4) "Secondary Billing Demand" means as to any day the amount of Secondary Power scheduled during that Demand Interval in said days when such scheduled amount is lowest.
- (5) "Excess Demand" means as to any month the sum of the amounts in kilowatts by which Customer's demand in any Demand Intervals in the month exceeds power entitlement for those respective Demand Intervals, such power entitlement for any Demand Interval being the sum of the power scheduled under this agreement.

5.2 Basic Data - For purposes of settlements hereunder there shall be determined for each month the following basic data:

- (1) Total kilowatt-hours supplied to Customer under this agreement as determined from suitable metering equipment.
- (2) Total kilowatts supplied to Customer during Demand Intervals in the month, as determined from suitable metering equipment.
- (3) Power factor of Customer's load during Demand Intervals in the month, as determined from suitable metering equipment.
- (4) Kilowatt-hours of power interrupted in accordance with the provisions of paragraph 3.1 hereof to be determined by computation from the amounts and durations of power interruptions and reduction.
- (5) Kilowatt-hours of interruption or reduction in power supply to Customer resulting from emergency conditions and continuing for a period of 36 consecutive hours or longer, to be determined by computation.

5.3 Adjustment in Amount of Power Supply - (a) When, due to emergency conditions affecting Company, there is any curtailment or failure of power supply for a period of thirty-six consecutive hours or longer, the Interruptible Primary Power Contract Amount and the Secondary Power Contract Amount under this agreement shall be reduced for billing purposes in accordance with the number of hours and amount of such curtailment or failure of power supply and Customer shall be excused from payment of any charges on the computed amount of reduction in power supply beginning with the commencement of such emergency.

(b) When, due to causes beyond Customer's control, as a result of acts of God, or the public enemy, fire, flood, war, government action, accident, strikes or labor disputes, Customer

reduces or discontinues its operations for an emergency period of 36 consecutive hours or longer, the Interruptible Primary Power Contract Amount and Secondary Power Contract Amount under this agreement shall be reduced for billing purposes by following the same procedure as set forth in paragraph 5.3(a) above, and Customer shall be excused from payment of any charges therefor; provided, however, that the emergency period or periods of Customer with respect to power furnished under this agreement shall not exceed an aggregate total of 30 days due to strikes or labor disputes in Customer's plant in any consecutive 12 months period. Customer shall exercise due diligence to remove any such cause or condition with all reasonable dispatch.

(c) In the event Customer is required to temporarily curtail operations at Pocatello during the term of this agreement due to loss or reduction of business, it may, by giving six months' prior written notice thereof, substitute a schedule in lieu of the schedule then in effect under paragraph 2.3(b) or (c), providing for a reduction in the schedule of Contract Amount then in effect by an amount not to exceed a total of 30,000 KW equally divided among the Service Schedules. The amount of such reduction shall be stated in the notice which shall be effective for a reduction period comprising the remaining months of the half-year period in which such reduction becomes effective and the entire

next ensuing half-year period. Such reduction shall be a specified amount under the Contract Amount in effect the month immediately preceding the effective month of such reduction, and such reduced Contract Amount shall not again be changed or subject to change, under the provisions of paragraph 2.3(c) or otherwise, within such reduction period except with the written consent of Company. Upon expiration of such reduction period, the Contract Amount shall be the amount of power set forth in the last October 1 schedule as provided for in subparagraph 2.3(c).

ARTICLE VI - CHARGES

6.1 The amount to be paid monthly by Customer to Company for the power and energy supplied hereunder shall be the sum of the charges as specified in Section 3 of the Service Schedules attached hereto and made a part hereof, for the power and energy supplied under each Service Schedule.

6.2 Tax Adjustment Charge - If, after the date of this agreement, any new or increased tax or taxes (other than income taxes and taxes based on income) payable by Company are imposed upon revenues received from Customer hereunder, or upon power or energy sold to Customer hereunder, or upon power or energy generated for supply of Customer hereunder, Customer shall pay, in addition to the charges hereinabove specified in paragraph 6.1, an amount sufficient to cover any such taxes payable by Company.

6.3 (a) In event a Service Schedule is not renewed or extended at the time hereinbefore specified, Customer shall pay to Company the nonsalvable cost of the transformer bank and all appurtenances associated with one of Customer's furnaces, which furnace may be designated by Customer. It is understood and agreed by the parties that the nonsalvable cost of the Don Substation facilities associated with the total supply of power and energy herein provided for Customer on December 31, 1973, will be \$1,111,815. The nonsalvable cost to be paid by Customer upon termination of a Service Schedule shall be the original installed cost of the transformers and equipment directly associated with the furnace to be discontinued, plus the original installed cost of the jointly used equipment allocated to Customer's load, in the proportion represented by the ratio of the KVA rating of the transformers to be discontinued to the total KVA transformer rating used for Customer's total load. The total original cost thus determined shall be reduced by the depreciation reserve accumulated between the installation date of the facilities and date of expiration of the Service Schedule for the equipment to be discontinued, and the salvage value, if any, on the discontinued facilities. The nonsalvable amount thus computed shall be paid in equal monthly installments beginning twelve months before the expiration date of the Service Schedule. The remaining part of the total agreed nonsalvable cost shall be related to the

remaining Service Schedules and subject to payment to the Company in the manner set forth above. Customer shall have the option of acquiring ownership of the transformers and equipment directly associated with the furnace to be discontinued upon payment of the salvage value and the removal cost of such facilities; provided, however, that any discontinued transformers and equipment directly associated therewith acquired by Customer and not removed from Company's premises will be removed on 90 days' notice from Company when Company has need of the space occupied by such equipment. Any cost of removal of facilities shall be paid by Customer on receipt of bill therefor.

(b) Customer shall have the option, upon twelve months' notice prior to the expiration of the Service Schedule, in lieu of making monthly payments computed in paragraph 6.3(a) above, to pay Company the monthly cost of maintaining the Company's discontinued facilities in place. Such monthly cost shall be computed in accordance with normally accepted accounting procedures used by Company and shall include cost of money, taxes, depreciation and maintenance, and payment by Customer of such monthly costs shall not convey ownership of or interest in any discontinued facilities to Customer.

6.4 Payment - The monthly bill rendered hereunder, computed as hereinbefore specified, is due and payable at Company's office at Pocatello, Idaho, upon receipt, and becomes past due 30 days

from the date on which rendered, and the Company may thereafter add interest thereon at the rate of 5% per annum until paid.

ARTICLE VII - PROVISION OF REPLACEMENT POWER

7.1 At any time when the full Contract Amount of Secondary Power provided for in paragraph 2.3 is not available, Company will at the request of Customer endeavor to procure at Customer's expense from available sources such power as will be sufficient to enable delivery to Customer of that amount of power which, when added to that Secondary Power available, will equal the full Contract Amount of Secondary Power or, at Customer's option, a lesser amount. If Company is able so to do and if Customer so elects, Company will purchase such power and will deliver to Customer an amount of power equivalent to that so purchased less all incremental electrical losses resulting from the procurement and delivery of such power. Company will bill Customer monthly for the cost to Company of power so purchased, including the power to cover said electrical losses, plus the cost of transmission and load-factoring of the energy. The energy so delivered shall not be recorded as applicable in meeting the minimum amounts specified in paragraph 3.2(a) hereof.

ARTICLE VIII - RELATION TO OTHER AGREEMENTS

8.1 This agreement supersedes, terminates and cancels all agreements between the parties, including agreement dated August 29,

1963, as amended April 1, 1964; June 7, 1966; October 26, 1966; April 25, 1967; and March 18, 1971; provided, however, this paragraph 8.1 shall not relieve Customer from payment for electric energy delivered under the previous agreements or contracts.

#### ARTICLE IX - LIABILITY

9.1 Each party will indemnify and save harmless the other party against loss, damage or liability, exclusive of costs and attorneys' fees, resulting from claims asserted by third persons against either or both parties to this agreement on account of injury or death to persons or damage or destruction of property occurring on such (indemnifying) party's side of the aforesaid point of delivery, unless such injury or damage shall have resulted from the sole negligence of the other party; provided, however, that each party shall be solely responsible for claims of and payments to its employees and agents for injuries occurring in connection with their employment or arising out of any workmen's compensation law.

