# RECEIVED Y MOUNTAIN 2021 September 16, PM 2:30 **UTILITIES COMMISSION**

1407 W. North Temple, Suite 330 Salt Lake City, Utah 84116

September 16, 2021

#### VIA ELECTRONIC FILING

Jan Noriyuki **Commission Secretary** Idaho Public Utilities Commission 11331 W. Chinden Blvd Building 8 Suite 201A Boise, ID 83714

Re: CASE NO. PAC-E-21-07

> IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES IN IDAHO AND APPROVAL OF PROPOSED ELECTRIC SERVICE SCHEDULES AND REGULATIONS

Dear Ms. Noriyuki:

Please find for electronic filing in the above referenced matter a copy of the stipulation between P4 and Rocky Mountain Power resolving the curtailment terms of P4's energy service agreement. This Stipulation and the attached ESA are provided as Supplemental Confidential Exhibit No. 36 to Mr. Craig E. Eller's testimony and will be the basis upon which the value of these products are to be determined.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

Joelle R. Steward

Vice-President of Regulation

cc: Randy Budge

|  | DED / CEED                  |  |  |
|--|-----------------------------|--|--|
|  | REDACTED                    |  |  |
|  | Case No. PAC-E-21-07        |  |  |
|  | Supplemental Exhibit No. 36 |  |  |
|  | Witness: Craig M. Eller     |  |  |
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| BEFORE THE IDAHO PUBLIC UTILITI                    | ES COMMISSION               |  |  |
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| ROCKY MOUNTAIN POWER                               |                             |  |  |
| ROCKY MOUNTAIN POWER                               |                             |  |  |
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| Stipulation and Electric Service Agreement between | Rocky Mountain Power and    |  |  |
| P4 Production                                      |                             |  |  |
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| September 2021                                     |                             |  |  |
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| II   |                             |  |  |

Rocky Mountain Power Exhibit No. 36 Page 1 of 28 Case No. PAC-E-21-07 Witness: Craig E. Eller

Emily Wegener (ISB #11614) Rocky Mountain Power 1407 West North Temple #320 Salt Lake City, UT 84116 Telephone: (801) 220-4526

Email: Emily.Wegener@pacificorp.com

Attorneys for Rocky Mountain Power

#### BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

| APPROVAL OF PROPOSED ELECTRIC SERVICE SCHEDULES AND REGULATIONS SERVICE AGREEMENT ) | SERVICE SCHEDULES AND | )<br>)<br>)<br>)<br>) | CASE NO. PAC-E-21-07  PARTIAL STIPULATION ON TERMS OF P4'S ENERGY SERVICE AGREEMENT |
|---|-----------------------|-----------------------|---|
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This Stipulation ("Stipulation") is entered into by and among Rocky Mountain Power, a division of PacifiCorp ("Rocky Mountain Power" or the "Company") and P4 Production, L.L.C., an affiliate of Bayer Corporation, ("P4"), for purposes of this Stipulation, (the "Stipulating Parties"). The Parties submit this partial Stipulation in resolution of the terms of the energy service agreement ("ESA"), excluding the value to become effective January 1, 2022.

#### I. PROCEDURAL BACKGROUND

1. On May 27, 2021, Rocky Mountain Power filed an Application requesting authorization to increase rates and charges in Idaho. As part of the Application, Rocky Mountain Power filed the direct testimony of Craig M. Eller. Mr. Eller's testimony described the current status of the contract negotiations between Rocky Mountain Power and P4 and provided a recommendation and analysis regarding the economic valuation of

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Witness: Craig E. Eller

the interruptible products offered by P4 to the Company to establish the interruptible credit

amount for inclusion in P4's electric service agreement.

2. As noted in Mr. Eller's testimony Rocky Mountain Power and P4 have been

engaged in contract negotiations since August of 2019. Both companies are fully engaged

in seeking an agreement and have been meeting weekly to further discussions. An

agreement had not yet been reached at the time of the filing. Since then, the parties have

agreed on new terms to the ESA. Negotiations concerning the value of interruptible

products have not been resolved.

3. A copy of the ESA with the terms described herein is attached to this

Stipulation as Attachment 1. This Stipulation and the attached ESA are provided as

Supplemental Confidential Exhibit No. 36 to Mr. Craig E. Eller's testimony and will be

the basis upon which the value of these products will be determined.

**4.** The Parties continue to negotiate on the value of the operating reserves

and economic curtailment product credit as described. If, parties are unable to reach an

agreement they will each present and support their valuation positions before the

Commission for the Commission rule on the curtailment product credit to be inserted in

the ESA, Exhibit A, Section 6.1.

