BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF PACIFICORP, DBA UTAH POWER & LIGHT COMPANY, FOR APPROVAL OF AN ELECTRIC SERVICE CONTRACT WITH MONSANTO COMPANY. | )  )  )  )  )  )  )  )  ) | CASE NO. UPL-E-95-4  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE  NOTICE OF COMMENT/ PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on November 8, 1995, PacifiCorp dba Utah Power & Light Company (Utah Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a Power Supply Agreement dated November 1, 1995 (New Agreement; Agreement) with Monsanto Company (Monsanto).  The New Agreement replaces a Power Supply Agreement with Monsanto dated July 3, 1991 (Existing Agreement).

Monsanto operates an elemental phosphorous plant near the city of Soda Springs in Caribou County, Idaho.  The electric power requirements of the plant have been supplied by Utah Power since 1952.  Monsanto is PacifiCorp’s single largest customer contributing over 28% of all Idaho retail revenues.  Monsanto’s principal competitor is FMC (Pocatello), an electric customer of Idaho Power Company.

The Existing Agreement for electric service to Monsanto’s Soda Springs plant provides for 9 MW of firm demand, 154 MW of interruptible demand, excess interruptible demand above 163 MW, and all associated energy.  The Existing Agreement is effective through June 30, 1997.  Interruptible power rates to Monsanto have increased 21% since 1991 and are scheduled to increase another 4% on July 1, 1996.  While Monsanto’s rates have been increasing, regional wholesale prices have been declining.

As represented by Utah Power, Monsanto has demonstrated that it has viable alternatives to continuing its current level of electricity purchases: i.e.

1.Annexation by municipal utility—Monsanto could displace all of its purchases from Utah Power by acquiring new electricity from the Soda Springs Municipal Electric Light & Power Department.

2.Different manufacturing process—Monsanto could displace all but approximately 45 MW of its electrical load by displacing most of its elemental phosphorous production at Soda Springs with a product produced from a purified wet acid (PWA) chemical process.

To retain Monsanto as a customer, a New Agreement was negotiated.

Under the New Agreement, Utah Power will supply Monsanto with 9 MW of firm power and up to 206 MW of interruptible power.  Utah Power may interrupt or curtail service to Monsanto at any time to maintain its system integrity.  Monsanto will pay Utah Power $30 million for the early termination of the Existing Agreement, a monthly minimum charge of $66,600, and 1.85 cents/kWh for all energy delivered.  The Agreement allows for approximately 1,656,000,000 kWh annually.

Utah Power presents a Technical Assessment Package in support of its Application describing the New Agreement and how it benefits Monsanto, PacifiCorp and other customers, and describing the negative economic impacts on PacifiCorp and the local economy if Monsanto should pursue its other alternatives.

The New Agreement provides that it will be effective from November 1, 1995 until December 31, 2001, and will continue from year to year thereafter subject to one year notice of termination.  If the Commission does not approve the New Agreement by January 15, 1996, the New Agreement will terminate.  Service will continue to be provided under the Existing Agreement and Monsanto will pursue its other alternatives.

Utah Power states that it does not seek a determination at this time on the ratemaking treatment applicable to Monsanto’s $30 million payment or the other rates and charges under the New Agreement.  The Company requests that all ratemaking issues be reserved for a rate case. Utah Power requests that the Application be processed under Modified Procedure.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No UPL-E-95-4.  The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented and that the issues raised by the Application may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.201 through .204.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Application in Case No. UPL-E-95-4 is Friday, December 8, 1995.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written protests or comments are received within the deadline, the Commission will consider the matter on its merits and may enter its Order without a formal hearing.  If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. UPL-E-95-4 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYRodger Weaver

IDAHO PUBLIC UTILITIES COMMISSIONPacifiCorp

PO BOX 83720825 NE Multnomah, Ste 625

BOISE, IDAHO  83720-0074Portland, OR  97232

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Attorney for PacifiCorp

All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the Application in Case No. UPL-E-95-4 including the Power Supply Agreement and Technical Assessment Package can be reviewed at the Commission’s office and at the Idaho offices of Utah Power & Light Company during regular business hours..

DATED at Boise, Idaho this                  day of  November 1995.

Myrna J. Walters

Commission Secretary

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