#### ARTICLE X - WAIVERS

10.1 Any waiver at any time by either party of a right or with respect to any matter arising under this agreement, or any failure to give any notice provided for hereunder, shall not be deemed to be a waiver with respect to any subsequent matter, nor as the establishment of or consent to any practice under this agreement

or an interpretation of any term or provision hereof.

ARTICLE XI - COMMISSION JURISDICTION

11.1 This agreement shall be subject to the authorization hereof by the Idaho Public Utilities Commission; and the rates, terms, and provisions herein set forth, and the respective rights and obligations of the parties hereunder, shall be subject to the jurisdiction and regulatory authority of said Commission, and the laws of the State of Idaho. Except to the extent herein otherwise provided or modified, Sections 3, 5, 12, 13, 15, 16, 18, 23, 25, 26, and 29 of Company's Rules and Regulations as now on file with said Commission, shall apply to this agreement and the service supplied hereunder, and shall be a part of this agreement to the same extent as if set forth in full herein, a copy of said Rules and Regulations being attached hereto and made a part hereof.

ARTICLE XII - SUCCESSORS AND ASSIGNS

12.1 This agreement shall inure to the benefit of and be binding upon the successors in interest, assigns and legal representatives of Customer and Company.

IN WITNESS WHEREOF, the parties have executed this agreement by their respective proper officers, thereunto duly authorized, on the day and year first hereinabove written.

FMC CORPORATION

By John D. Welch  
Vice President

(CORPORATE SEAL)

ATTEST:

Harold Poyel  
~~Secretary~~  
Assistant Secretary

IDAHO POWER COMPANY

By Albert Parker  
President

(CORPORATE SEAL)

ATTEST:

James E. Brown  
Secretary

**CASE NO. IPC-E-97-13**

**ATTACHMENT 2**

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**Electric Service Agreement  
Between  
Idaho Power Company and FMC Corporation  
December 30, 1997**

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**Proposed  
Idaho Power Company  
Electric Service Rate  
Schedule 28  
for  
FMC Corporation**

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**ELECTRIC SERVICE AGREEMENT**

**BETWEEN**

**IDAHO POWER COMPANY**

**AND**

**FMC CORPORATION**

THIS AGREEMENT FOR ELECTRIC SERVICE is executed on December 30, 1997, by FMC CORPORATION, a Delaware Corporation ("FMC") and IDAHO POWER COMPANY, an Idaho Corporation ("IDAHO POWER"). In consideration of the mutual covenants hereinafter set forth, the parties hereby agree as follows:

**SECTION 1 - PRIOR AGREEMENT**

This Agreement replaces the April 20, 1973 Agreement for Supply of Interruptible Power and Energy between FMC and Idaho Power as amended.

**SECTION 2 - DEFINITIONS**

When used in this Agreement, the capitalized terms shall have the following meanings:

2.1 "Commission" shall mean the Idaho Public Utilities Commission or its successor agency.

2.2 "Contract Demand" shall mean the kilowatts ("kW") of electric demand specified in paragraph 4.2.1 that Idaho Power agrees to make available to the FMC Facility each year.

2.3 "Demand Interval" shall mean any 15-consecutive-minute period as measured by the demand metering at the Point of Delivery.

2.4 "Energy Index Price" shall mean a price per kilowatt-hour ("kWh") equal to the Dow Jones Mid-Columbia Electricity Index price during the same time period, either on-peak or off-peak, whichever is applicable, adjusted for the cost of Related Services. However, if the Idaho Power system is constrained due to west-to-east import limitations, then the Energy Index Price shall mean a price per kilowatt-hour ("kWh") equal to the Dow Jones Palo Verde Firm Electricity Index price during the same time period, either on-peak or off-peak whichever is applicable, adjusted for the cost of Related Services. If either of the above indices is discontinued during the term of the Agreement, then the parties will mutually agree to a substitute index or indices. If agreement on the substitute index cannot be reached, the parties will submit the issue to the Commission for resolution.

2.5 "Excess Demand" shall mean Metered Demand in excess of the Contract Demand for any Demand Interval during the month.

2.6 "FMC Facility" shall mean the FMC manufacturing complex located in Power County, Idaho.

2.7 "Interconnection Facilities" shall mean all facilities which are reasonably required by Prudent Electrical Practices and the National Electric Safety Code to interconnect and deliver electrical power and energy to the FMC Facility, including, but not limited to, substation facilities and metering equipment.

2.8 "Metered Demand" shall mean the kW's delivered to the FMC Facility at the Point of Delivery during the coincident 15-consecutive-minute period of maximum use during each monthly billing period as measured by suitable metering equipment.

2.9 "Month" or "Monthly" shall mean a calendar month.

2.10 "Point of Delivery" shall mean the location specified in paragraph 4.6 where the electrical facilities owned by FMC are interconnected to the electrical facilities owned by Idaho Power and where power and energy are delivered by Idaho Power for the purpose of providing electrical service for the operations of the FMC Facility.

2.11 "Prudent Electrical Practices" shall mean those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and utility operation to operate electrical equipment and deliver electric power and energy with safety, dependability, efficiency and economy.

2.12 "Related Services" shall mean the supply-related and transmission-related services required to deliver the Second Block of Energy to the Idaho Power system. Related Services may include, but are not limited to, such items as off-system transmission, Reserves, and replacement of losses.

2.13 "Reserves" shall mean the generation reserves which must be maintained and provided to meet the operating criteria of the Northwest Power Pool, Western States Coordinating Council, and National Electric Reliability Council or their successor entities' operating criteria.

### **SECTION 3 - TERM AND TERMINATION**

3.1 Term of Agreement. This Agreement shall commence on the later of January 1, 1998 or the first day of the month following Commission approval of this Agreement, and remain in effect through December 31, 2002 ("Initial Term"). Following the Initial Term this Agreement shall remain in effect until terminated in accordance with Paragraph 3.2.

3.2 Termination of Agreement. After December 31, 2000 either party shall have the right to terminate this Agreement by delivering written notice of termination to the other party. The effective date of termination will be specified in the termination notice, but such effective date cannot be earlier than twenty-four (24) months after the delivery date of the notice of termination ("Extension Term"). If both parties give notice of termination, the earliest effective date will prevail.

#### **SECTION 4 - SUPPLY OF DEMAND AND ENERGY**

4.1 Supply Obligation. In accordance with Prudent Electrical Practices and the provisions of this Agreement, Idaho Power will make available and/or supply electric power and energy to FMC at the Point of Delivery. FMC will not resell any power or energy supplied under this Agreement except to an FMC affiliate for consumption at the FMC Facility, but power and energy commitments may be reduced or modified by Idaho Power for FMC's account in accordance with the provisions of paragraphs 4.2.4 and 4.2.5 of this Agreement. The methodology for making and modifying energy commitments will be set forth in mutually agreed to operating procedures.

4.2 Amounts of Electric Power and Energy To Be Supplied. During each hour of each year of the Initial Term and any Extension Term, electric power and energy shall be made available and/or supplied to the FMC Facility at the Point of Delivery in the following amounts:

4.2.1 Contract Demand. Idaho Power will make available and FMC will purchase 250,000 kW of Contract Demand consisting of a First Block of 120,000 kW and a Second Block of 130,000 kW. Contract Demand will be supplied on a "take or pay" basis.

4.2.2 First Block of Energy. Idaho Power will make available and FMC will purchase 120,000 kWh of energy ("First Block of Energy") every hour during the term of this Agreement. The First Block of Energy will be supplied on a "take or pay" basis. The first 120,000 kWh of energy delivered to FMC in any hour will be deemed the First Block of Energy. On mutual agreement of FMC and Idaho Power, the amount of energy delivered and purchased under the First Block of Energy may be reduced below 120,000 kWh for an agreed upon time period.