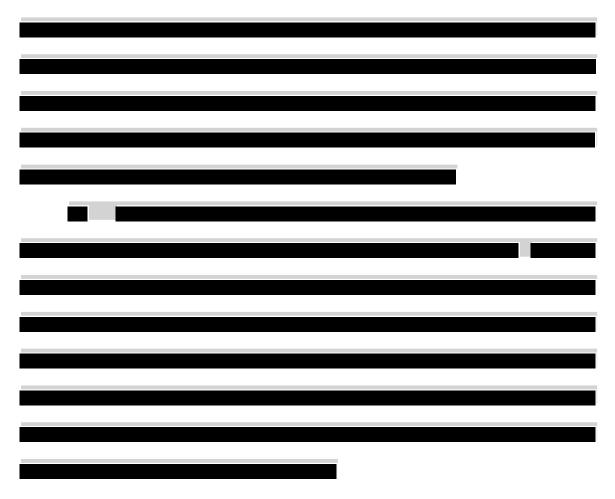
#### II. TERMS AND CONDITIONS

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Witness: Craig E. Eller



Rocky Mountain Power Exhibit No. 36 Page 4 of 28 Case No. PAC-E-21-07 Witness: Craig E. Eller



#### **Term of Agreement**

11. The initial term of this Agreement shall commence January 1, 2022, contingent upon Commission approval of the Agreement without modification, the initial term of this Agreement shall end on the hour ending 2400 on \_\_\_\_\_\_. This Agreement shall automatically renew for successive one (1) year terms unless and until either Party gives not less than 180 days written notice of termination. Such notice may be given at any time to terminate the Agreement at the end of any annual renewal year.

#### **General Terms and Conditions**

12. Section 248 of IDAPA 31.01.01 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result IDAPA 31.01.01.276. The

Rocky Mountain Power Exhibit No. 36 Page 5 of 28 Case No. PAC-E-21-07

Witness: Craig E. Eller

Parties agree that the provisions of this Stipulation and the ESA as a whole are just and

reasonable in result and in the public interest.

13. All negotiations related to this Stipulation are confidential, and no Party shall

be bound by any position asserted in negotiations. Except as expressly provided in this

Stipulation, neither the execution of this Stipulation nor the order adopting it shall be deemed

to constitute an admission or acknowledgment by any Party of the validity or invalidity of any

principle or practice of regulatory accounting or ratemaking; nor shall they be construed to

constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used

as evidence for any other purpose in a future proceeding by any Stipulating Party except in a

proceeding to enforce this Stipulation.

14. The Parties agree that no part of this Stipulation or the formulae and

methodologies used in developing the same or a Commission order approving the same shall

in any manner be argued or considered as precedential in any future case except with regard to

issues expressly called-out and resolved by this Stipulation. This Stipulation does not resolve

and does not provide any inferences regarding, and the Parties are free to take any position

with respect to any issues not specifically called-out and settled herein. Nothing in this

Stipulation shall be construed to modify or supersede existing settlement agreements entered

into by or among Parties to this Stipulation.

15. The Parties agree that if any person challenges the approval of this Stipulation

or requests rehearing or reconsideration of any order of the Commission approving this

Stipulation, each Stipulating Party will use its best efforts to support the terms and conditions

of this Stipulation. In the event any person seeks judicial review of a Commission order

approving this Stipulation, no Party shall take a position in that judicial review proceeding in

opposition to the Stipulation.

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## RESPECTFULLY SUBMITTED: September $\underline{)0}$ , 2021.

Rocky Mountain Power

Randall C. Budge, Attorney for

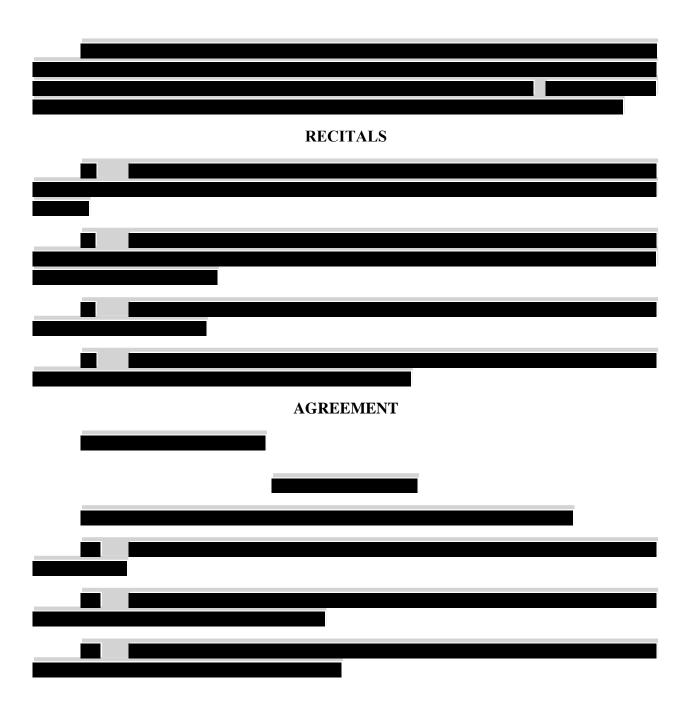
P4 Production, L.L.C.

