

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) OF PACIFICORP DBA ROCKY MOUNTAIN) POWER FOR APPROVAL OF AN) ELECTRIC SERVICE AGREEMENT WITH) MONSANTO COMPANY)	CASE NO. PAC-E-13-14 ORDER NO. 32951
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On October 31, 2013, PacifiCorp dba Rocky Mountain Power (“Rocky Mountain”) filed an Application for an Order approving the Electric Service Agreement (“ESA”) entered into between Rocky Mountain and Monsanto Company (“Monsanto”) (collectively referred to as the “Parties”). Rocky Mountain requested that its Application be processed through Modified Procedure.

PacifiCorp, an Oregon corporation, is an electrical corporation and public utility doing business as Rocky Mountain in the State of Idaho and is subject to the jurisdiction of the Commission with regard to its public utility operations. PacifiCorp also provides retail electric service in the States of Utah, Oregon, Wyoming, Washington, and California.

On November 19, 2013, the Commission issued a Notice of Application and Modified Procedure with a corresponding 21-day comment period. Commission Staff was the only party to issue written comments within the established comment period.

THE APPLICATION

Rocky Mountain originally submitted the ESA for approval as part of the negotiated stipulation approved by the Commission in Case No. PAC-E-13-04. The Commission’s Order in that case noted that the ESA had been executed and filed, but reserved approval of the substance and merits of the ESA until it was submitted in a separate docket. The proposed effective date of the parties’ ESA is January 1, 2014, the date the current electric service agreement will expire, with an initial term lasting through December 31, 2015.

Rocky Mountain included a copy of the executed ESA as “Confidential” Attachment I to its Application. The parties agreed to extend Monsanto’s current curtailment terms and valuation for two additional years to align the Monsanto special contract with the rate plan implemented in PAC-E-13-04. The Company and Monsanto agreed that their existing ESA should be amended to include a new Section 4.4 pertaining to how Monsanto’s interruptible

credit annual true-up should be calculated. In the stipulation, Monsanto specifically waived any right to claim any true-up of interruptible credit for any billing periods prior to January 1, 2014, for months in which the metered demand was below 162 megawatts.

Section 4.1 of the new ESA was also amended to reflect the 0.77% uniform percentage increase to the energy component of rates agreed to in the stipulation in PAC-E-13-04, and subsequently approved by the Commission.

STAFF COMMENTS

Staff commented that the proposed ESA is substantially similar to the current ESA except for changes made to Section 4 – Payment for Power and Energy. Sections 4.1.1 and 4.1.2 were updated to include base rate changes ordered by the Commission in Case No. PAC-E-13-04. Staff noted that the parties also agreed that the proposed ESA should include a new Section 4.4 – Interruptible Credit Annual True-up. This section resolves an ongoing billing dispute between Monsanto and Rocky Mountain Power. The new terms provide for an annual true-up of the interruptible credit amount and an additional credit to be provided by Rocky Mountain to Monsanto of \$50,000 in 2014 and \$50,000 in 2015.

Staff recommended the Commission approve the parties' ESA. Staff believes that it is reasonable to include the new rates in the proposed ESA. According to Staff, differences in contract interpretation and unsettled billing disputes should be resolved in a new ESA. Staff verified that other Rocky Mountain customers are not impacted by the proposed changes to the parties' ESA.

COMMISSION FINDINGS

The Commission has reviewed Rocky Mountain's Application requesting approval of its ESA with Monsanto. The Commission finds that the ESA negotiated by Rocky Mountain and Monsanto is fair, just, and reasonable. The Commission is pleased that the parties have negotiated a new ESA which resolves an ongoing billing dispute and includes mutually agreeable terms for an annual true-up of the interruptible credit awarded to Monsanto. The new ESA demonstrates that the parties are capable of arms-length bargaining and settlement of terms amenable to both parties. Therefore, the Commission approves the parties' Agreement.

ORDER

IT IS HEREBY ORDERED that Rocky Mountain Power's Application seeking Commission approval of its Electric Service Agreement with Monsanto Company is approved. The terms and conditions of the ESA shall be effective as of January 1, 2014.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17th day of December 2013.



PAUL KJELLANDER, PRESIDENT

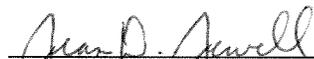


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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