4.2.3 Second Block of Energy. In addition to the First Block of Energy made available and/or supplied by Idaho Power in accordance with paragraph 4.2.2, Idaho Power will, in consultation with FMC and subject to its approval, supply or acquire for FMC's account the following: (1) up to 130,000 kWh of electric energy per hour, (2) transmission service from the resource to Idaho Power's system, and (3) Reserves required for the load in an amount equal to FMC's total load minus the First Block of Energy, collectively defined as the Second Block of Energy. The Second Block of Energy will be supplied to FMC by Idaho Power through Idaho Power's own system resources and/or through a portfolio of short or long-term purchase arrangements. At the request of FMC, the FMC Trader described in paragraph 4.9 (or the designated Idaho Power alternate) will obtain and provide to FMC the prices, terms, and conditions for one or more potential acquisitions of the Second Block of Energy. If the prices, terms, and conditions are acceptable to FMC, it will authorize the FMC Trader (or the designated Idaho Power alternate), to make the Second Block of Energy commitment in accordance with FMC's instructions provided the service is still available when

the FMC Trader (or the designated Idaho Power alternate) receives the authorization. FMC and Idaho Power will execute a written confirmation after each purchase.

4.2.4 Reduction in Second Block of Energy Prior to Preschedule Deadline. At any time prior to the preschedule deadline(s) described herein, FMC may elect to reduce all or part of the Second Block of Energy commitment agreed to by Idaho Power and FMC. FMC will provide Idaho Power with the amount of the Second Block of Energy to be reduced and Idaho Power will quote FMC a price for resale of the reduction at then prevailing market prices. When appropriate, such price will take into account an amount for any Related Services associated with the Second Block of Energy purchase or its subsequent resale. FMC may elect to accept this price or accept the existing purchase commitments. If the amount that Idaho Power receives for a resale is less than the amount FMC would have paid Idaho Power for the scheduled delivery, FMC will pay the shortfall. If Idaho Power receives a resale price that exceeds the purchase price, Idaho Power will credit FMC for the original purchase and an amount equal to 75% of the excess amount.

4.2.5 Changes to Second Block of Energy after Preschedule Deadline. If, at anytime after the preschedule deadline, FMC determines that its load will be different than the prescheduled amount, FMC must immediately notify Idaho Power. On receiving a modified schedule, Idaho Power will use its best efforts to purchase additional energy or sell part of the Second Block of Energy, at then prevailing market prices, and notify FMC of the purchase or sale price. FMC's account will be debited for the cost of any additional purchases and Related Services. FMC's account will be credited for the revenue received from any sales made on FMC's behalf. If the amount that Idaho Power receives for resale is less than the amount

FMC would have paid Idaho Power for the scheduled delivery, FMC will pay the shortfall. If Idaho Power receives a resale price that exceeds the purchase price, Idaho Power will credit FMC for the original purchase and an amount equal to 75% of the excess amount. FMC will attempt to keep the number of load changes after the preschedule deadline to a minimum and will give Idaho Power as much advance notice as practical.

4.2.6 Reserves. FMC may elect to supply its own Reserves required for the load served by the Second Block of Energy or it may purchase Reserves from Idaho Power or other entities. In real time, if the Reserves actually supplied are not adequate for the FMC load and if Idaho Power has to supply Reserves for any 10-minute period in order to meet the requirements of the pools and councils described in paragraph 2.13, then Idaho Power will charge FMC for the Reserves at the rate specified in paragraph 5.2.8.

4.3 Transmission. Idaho Power will make transmission available from Idaho Power's interconnections with other companies to the Point of Delivery for delivery of the Second Block of Energy to FMC on a nonfirm basis. If transmission is available, Idaho Power will commit to provide transmission to FMC on an annual, quarterly, monthly, weekly, daily, or hourly basis. FMC must reserve transmission no later than 9:30 AM (MST or MDT) on the preceding scheduling day or days. FMC understands that among competing nonfirm transmission requests, reservations with longer duration can displace shorter duration reservations and in case of transmission emergencies, longer duration reservations are curtailed after all shorter duration reservations have been curtailed. At the request of FMC, Idaho Power or the FMC Trader will make the transmission reservation.

4.4 Demand Limitation. If Metered Demand at the FMC Facility exceeds 250,000 kW, Idaho Power may curtail service to the FMC Facility to the 250,000 kW level. Idaho Power reserves the right to install, upon reasonable notice to FMC, at FMC's expense, any device reasonably necessary to protect Idaho Power's system from damage which may be caused by Metered Demand at the FMC Facility exceeding 250,000 kW. FMC will be responsible for any damages to Idaho Power's system or damages to third parties resulting from Metered Demand at the FMC Facility exceeding 250,000 kW. FMC agrees to use its best efforts to monitor its electric loads and to advise Idaho Power as soon as possible of the potential for Metered Demand at the FMC Facility to exceed 250,000 kW. Metered Demand in excess of 250,000 kW will be subject to the Excess Demand charge specified in paragraph 5.2.7.

4.5 Reductions in Contract Demand. If FMC physically removes or dismantles any of its electric furnaces at the FMC Facility, and as a result FMC's ability to utilize 250,000 kW of Contract Demand at the FMC Facility is permanently reduced, the Contract Demand in paragraph 4.2.1 will be reduced. The reduction in Contract Demand will be the amount of electric demand attributable to the furnace removed but not to exceed the following amount:

- |       |               |           |
|-------|---------------|-----------|
| (i)   | Furnace No. 1 | 60,000 kW |
| (ii)  | Furnace No. 2 | 85,000 kW |
| (iii) | Furnace No. 3 | 85,000 kW |
| (iv)  | Furnace No. 4 | 60,000 kW |

FMC will certify to Idaho Power in writing (1) the date for commencement of the physical removal of an electric furnace, (2) the amount of the requested Contract Demand

reduction, and (3) that FMC does not intend to replace the furnace. Upon verification by Idaho Power that physical removal has commenced, paragraph 4.2.1 herein will be amended to reflect the reduced Contract Demand. The reduction in Contract Demand will be considered to be a reduction of the Second Block demand, and the charges for Second Block demand set forth in paragraph 5.2.4 will be reduced by the amount of the demand reduction.

4.6 Point of Delivery. Electric power and energy provided under this Agreement shall be delivered to the FMC Facility at the 13,500 volt side of Idaho Power's Don Substation.

4.7 Specifications of Electric Power. Energy furnished under this Agreement will be three-phase, 60 HZ alternating current at nominal phase-to-phase potential of approximately 13,500 volts. Consistent with Prudent Electrical Practices, Idaho Power will use its best efforts to maintain and operate its system to minimize voltage level fluctuations.

4.8 Scheduling. The amounts of energy to supply the hourly loads at the FMC Facility shall be established by advance scheduling between Idaho Power and FMC in the manner hereinafter set forth. When used in connection with scheduling and accounting for energy deliveries and purchase, the word "day" shall mean a 24-hour period starting at 12:00 midnight. FMC, not later than 9:30 AM (MST or MDT) on the preceding scheduling day or days, will submit a schedule of hourly energy deliveries for the subsequent day or days. The schedule will differentiate between the First Block of Energy and the Second Block of Energy. FMC understands and agrees that from time to time industry scheduling practices Idaho Power must adhere to may change, which will affect the deadline for schedules and schedule changes, and the duration of preschedules.

4.9 Second Block Purchase and Sale Procedures. Idaho Power's purchases and sales of the Second Block of Energy for FMC's account will be made in accordance with operating procedures that FMC and Idaho Power will establish for the term of this Agreement. To facilitate such purchases and sales, Idaho Power will locate a trader at the FMC Facility ("FMC Trader"), and FMC will designate a representative or representatives of FMC with authority to approve and confirm transactions with Idaho Power on behalf of FMC. The FMC Trader will be an employee of Idaho Power. Idaho Power's designation of an employee as FMC's trader shall be subject to FMC's concurrence and approval which cannot be unreasonably withheld. FMC will provide (at no cost to Idaho Power) suitable office accommodations for the trader in the FMC Facility. Idaho Power will, at its cost, provide the FMC Trader with appropriate electronic communication and terminal facilities.

4.10 Transmission Losses. The amount of the Second Block of Energy delivered in any hour at the Point of Delivery will be equal to the amount of Second Block Energy acquired for that hour minus the energy losses both in the Idaho Power transmission system and other transmission systems, if applicable. Energy losses in the Idaho Power transmission system shall be computed as 5.3 percent of the energy delivered at the Point of Delivery. Prices quoted for Second Block of Energy deliveries from Idaho Power's own resources shall not be subject to an additional transmission loss adder.