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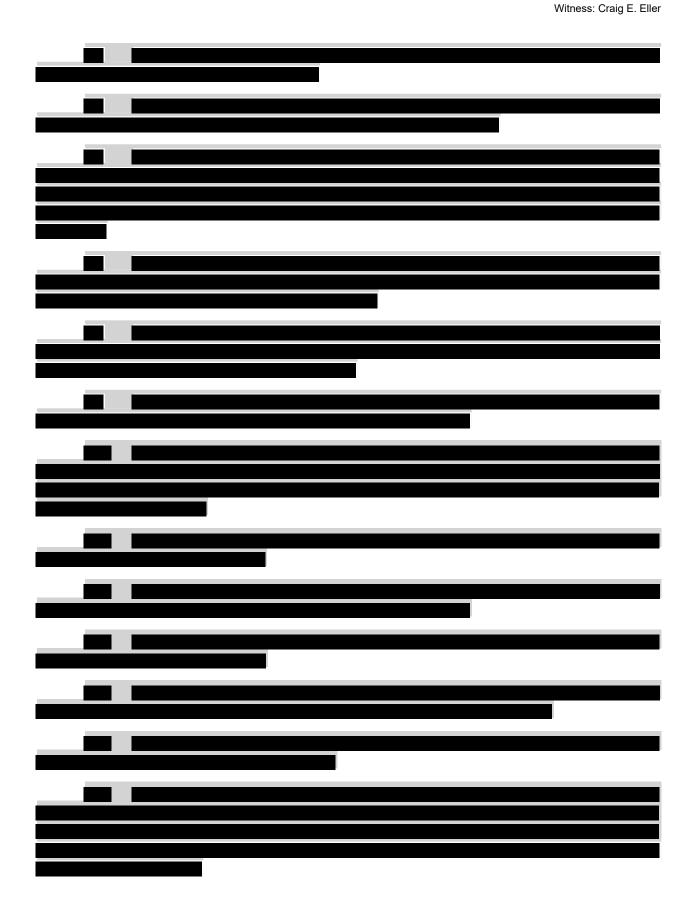
# **Attachment 1**

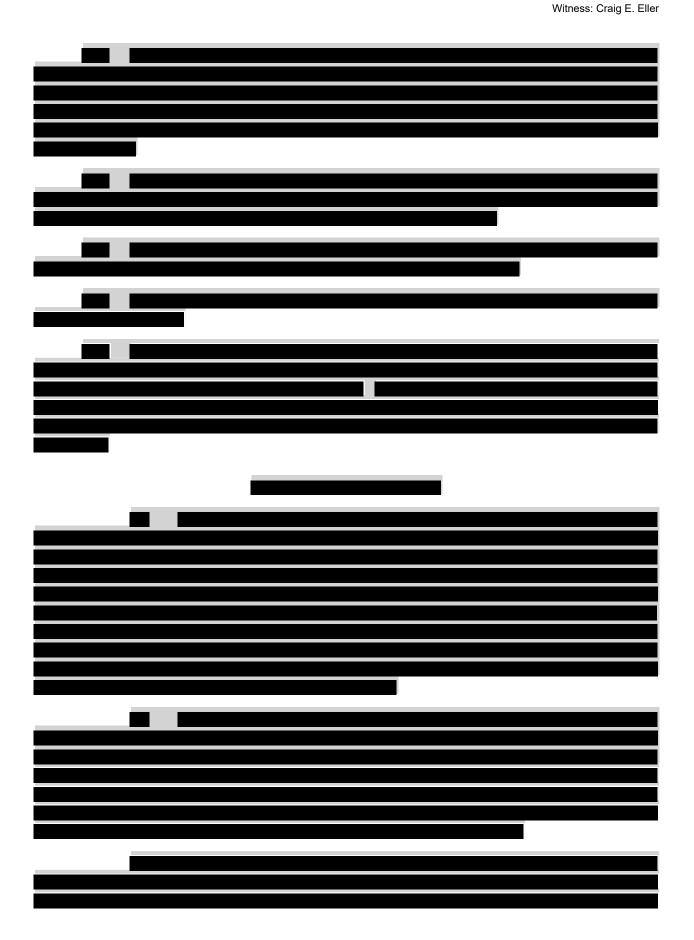
Rocky Mountain Power Exhibit No. 36 Page 8 of 28 Case No. PAC-E-21-07 Witness: Craig E. Eller

# ELECTRIC SERVICE AGREEMENT BETWEEN ROCKY MOUNTAIN POWER AND P4 PRODUCTION

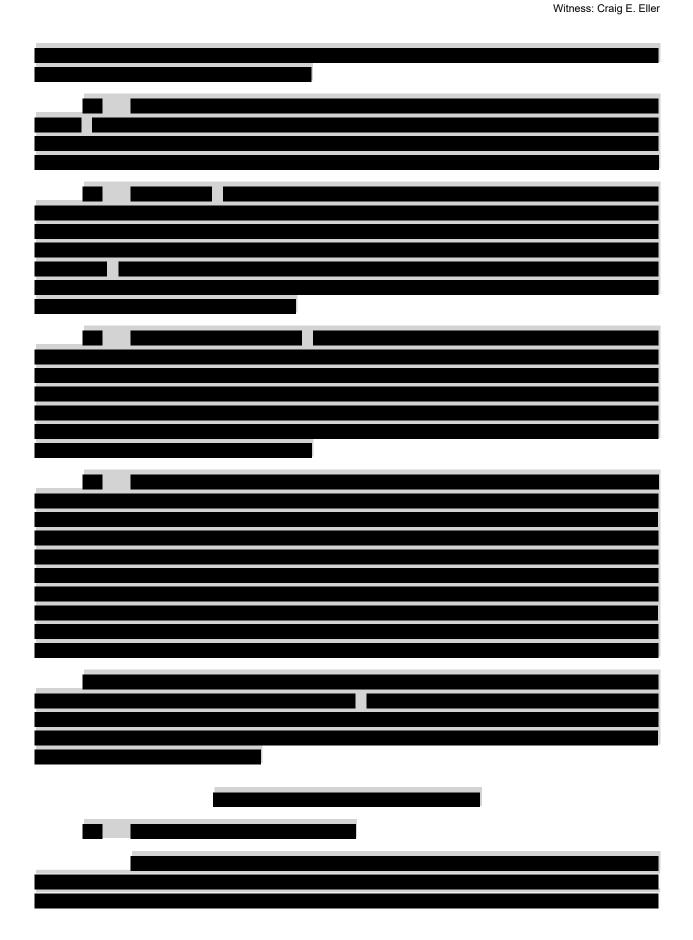


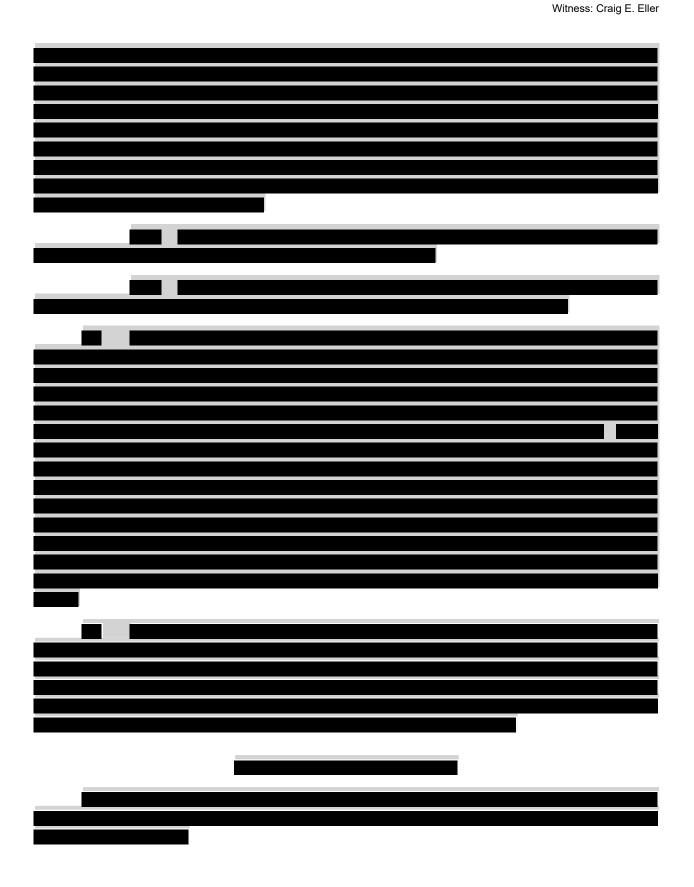
Rocky Mountain Power Exhibit No. 36 Page 9 of 28 Case No. PAC-E-21-07