4.11 Energy Balancing. Idaho Power will provide energy balancing for FMC. Energy balancing will be undertaken hourly to accommodate the unintentional difference ("Imbalance") between FMC's metered load and FMC's First and Second Block of Energy commitment for that hour as adjusted for transmission losses. Imbalances will be either

positive or negative. A positive Imbalance occurs when, in any hour, more energy is committed to Idaho Power for FMC's account than is used by FMC. A negative Imbalance occurs when, in any hour, more energy is used by FMC than is committed to Idaho Power for FMC's account.

4.12 Quantification of Imbalance. Idaho Power shall utilize a deviation band of plus or minus 5,000 kW applied hourly in determining any Imbalance. Idaho Power will maintain an accounting for hourly positive and negative Imbalances. At the end of each billing month, Idaho Power will notify FMC of the accumulated positive and negative Imbalances and charges for such Imbalance. The charges for furnishing energy balancing are set out in paragraph 5.3.

4.13 Procedure to Curtail Unscheduled Increase in FMC Load. The parties understand and agree that Idaho Power will maintain adequate generating capacity to serve the First Block of Energy and serve 5,000 kW of Imbalance. In addition Idaho Power will, at FMC's request, either purchase or maintain Reserves for the scheduled amount of the Second Block of Energy. Idaho Power will use its best efforts to serve any FMC load which exceeds the sum of the First Block of Energy and the scheduled Second Block of Energy. However, if Idaho Power determines that serving FMC load greater than the scheduled amount will adversely impact system reliability, then Idaho Power will request FMC to immediately reduce load to the prescheduled amount.

## SECTION 5 - CHARGES TO BE PAID BY FMC TO IDAHO POWER

5.1 Rates and Charges. The amount to be paid monthly by FMC to Idaho Power for electric demand and energy made available and/or supplied to the FMC Facility will be the sum of the following:

5.2 Demand and Energy Charges.

5.2.1 First Block Demand. The purchase price for the Contract Demand for the First Block will be \$3.70 per kW-month for 120,000 kW.

5.2.2 First Block of Energy. The base energy rate for the First Block of Energy is 1.665 cents for each kWh made available by Idaho Power ("Base Energy Rate ") as adjusted pursuant to section 6 of this Agreement.

5.2.3 First Block Load Shedding Credit. In the event Idaho Power temporarily interrupts or "load sheds" FMC's First Block of Energy as permitted by section 8, Idaho Power will credit FMC for that month the hourly amounts of energy FMC was prevented from taking as a result of the interruption. The credit will be computed by multiplying the unsupplied energy for the First Block expressed in kWh times the then-applicable Base Energy Rate as adjusted pursuant to section 6 of this Agreement.

5.2.4 Second Block Demand. The purchase price for the Contract Demand for the Second Block will be \$1.39 per kW-month for 130,000 kW.

5.2.5 Second Block of Energy. FMC will pay all of Idaho Power's costs directly related to supplying the Second Block of Energy. In addition to the agreed upon commodity price, such costs will include Related Services and any transmission congestion charges. FMC will also pay to Idaho Power 0.142 cents per kWh for the amount of transmission either reserved or used to deliver the Second Block of Energy across Idaho Power's system, whichever is higher. If Idaho Power curtails nonfirm deliveries of the Second Block of Energy, FMC will be credited for those nonfirm transmission reservation charges which were paid for but curtailed.

5.2.6 Second Block Load Shedding. In the event Idaho Power temporarily interrupts or "load sheds" any of FMC's Second Block of Energy as permitted in section 8, Idaho Power will credit FMC for any Second Block of Energy charges for the energy and Related Services FMC was prevented from taking at that time as a result of the interruption.

5.2.7 Excess Demand. \$0.102 per each kW over 250,000 kW in any Demand Interval during the month.

5.2.8 Operating Reserves Charge. \$0.22 per kW per day for any Reserves for load supplied by the Second Block of Energy that was not pre-committed and pre-supplied by Idaho Power.

5.3 Imbalance Charges. The price for Idaho Power providing energy balancing is as follows:

5.3.1 Negative Imbalance. FMC will pay Idaho Power for hourly negative Imbalances. Each kWh of negative Imbalance which is:

- (a) Outside the deviation band will be priced at an amount equal to 110% of the Energy Index Price for that hour.
- (b) Within the deviation band will be priced at the Energy Index Price for that hour.

Negative Imbalances intentionally incurred by FMC will be charged at the rate of 10 cents per kWh or 110% of Idaho Power's incremental system cost whichever is higher.

5.3.2 Positive Imbalance. Idaho Power will credit FMC for positive Imbalances. Each kWh of positive Imbalance which is:

- (a) Outside the deviation band during time periods when Idaho Power is not in a spill condition, will be credited at an amount valued at 90% of the Energy Index Price.
- (b) Outside the deviation band during periods when Idaho Power has notified FMC that it is in a spill condition, will not be credited.
- (c) Within the deviation band will be credited at the Energy Index Price for that hour.

No credit will be given for a positive Imbalance intentionally incurred by FMC.

5.4 Power Factor Charge. If for any month the actual power factor of FMC's total power supply is less than 0.95, the total demand charges hereunder (computed as specified in paragraphs 5.2.1, 5.2.4 and 5.2.7) shall be multiplied by the ratio of 0.95 to such actual power factor, and the excess of the product so obtained over the total demand charges shall constitute the power factor charge for such month. Power factor shall be determined for that Demand Interval in the month in which the maximum demand for that month was established.

## **SECTION 6 - CHANGES TO PRICES**

6.1 It is the intention of the parties that the rates for service specified in this Agreement shall not be subject to change by the Federal Energy Regulatory Commission or by the Idaho Public Utilities Commission, or by any other regulatory body having jurisdiction, except for the following:

6.1.1 Changes in rates and charges to reflect the changes in the recovery of demand-side management programs, cogeneration and small power production purchases, and deferred taxes.

6.1.2 Annual changes in the First Block Base Energy Rate, either upward or downward, in the same amount as Idaho Power's base rate is adjusted by the Commission in Idaho Power's annual Power Cost Adjustment ("PCA") process. If in the future the PCA process is abolished, the purchase price for the First Block of Energy will be the Base Energy Rate specified in paragraph 5.2.2.

6.1.3 Changes in the First Block Energy rates and charges as a result of Idaho Power's participation in the earnings sharing agreement as provided for in Case No. IPC-E-95-11, Order No. 26216.

6.2 If, as a result of either federal or state legislation or regulatory initiatives, it is determined that any regulatory costs described in paragraph 6.1.1 should be eliminated either in whole or in part or recovered from system users by means other than demand and energy charges, the price established in this Agreement shall be adjusted by removing the existing regulatory cost component in the rates and charges and substituting a monthly regulatory charge, if any.

#### **SECTION 7 - PAYMENT OF BILLS/SETTLEMENTS**

7.1 **Billing Data:** Invoices for payment for electric power and energy made available and/or supplied shall be prepared and submitted to FMC monthly. All invoices or bills shall contain such data as may be reasonably required to substantiate the billing. For purposes of settlements hereunder there shall be determined for each month the following basic data:

7.1.1 The Contract Demand for the First and Second Block.

7.1.2 Hourly amounts of the First Block of Energy provided under this Agreement, or credited under mutual agreement in accordance with paragraph 4.2.2.

7.1.3 Hourly amounts of the Second Block of Energy and Related Services committed to FMC's account, or credited at FMC's direction.

7.1.4 Hourly kWhs supplied to FMC under this Agreement as determined from suitable metering equipment.

7.1.5 Power factor of FMC's load during each 15-minute Demand Interval, as determined from suitable metering equipment.

7.1.6 Accumulated hourly Imbalances, if any.

7.1.7 Excess Demand, if any.

7.1.8 Load shedding credits, if any.

7.1.9 Hourly amounts of Idaho Power system transmission reserved for FMC's account.

7.1.10 Reserves supplied, if any.

7.2 Billing Procedure. Invoices will be transmitted to FMC by facsimile or by electronic mail as mutually agreed by the parties. For purposes of this Agreement, a confirmed transmittal of the monthly invoice by facsimile or electronic mail will be deemed to be receipt of an invoice by FMC. FMC will designate one (1) primary and one (1) alternate facsimile address and one (1) primary and one (1) alternate electronic mail address for delivery of invoices. A confirmation copy of each invoice will be mailed to FMC at the address specified by FMC.

7.3 Payment Procedure. All amounts owed by FMC to Idaho Power hereunder shall be due and payable within fifteen (15) days following FMC's receipt of an invoice. Payment will be made by electronic transfer of funds. Idaho Power will provide FMC with current ABA routing numbers and other necessary instructions to facilitate the electronic transfer of funds.

7.4 Interest/Late Payment. If any invoice is not paid by the due date, interest on the unpaid amount, both principal and interest, shall accrue daily at the rate of twelve percent (12%) per annum or one percent (1%) per month.

7.5 Audits. FMC shall have the right to audit Idaho Power's books and records to verify the accuracy of the settlement data described in paragraph 7.1 for the Second Block of Energy and to confirm transmission constraints described in paragraph 2.4. FMC shall provide Idaho Power with at least two weeks notice of its intent to conduct an audit. Idaho Power shall cooperate in good faith with FMC's auditors, but it may impose reasonable conditions as to the time and place of the audit in order to prevent undue interference with Idaho Power's normal operations. Idaho Power may require FMC and/or its auditors to execute a reasonable confidentiality agreement to protect trade secrets or other competitively valuable information.

#### **SECTION 8 - LOAD SHEDDING**

Idaho Power may temporarily interrupt or "load shed" all but 17,000 kW of FMC furnace load during emergency conditions. Such emergency conditions include, but are not limited to, unacceptable conditions (loading, voltage, frequency, etc.) on Idaho Power's transmission system resulting from transmission and generation system outages. Most

interruptions shall be done by an automatic scheme which will trip the load for known contingencies. An Idaho Power transmission dispatcher can also interrupt the load by a manual action following a contingency to maintain system integrity. Following the interruption, Idaho Power's dispatcher will provide telephone notification of the cause of interruption to the FMC Trader who will notify FMC's designated representative at the FMC facility and a projection as to when service will be restored. If the dispatcher is unable to contact the FMC Trader, the dispatcher will notify FMC's designated representative directly. Idaho Power will use its best efforts to restore any curtailed loads to FMC as soon as possible, and it shall not interrupt or curtail service to FMC if it could, consistent with its contractual obligations to third parties, prevent or mitigate such curtailment or interruption, in whole or in part, by terminating off-system sales of power or transmission services to parties other than firm load customers.

#### **SECTION 9 - ACCESS TO PREMISES**

During the term of this Agreement, and for a reasonable period following termination, Idaho Power shall have access to the FMC Facility premises at all reasonable times with proper notice to FMC for the purposes of reading meters, making installations, repairing and removing Interconnection Facilities and Idaho Power equipment and for other proper purposes hereunder.

#### **SECTION 10 - ASSIGNMENT**

This Agreement shall not be assigned by either party without the prior written consent of the other party, which shall not be unreasonably withheld.

## **SECTION 11 - LIMITATIONS ON LIABILITY**

11.1 **Indemnification.** Each party agrees to protect, defend, indemnify and hold harmless the other party, its officers, directors, and employees against and from any and all liability, suits, loss, damage, claims, actions, costs, and expenses of any nature, including court costs and attorney's fees, even if such suits or claims are completely groundless, as a result of injury to or death of any person or destruction, loss or damage to property arising in any way in connection with, or related to, this Agreement, but only to the extent such injury to or death of any person or destruction, loss or damage to property is not due to the negligence or other breach of legal duty of such other party; provided, however, that each party shall be solely responsible for claims of and payment to its employees for injuries occurring in connection with their employment or arising out of any workman's compensation law. In no event will either party be liable to the other for any indirect, special, incidental or consequential damages, including lost profits, either in contract or in tort, whether or not the possibility of such damages has been disclosed to the other party in advance, or could have been reasonably foreseen by the other party.

11.2 **Force Majeure.** As used in this Agreement, "Force Majeure" means the inability of either Party to perform its obligations as set forth herein for a period of thirty six (36) hours or longer as a result of causes beyond the reasonable control of the Party claiming Force Majeure. Force Majeure events may include, but are not limited to, fire, flood, drought, winds, acts of the elements, insurrections or riots, breakdowns of or damage or repairs to Idaho Power's facilities or those of third parties, acts of god or public enemy, strikes or other labor disputes, electrical disturbances originating on or transmitted through

electrical systems with which Idaho Power's system is interconnected, or any binding order, rule or regulation of any court, administrative agency, or governmental authority.

11.3 Force Majeure Procedures. If either party is rendered wholly or partially unable to perform its obligations under this Agreement due to a Force Majeure event, both parties' obligations to perform shall be suspended to the extent they are affected by the claimed Force Majeure event, and the claiming party shall not be liable for nonperformance to the other party, provided that:

11.3.1 The claiming party, within forty eight (48) hours after the commencement of the occurrence of the Force Majeure event, gives the other party written notice describing the particulars of the Force Majeure event.

11.3.2 The suspension of performance must be of no greater scope and of no longer duration than is required by the Force Majeure event. For example, if FMC is rendered partially unable to take energy due to an event of Force Majeure but has the ability to accept up to 120,000 kWh of energy, FMC's obligation under paragraph 4.2.2 to take 120,000 kWh of energy will not be suspended by the occurrence of the Force Majeure event.

11.3.3 No obligations of either party which arose prior to the occurrence of the Force Majeure event that gives rise to the suspension of performance will be excused as a result of said occurrence.

11.3.4 In case of a strike, lockout or other labor disputes, the suspension of the obligation to perform shall not exceed thirty (30) days in any consecutive twelve (12) month period.

11.4 Obligations Not Suspended. Notwithstanding the foregoing, the party claiming a right to suspend performance due to the occurrence of a Force Majeure event shall be solely responsible for the cost of any Second Block purchases of Energy or Related Services which cannot be utilized by reason of the Force Majeure event, and which cannot be mitigated by termination of the purchase or resale of the energy or Related Services.

11.5 Cancellation of Agreement Due to Force Majeure. If a suspension of performance resulting from a claimed Force Majeure occurrence extends for a period longer than ninety (90) days, the party which has not claimed Force Majeure shall have the right to cancel this Agreement by giving written notice of cancellation to the party claiming the right to suspend performance. The effective date cannot be earlier than fifteen (15) days after delivery of the notice of cancellation.

#### **SECTION 12 - MODIFICATIONS OF CONTRACT**

This Agreement may not be modified except by writing, duly signed by both parties hereto. If the terms of this Agreement are not strictly adhered to or enforced, such terms will not thereby be deemed waived or modified, but shall at all subsequent times remain in full force and effect.

#### **SECTION 13 - COMMISSION JURISDICTION**

Except as provided in section 6, this Agreement and the respective rights and obligations of the parties hereunder shall be subject to (1) Idaho Power's general rules and regulations as now or hereafter in effect and on file with the Commission, and (2) the jurisdiction and regulatory authority of the Commission and the laws of the state of Idaho.

#### **SECTION 14 - COMMISSION APPROVAL**

This Agreement shall not become effective until the Commission has issued its final order approving the Agreement unless such order is stayed. If the Commission's final order approving the Agreement contains material terms or conditions that either party finds unacceptable, within fourteen (14) days of the issuance of the Commission's order the adversely affected party will have the right to cancel this Agreement by giving fourteen (14) days written notice of cancellation to the other party. Upon cancellation this Agreement shall be void *ab initio*.

#### **SECTION 15 - CHANGE IN LAWS**

If in the future the laws of the United States or the state of Idaho are modified to materially reduce or eliminate the Commission's authority to regulate all or any portion of the rates, terms and conditions contained in this Agreement, the parties agree that only those portions of this Agreement which by their terms are subject to the continuing jurisdiction of the Commission shall continue to be subject to section 13 above. It is the parties' express intention that this Agreement will survive any change in Idaho or Federal law and the legality and enforceability of the rates, terms and conditions of this Agreement shall in no way be affected or impaired thereby.