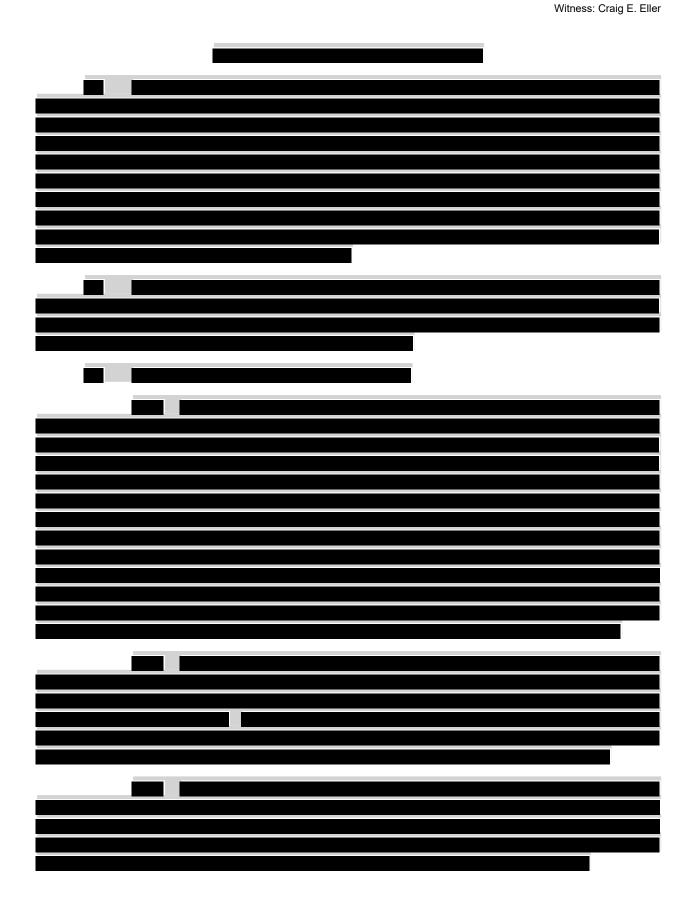


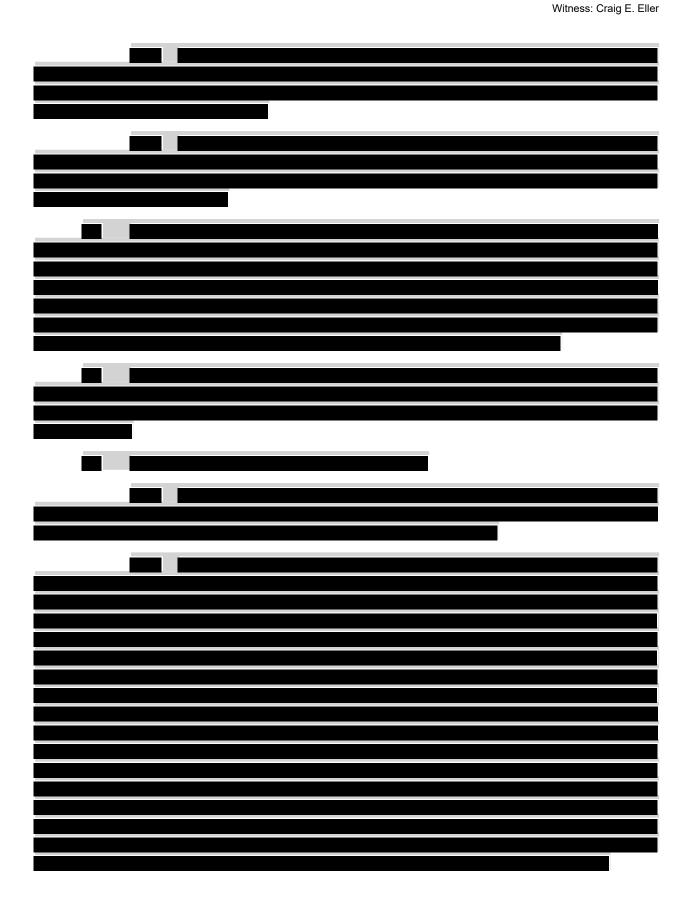






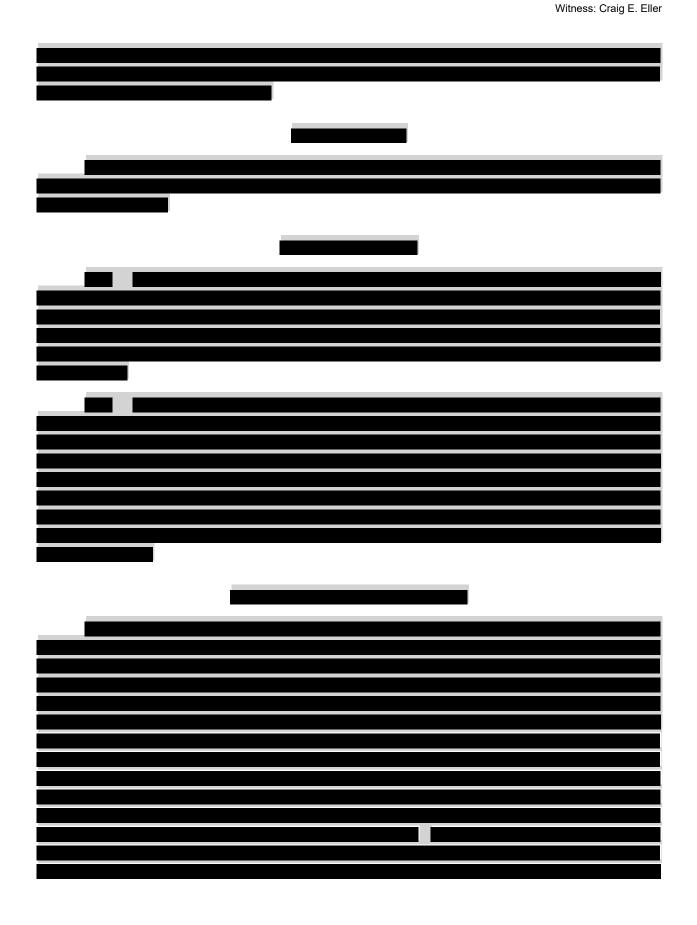
Rocky Mountain Power Exhibit No. 36 Page 14 of 28 Case No. PAC-E-21-07