#### **SECTION 16 -- NOTICES**

Except for notices provided under paragraphs 4.2.3, 4.2.4, and 4.2.5 and section 8 all notices required or permitted to be given under this Agreement shall be sent by the notifying party by certified mail to the appropriate address shown below:

Idaho Power Company  
1221 West Idaho Street  
P. O. Box 70  
Boise, Idaho 83707

FMC Corporation  
Highway 30, West of Pocatello  
P.O. Box 4111  
Pocatello, ID 83202

#### **SECTION 17 -- TAXES**

The purchase prices contained in this Agreement do not include the cost of any sales, use or other similar taxes, fees or charges that may be imposed on Idaho Power in the future. If after the date of this Agreement, any new or increased tax or taxes (other than income taxes and taxes based on income) payable by Idaho Power are imposed upon revenues received from FMC, or upon power and energy sold to FMC under this Agreement, FMC will be responsible for payment of all such taxes, fees, or charges and shall reimburse Idaho Power for all such taxes, fees or charges paid by Idaho Power.

#### **SECTION 18-GOVERNING LAW**

This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho, excluding any choice of law or rules which direct the application of laws of another jurisdiction.

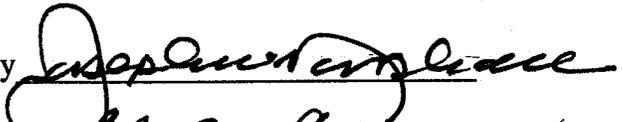
#### **SECTION 19-HEADINGS**

The section headings in this Agreement are for convenience only and shall not be considered part of or used in the interpretation of this Agreement.

**SECTION 20-COUNTERPARTS**

This Agreement may be executed in counterparts. Each executed and delivered counterpart Agreement shall be an original, but all such counterparts shall together constitute one and the same original instrument.

IDAHO POWER COMPANY

By   
Its CEO and Chairman

FMC CORPORATION

By   
Its Plant Manager

SERVICE SCHEDULE A-1

AGREEMENT FOR SUPPLY OF INTERRUPTIBLE POWER AND ENERGY

FMC CORPORATION  
IDAHO POWER COMPANY

This agreement, Service Schedule A-1, dated April 20, 1973, by and between FMC CORPORATION and IDAHO POWER COMPANY, is agreed to under and as a part of Agreement for Supply of Interruptible Power and Energy, dated April 20, 1973, between the parties, hereinafter referred to as "Agreement".

Section 1 - Term

This Service Schedule shall become effective on the date of execution hereof, and shall continue in effect through December 31, 1975. The date of initial service shall be January 1, 1974.

Section 2 - Interruptible Primary Power and Secondary Power supplied by Idaho Power Company

Beginning January 1, 1974, the Company shall supply Interruptible Primary Power and Secondary Power up to 62,500 KW of Contract Amount of power when scheduled by Customer in accordance with paragraph 2.3 of the Agreement.

Section 3 - Charges to be Paid

The amount to be paid monthly by Customer to Company for power and energy supplied hereunder shall be the sum of the following charges:

(a) Demand Charges

- (i) Interruptible Primary Contract Demand
  - \$1.97 per month per KW for the first 19,375 KW
  - \$1.78 per month per KW for the next 11,875 KW
- (ii) Secondary Billing Demand
  - \$.037 per day per KW for the first 19,375 KW
  - \$.034 per day per KW for the next 11,875 KW
- (iii) Excess Demand
  - \$.052 per each Kilowatt of Excess Demand

(b) Energy Charges

2.722 mills per KWH

- (c) Power Factor Charge - If for any month the actual power factor of Customer's total power supply be less than 0.85, the total demand charges hereunder (computed as specified in Section 3(a) above) shall be multiplied by the ratio of 0.85 to such actual power factor, and the excess of the product so obtained over the total demand charges shall constitute the power factor charge for such month. Power factor shall be determined for that demand interval in the month in which the maximum demand for that month was established.
- (d) Minimum Monthly Charge - The minimum monthly charge shall be an amount sufficient to make the total charge for service under this Service Schedule for the 12 months period ending with the current month equal to 12 times the product of the maximum Interruptible Primary Contract Demand and Secondary Billing Demand established during the entire elapsed term of this agreement times the Demand Charges under Section 3(a) above in effect at the time.

Section 4 - Applicability of Agreement

Except for matters herein otherwise specifically provided for, this Service Schedule is subject to the terms and provisions of the Agreement.

Section 5 - Jurisdiction of Regulatory Authorities

This Service Schedule A-4, is subject to the regulatory authority of the Idaho Public Utilities Commission.

Executed in duplicate as of April 20, 1973.

(CORPORATE SEAL)

ATTEST:

Harold Royal  
Secretary  
Assistant Secretary

FMC CORPORATION

By John D. Welch  
Vice President

IDAHO POWER COMPANY

By Albert Carlsen  
President

(CORPORATE SEAL)

ATTEST:

James E. Bower  
Secretary

SERVICE SCHEDULE A-2

AGREEMENT FOR SUPPLY OF INTERRUPTIBLE POWER AND ENERGY

FMC CORPORATION  
IDAHO POWER COMPANY

This agreement, Service Schedule A-2, dated April 20, 1973, by and between FMC CORPORATION and IDAHO POWER COMPANY, is agreed to under and as a part of Agreement for Supply of Interruptible Power and Energy, dated April 20, 1973, between the parties, hereinafter referred to as "Agreement".

Section 1 - Term

This Service Schedule shall become effective on the date of execution hereof, and shall continue in effect through December 31, 1977. The date of initial service shall be January 1, 1974.

Section 2 - Interruptible Primary Power and Secondary Power supplied by Idaho Power Company

Beginning January 1, 1974, the Company shall supply Interruptible Primary Power and Secondary Power up to 62,500 KW of Contract Amount of power when scheduled by Customer in accordance with paragraph 2.3 of the Agreement.

Section 3 - Charges to be Paid

The amount to be paid monthly by Customer to Company for power and energy supplied hereunder shall be the sum of the following charges:

(a) Demand Charges

- (i) Interruptible Primary Contract Demand
  - \$1.97 per month per KW for the first 19,375 KW
  - \$1.78 per month per KW for the next 11,875 KW
- (ii) Secondary Billing Demand
  - \$.037 per day per KW for the first 19,375 KW
  - \$.034 per day per KW for the next 11,875 KW
- (iii) Excess Demand
  - \$.052 per each Kilowatt of Excess Demand

(b) Energy Charges

2.722 mills per KWH

- (c) Power Factor Charge - If for any month the actual power factor of Customer's total power supply be less than 0.85, the total demand charges hereunder (computed as specified in Section 3(a) above) shall be multiplied by the ratio of 0.85 to such actual power factor, and the excess of the product so obtained over the total demand charges shall constitute the power factor charge for such month. Power factor shall be determined for that demand interval in the month in which the maximum demand for that month was established.
- (d) Minimum Monthly Charge - The minimum monthly charge shall be an amount sufficient to make the total charge for service under this Service Schedule for the 12 months period ending with the current month equal to 12 times the product of the maximum Interruptible Primary Contract Demand and Secondary Billing Demand established during the entire elapsed term of this agreement times the Demand Charges under Section 3(a) above in effect at the time.

Section 4 - Applicability of Agreement

Except for matters herein otherwise specifically provided for, this Service Schedule is subject to the terms and provisions of the Agreement.

Section 5 - Jurisdiction of Regulatory Authorities

This Service Schedule A-1, is subject to the regulatory authority of the Idaho Public Utilities Commission.

Executed in duplicate as of April 20, 1973.

(CORPORATE SEAL)

ATTEST:

Harold Royal  
 Secretary  
 Assistant Secretary

FMC CORPORATION

By John J. DeWilde  
 Vice President

(CORPORATE SEAL)

ATTEST:

James G. Bone  
 Secretary

IDAHO POWER COMPANY

By Albert Carlson  
 President

SERVICE SCHEDULE A-3

AGREEMENT FOR SUPPLY OF INTERRUPTIBLE POWER AND ENERGY

FMC CORPORATION  
IDAHO POWER COMPANY

This agreement, Service Schedule A-3, dated April 20, 1973, by and between FMC CORPORATION and IDAHO POWER COMPANY, is agreed to under and as a part of Agreement for Supply of Interruptible Power and Energy, dated April 20, 1973, between the parties, hereinafter referred to as "Agreement".