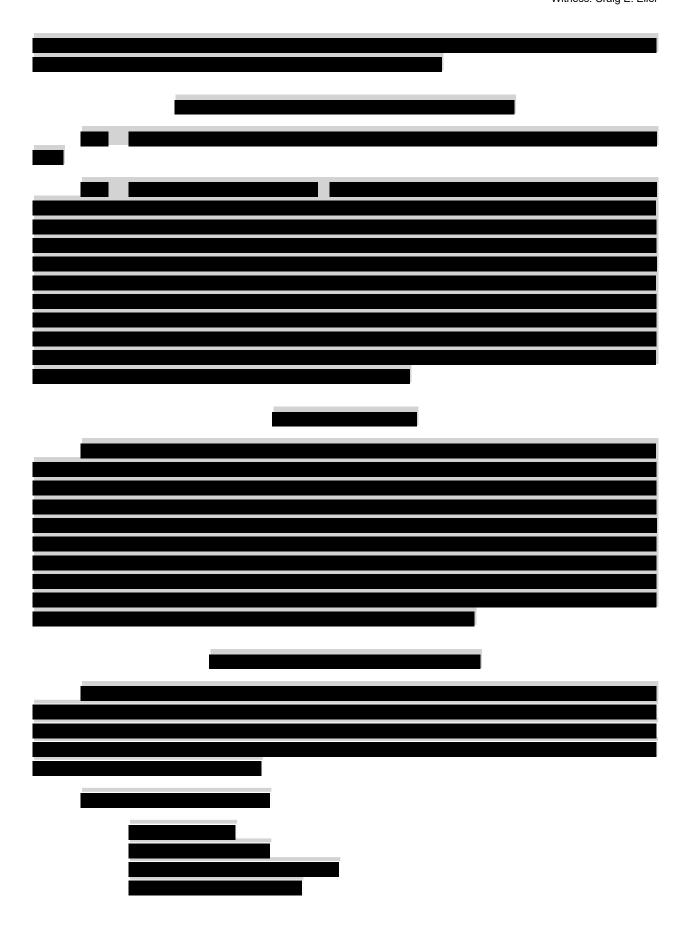


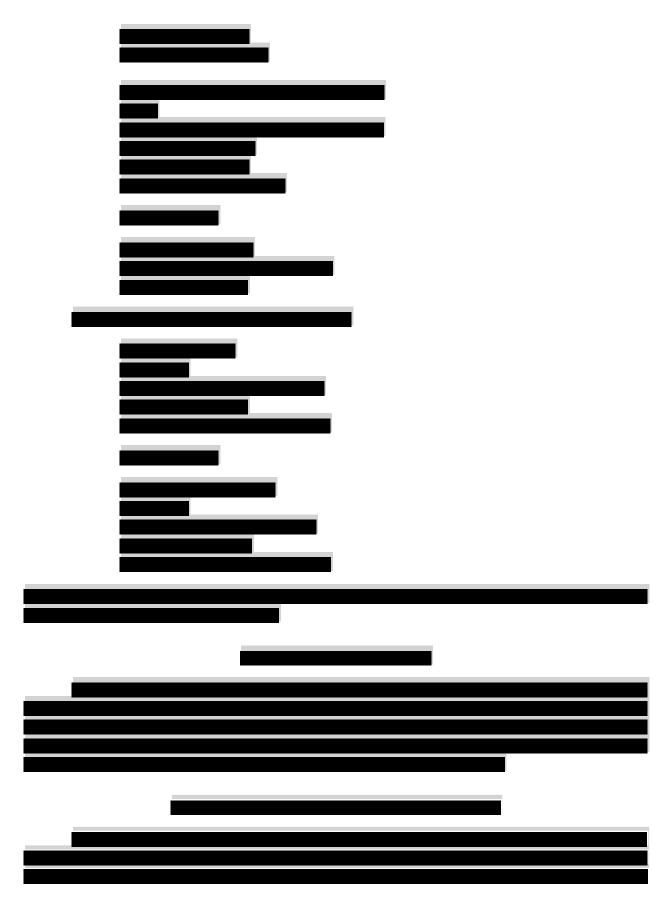
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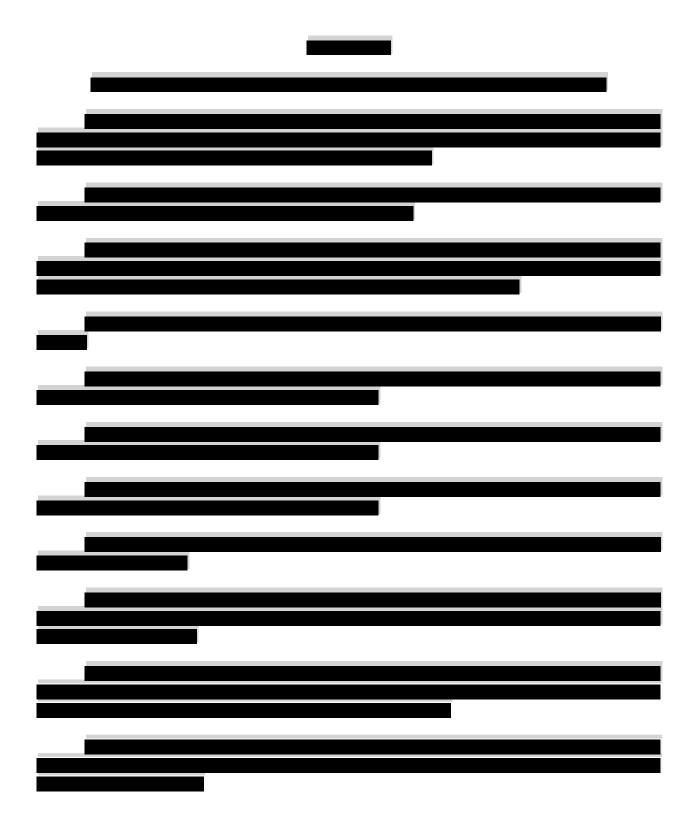
Rocky Mountain Power Exhibit No. 36 Page 21 of 28 Case No. PAC-E-21-07 Witness: Craig E. Eller