Section 1 - Term

This Service Schedule shall become effective on the date of execution hereof, and shall continue in effect through December 31, 1979. The date of initial service shall be January 1, 1974.

Section 2 - Interruptible Primary Power and Secondary Power supplied by Idaho Power Company

Beginning January 1, 1974, the Company shall supply Interruptible Primary Power and Secondary Power up to 62,500 KW of Contract Amount of power when scheduled by Customer in accordance with paragraph 2.3 of the Agreement.

Section 3 - Charges to be Paid

The amount to be paid monthly by Customer to Company for power and energy supplied hereunder shall be the sum of the following charges:

(a) Demand Charges

- (i) Interruptible Primary Contract Demand
  - \$1.97 per month per KW for the first 19,375 KW
  - \$1.78 per month per KW for the next 11,875 KW
- (ii) Secondary Billing Demand
  - \$.037 per day per KW for the first 19,375 KW
  - \$.034 per day per KW for the next 11,875 KW
- (iii) Excess Demand
  - \$.052 per each Kilowatt of Excess Demand

(b) Energy Charges

2.722 mills per KWH

- (c) Power Factor Charge - If for any month the actual power factor of Customer's total power supply be less than 0.85, the total demand charges hereunder (computed as specified in Section 3(a) above) shall be multiplied by the ratio of 0.85 to such actual power factor, and the excess of the product so obtained over the total demand charges shall constitute the power factor charge for such month. Power factor shall be determined for that demand interval in the month in which the maximum demand for that month was established.
- (d) Minimum Monthly Charge - The minimum monthly charge shall be an amount sufficient to make the total charge for service under this Service Schedule for the 12 months period ending with the current month equal to 12 times the product of the maximum Interruptible Primary Contract Demand and Secondary Billing Demand established during the entire elapsed term of this agreement times the Demand Charges under Section 3(a) above in effect at the time.

Section 4 - Applicability of Agreement

Except for matters herein otherwise specifically provided for, this Service Schedule is subject to the terms and provisions of the Agreement.

Section 5 - Jurisdiction of Regulatory Authorities

This Service Schedule A-2, is subject to the regulatory authority of the Idaho Public Utilities Commission.

Executed in duplicate as of April 20, 1973.

(CORPORATE SEAL)

ATTEST:

Harold Royal  
 Secretary  
 Assistant Secretary

FMC CORPORATION

By John D. DeWich  
 Vice President

(CORPORATE SEAL)

ATTEST:

James G. Bower  
 Secretary

IDAHO POWER COMPANY

By Albert Carlson  
 President

SERVICE SCHEDULE A-4

AGREEMENT FOR SUPPLY OF INTERRUPTIBLE POWER AND ENERGY

FMC CORPORATION  
IDAHO POWER COMPANY

This agreement, Service Schedule A-4, dated April 20, 1973, by and between FMC CORPORATION and IDAHO POWER COMPANY, is agreed to under and as a part of Agreement for Supply of Interruptible Power and Energy, dated April 20, 1973, between the parties, hereinafter referred to as "Agreement".

Section 1 - Term

This Service Schedule shall become effective on the date of execution hereof, and shall continue in effect through December 31, 1981. The date of initial service shall be January 1, 1974.

Section 2 - Interruptible Primary Power and Secondary Power supplied by Idaho Power Company

Beginning January 1, 1974, the Company shall supply Interruptible Primary Power and Secondary Power up to 62,500 KW of Contract Amount of power when scheduled by Customer in accordance with paragraph 2.3 of the Agreement.

Section 3 - Charges to be Paid

The amount to be paid monthly by Customer to Company for power and energy supplied hereunder shall be the sum of the following charges:

(a) Demand Charges

- (i) Interruptible Primary Contract Demand
  - \$1.97 per month per KW for the first 19,375 KW
  - \$1.78 per month per KW for the next 11,875 KW
- (ii) Secondary Billing Demand
  - \$.037 per day per KW for the first 19,375 KW
  - \$.034 per day per KW for the next 11,875 KW
- (iii) Excess Demand
  - \$.052 per each Kilowatt of Excess Demand

(b) Energy Charges

2.722 mills per KWH

- (c) Power Factor Charge - If for any month the actual power factor of Customer's total power supply be less than 0.85, the total demand charges hereunder (computed as specified in Section 3(a) above) shall be multiplied by the ratio of 0.85 to such actual power factor, and the excess of the product so obtained over the total demand charges shall constitute the power factor charge for such month. Power factor shall be determined for that demand interval in the month in which the maximum demand for that month was established.
- (d) Minimum Monthly Charge - The minimum monthly charge shall be an amount sufficient to make the total charge for service under this Service Schedule for the 12 months period ending with the current month equal to 12 times the product of the maximum Interruptible Primary Contract Demand and Secondary Billing Demand established during the entire elapsed term of this agreement times the Demand Charges under Section 3(a) above in effect at the time.

Section 4 - Applicability of Agreement

Except for matters herein otherwise specifically provided for, this Service Schedule is subject to the terms and provisions of the Agreement.

Section 5 - Jurisdiction of Regulatory Authorities

This Service Schedule A-3, is subject to the regulatory authority of the Idaho Public Utilities Commission.

Executed in duplicate as of April 20, 1973.

(CORPORATE SEAL)

ATTEST:

Harold Royal  
Secretary  
Assistant Secretary

FMC CORPORATION

By John D. DeWitt  
Vice President

IDAHO POWER COMPANY

By Albert Barker  
President

(CORPORATE SEAL)

ATTEST:

James E. Bomer  
Secretary

AMENDMENT TO AGREEMENT DATED APRIL 20, 1973 FOR SUPPLY  
OF INTERRUPTIBLE POWER AND ENERGY BETWEEN IDAHO  
POWER COMPANY AND FMC CORPORATION

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FMC Corporation and Idaho Power Company, parties to a certain "Agreement for Supply of Interruptible Power and Energy" made and entered into on the 20th day of April, 1973, as amended from time to time (hereinafter sometimes referred to as the "1973 Agreement"), in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, do now agree, effective January 1, 1982, and subject to approval by the Idaho Public Utilities Commission, to amend that Agreement as follows:

1. Paragraph 3.3 of the 1973 Agreement shall be amended to read as follows:

"3.3 Service Schedules - Not less than twelve (12) months prior to the expiration of the term of each Service Schedule, Customer shall notify the Company in writing whether or not it desires to renew the expiring Service Schedule. Such written notification requesting renewal shall have the effect of renewing the expiring Service Schedule for a term of eight (8) years. In the event that termination of any Service Schedule is elected, the Contract Amount applicable to such Service Schedule shall be terminated on the expiration date for

that Service Schedule. The Contract Amount for any Service Schedule, upon renewal, will be the same as the Contract Amount for each of the remaining Service Schedules in effect at the time of renewal. In the event it is necessary to segregate the total demand and energy deliveries between the Service Schedules for any purpose, the division shall be accomplished by dividing the Contract Amount, Interruptible Primary Contract Demand, Secondary Billing Demand and kilowatt-hours associated therewith by the number of Service Schedules in effect at the time."

2. The phrase "30 days" in the third line of paragraph 6.4 of the 1973 Agreement at page 18 shall be amended to read "15 days."

3. A new paragraph 11.2 shall be added to the 1973 Agreement which reads as follows:

"11.2 The rates set forth in this agreement are subject to the continuing jurisdiction of the Idaho Public Utilities Commission. The rates under this agreement are subject to change and revision by order of the Commission upon a finding, supported by substantial competent evidence, that such rate change or revision is just, fair, reasonable, sufficient, nonpreferential and nondiscriminatory. It is the parties' intention by such provision that the rate making standards to be used in making any revisions or changes in rates, and the

judicial review of any revisions or changes in rates, will be the same standards that are applicable to Idaho intrastate tariff rates."