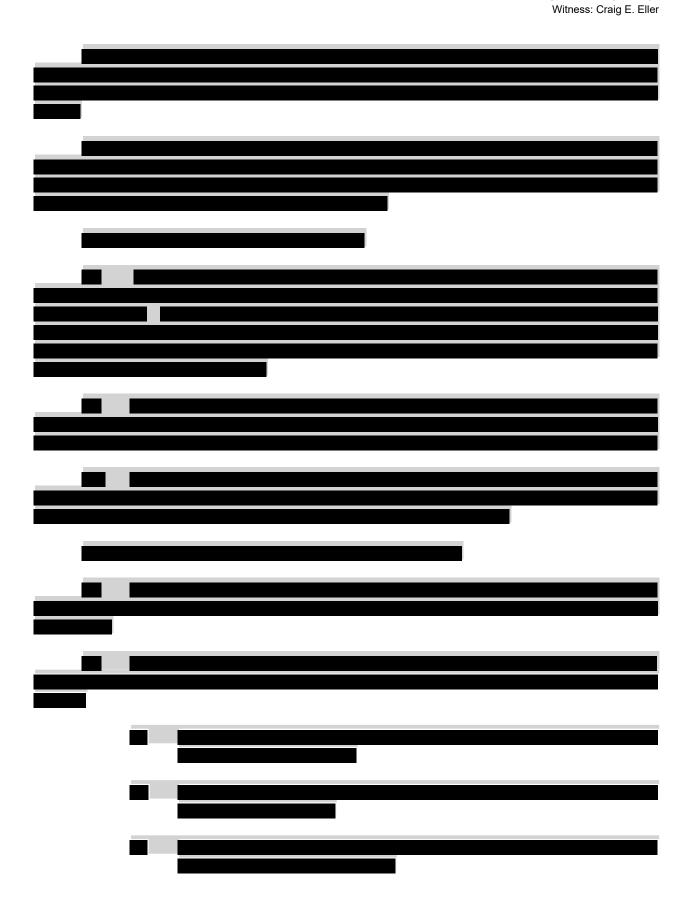


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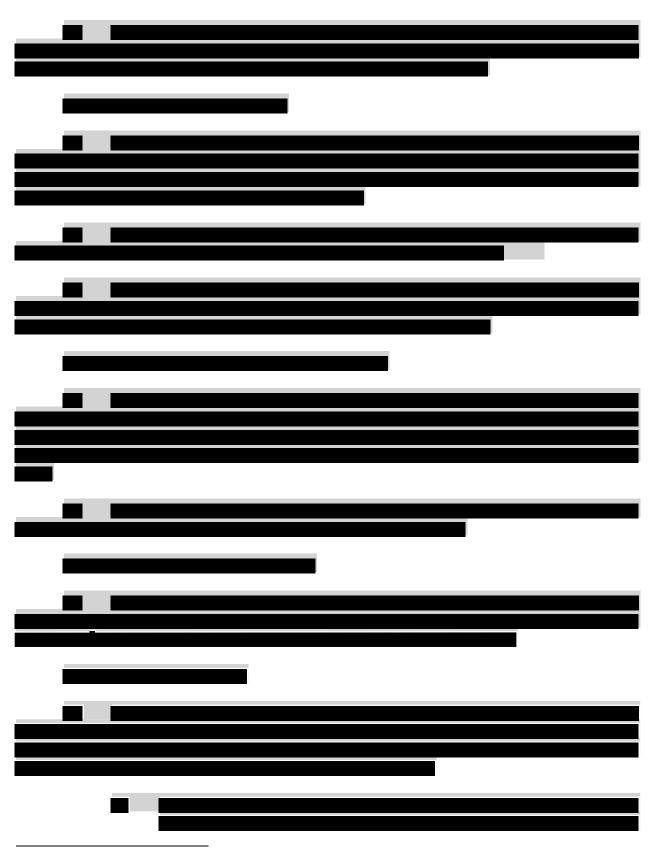


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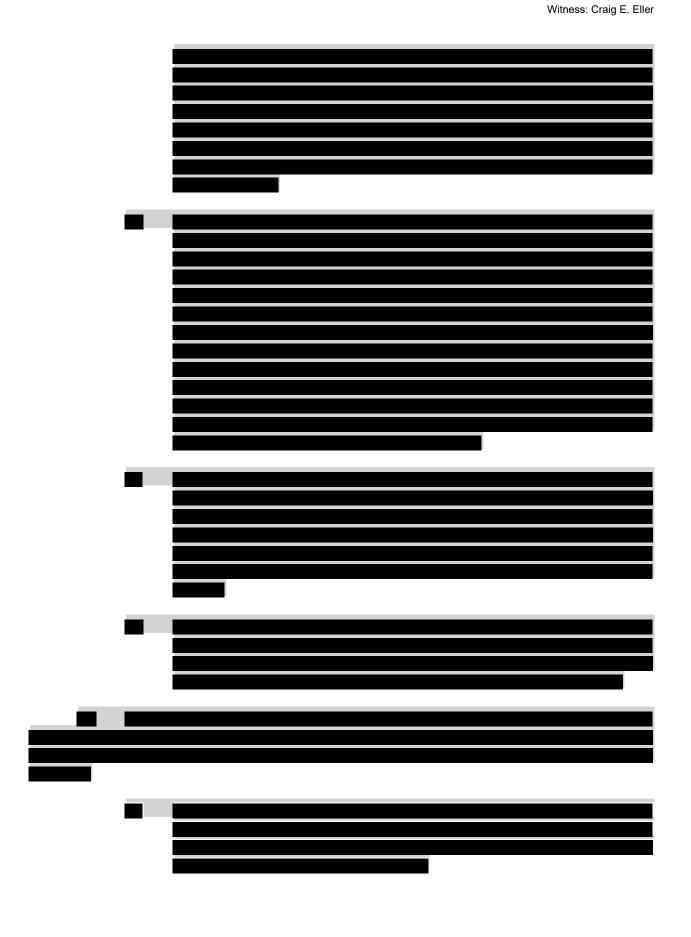


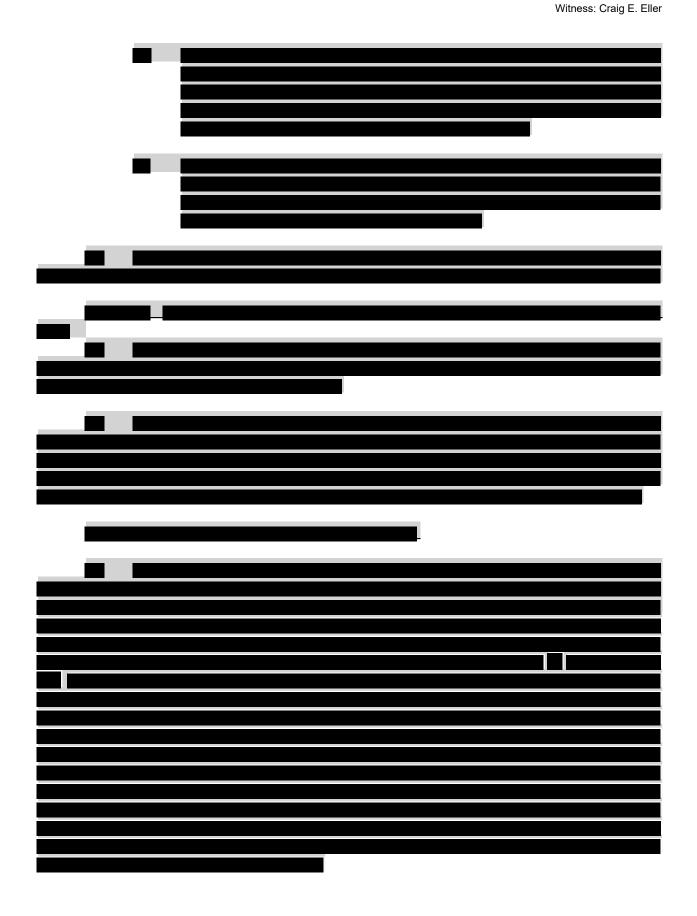


Witness: Craig E. Eller

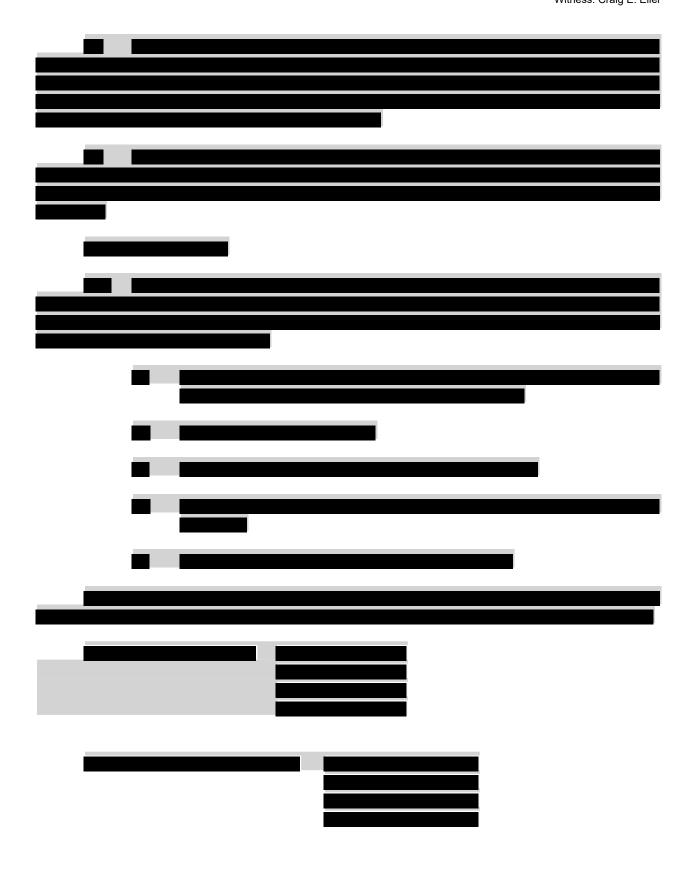


<sup>&</sup>lt;sup>1</sup> <u>Note to Form</u>: Prior to execution of this agreement, the Parties will insert the annual Curtailment Products Credit amount, as agreed by the Parties or as otherwise directed by the Idaho Public Utilities Commission.





Rocky Mountain Power Exhibit No. 36 Page 28 of 28 Case No. PAC-E-21-07 Witness: Craig E. Eller



### **CERTIFICATE OF SERVICE**

I hereby certify that on this  $16^{th}$  of September, 2021, I caused to be served, via email a true and correct copy of Rocky Mountain Power's Supplemental Exhibit No. 36 in Case No. PAC-E-21-07 to the following:

#### Case No. PAC-E-21-07

| COMMISSION STAFF                           |                                |  |  |
|--|--------------------------------|--|--|
| Dayn Hardie (C)                            |                                |  |  |
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| john.hammond@puc.idaho.gov                 |                                |  |  |
|  |                                |  |  |
| IDAHO IRRIGATION PUMPERS ASSOCIATION, INC. |                                |  |  |
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| BAYER CORPORATION                          |                                |  |  |
| Randall C. Budge (C)                       | Brian C. Collins (C)           |  |  |
| Thomas J. Budge (C)                        | Maurice Brubaker (C)           |  |  |
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|   |                               |  |
| IDAHO CONSERVATION LEAGUE                         |                               |  |
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| bmpurdy@hotmail.com                               |                               |  |
|   |                               |  |

Dated this 16<sup>th</sup> day of September, 2021.

Katie Savarin

Coordinator, Regulatory Operations