All other terms and conditions of the 1973 Agreement shall remain intact and in full force and effect, it being the intention of the parties hereto that, except as is set forth in paragraph 11.2 as to rates only, FMC shall continue to receive service as a special contract customer of Idaho Power Company under the terms and conditions of the 1973 Agreement as amended.

This amendatory agreement shall become effective on January 1, 1982, upon approval by the Idaho Public Utilities Commission.

IN WITNESS WHEREOF, the parties have caused this amendatory agreement to be executed this 8<sup>th</sup> day of March, 1982.

IDAHO POWER COMPANY

WITNESSED:

Paul L Jauregui  
Paul L Jauregui  
Vice President, Secretary and General Counsel

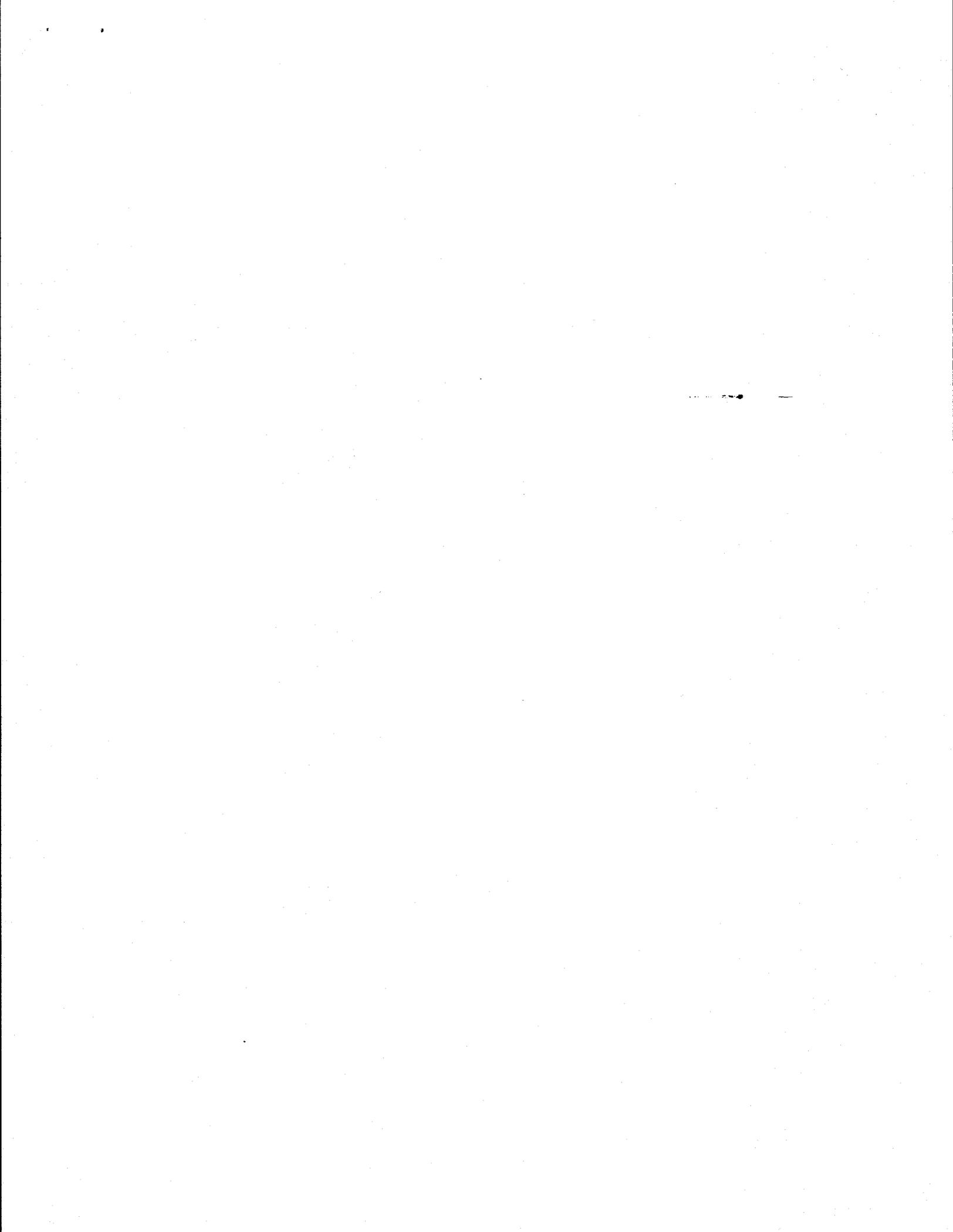
By: James E Bruce  
Title: Chairman of the Board and Chief Executive Officer

FMC CORPORATION

WITNESSED:

R. L. Mills  
Manager, Electrical Energy

By: J. H. Herbert  
Title: Resident Plant Manager,  
Pocatello Plant



MAY 16 '97

MAY 16 '97

Per. O.N. 26924

Theresa J. Stalder SECRETAR

IDAHO POWER COMPANY  
ELECTRIC SERVICE RATE  
SCHEDULE 28  
FOR  
FMC CORPORATION  
AGREEMENT FOR SUPPLY OF  
INTERRUPTIBLE POWER AND ENERGY  
DATED APRIL 20, 1973

MONTHLY CONTRACT RATE

(Applicable to Service Schedule A-1, A-2, A-3, and A-4)

Demand Charges

- (i) Interruptible Primary Contract Demand  
\$6.992 per month per kW for the first 19,375 kW<sup>(1)</sup>  
\$6.321 per month per kW for the first 11,875 kW<sup>(2)</sup>
- (ii) Secondary Billing Demand  
\$0.00 per day per kW for the first 19,375 kW<sup>(3)</sup>  
\$0.00 per day per kW for the first 11,875 kW<sup>(4)</sup>
- (iii) Excess Demand  
\$0.204 per each kW of Excess Demand<sup>(5)</sup>

Energy Charges

## Primary Energy:

<u>Base Rate</u>	<u>Power Cost Adjustment*</u>	<u>Revenue Sharing Adjustment*</u>	<u>Effective Rate*</u>
11.432	<1.552>	<0.258>	9.622 mills per kWh <sup>(6)</sup>

Secondary Energy:  
23.000 mills per kWh<sup>(7)</sup>

\* This Power Cost Adjustment (Schedule 55), Revenue Sharing Adjustment (Schedule 56), and Effective Rate expire on May 15, 1998.

CONTRACT CHANGES IN SERVICE SCHEDULES A-1, A-2, A-3, AND A-4Section 3(a)(i)

- (1) No Change  
(2) No Change

Section 3(a)(ii)

- (3) No Change  
(4) No Change

Section 3(a)(iii)

- (5) No Change

Section 3(b)

- (6) Change 9.797 mills per kWh to 9.622 mills per kWh of primary energy  
(7) No Change

IDAHO POWER COMPANY  
ELECTRIC SERVICE AGREEMENT  
SCHEDULE 28  
FOR  
FMC CORPORATION  
SPECIAL CONTRACT DATED DECEMBER 30, 1997

MONTHLY CHARGESFIRST BLOCK MONTHLY CHARGESContract Demand Charge

\$3.70 per kW for the first 120,000 kW

Energy Charge

<u>Base Rate</u>	<u>Power Cost Adjustment*</u>	<u>Revenue Sharing Adjustment*</u>	<u>Effective Rate*</u>
1.665¢	<0.1552>	<0.0258>	1.484¢ per kWh

\* This Power Cost Adjustment (Schedule 55), Revenue Sharing Adjustment (Schedule 56), and Effective Rate expire on May 15, 1998.

The First Block of Energy is 120,000 kW per hour for every hour during the Billing Period.

SECOND BLOCK MONTHLY CHARGESContract Demand Charge

\$1.39 per kW for the next 130,000 kW

Delivery Charge

0.142¢ per kWh delivered

Commodity Charge

The cost of providing energy to FMC, including, but not limited to, energy purchases, off-system transmission, reserves, replacement of losses and energy balancing.

Operating Reserves Charge

\$0.22 per kW per day for Reserves for load supplied in Second Block of Energy which was not pre-committed and pre-supplied by the Company.

Excess Demand Charge

\$0.102 per kW for all kW over 250,000 kW in any Demand Interval