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Attorneys for PacifiCorp dba Utah  
Power & Light Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of PacifiCorp, ) CASE NO. PAC-E-01-16  
dba Utah Power & Light Company for )  
Approval of Interim Provisions for the Supply ) APPLICATION OF PACIFICORP  
of Electric Service to Monsanto Company. )  
\_\_\_\_\_)  
\_\_\_\_\_)

This Application is filed by PacifiCorp dba Utah Power & Light Company (“Utah Power” or the “Company”) for approval of interim provisions for the supply of electric service to Monsanto Company (“Monsanto”).

1. Utah Power is a public utility doing business in the state of Idaho and subject to the jurisdiction of the Idaho Public Utilities Commission (“Commission”).

2. Monsanto is a Delaware corporation qualified to do business in the state of Idaho. Monsanto operates an elemental phosphorus 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.

3. Communications regarding this Application should be addressed to:

Doug Larson  
PACIFICORP  
201 South Main, Suite 2300  
Salt Lake City, Utah 84140-0023  
Telephone: (801) 220-2190  
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4. Attached to this Application is a copy of the Power Supply Agreement between Monsanto and Utah Power dated November 1, 1995 (the "Agreement"), which was approved by the Commission in Case No. UPL-E-95-4.

5. On December 11, 2000, Utah Power faxed a notice of termination to Monsanto, terminating the Agreement as of December 31, 2001 ("Notice of Termination"). Utah Power and Monsanto have had negotiations regarding a new electric service agreement, but have not reached agreement on terms for the continued supply of electric service to Monsanto. On November 16, 2001, Monsanto and P4 Production, L.L.C. filed a complaint ("Declaratory Judgment Action") in the District Court of the Sixth Judicial District of the State of Idaho, in and for the County of Caribou, seeking a declaratory judgment that, among other things: (a) the parties can only exercise the option to terminate the Agreement by giving one year's written notice of termination after December 31, 2001; (b) the earliest date for

notice of termination of the Agreement is January 1, 2002 and the earliest possible termination date is January 1, 2003; and (c) that Utah Power's Notice of Termination is invalid and of no force or effect.

6. If Utah Power prevails in the Declaratory Judgment Action, which is not expected to be resolved until after January 1, 2001, the Agreement will indeed be considered to have been terminated as of December 31, 2001, and there will be no agreement in place establishing the terms for electric service to Monsanto for the period commencing January 1, 2002. Utah Power does not have an Electric Service Schedule in its tariff which, by its terms, would be applicable to electric service to the Monsanto load, due to its size (over 200 MW). The Company's Electric Service Schedule No. 9, which would otherwise be applicable, is limited to customers having a load of up to 15 MW.

In light of these circumstances, and in accordance with Idaho Code § 61-313, Utah Power requests that the Commission approve, on an interim basis, the rates to be charged Monsanto for electric service for the period commencing January 1, 2002, through the effective date of rates for service to Monsanto later approved by the Commission in a final order. The Company proposes to provide firm service to Monsanto in accordance with the Company's Electric Service Schedule No. 9 and the Electric Service Regulations set forth in the Company's tariff, except that the pricing for service to Monsanto would be based on a cost of service study specific for Monsanto. The pricing proposed for firm service to Monsanto is as follows:

	May-Oct.	Nov.-April
Customer Charge	\$282.89	\$282.89
DemandCharge(\$/kW-mo.)	\$10.56	\$8.46

On-Peak Energy(\$/MWh)	\$19.57	\$16.31
Off-Peak Energy(\$/MWh)	\$14.68	\$14.68

The basis for the Company providing firm, rather than interruptible service to Monsanto, and the pricing therefor, is set forth in the testimony of David L. Taylor, submitted herewith.

7. Utah Power further proposes that the rates charged and the amounts paid by Monsanto for service beginning January 1, 2002, pursuant to this Commission's order regarding this matter, will be subject to true-up in accordance with a final order by the Commission regarding the appropriate charges for service during the period of January 1, 2002 through the effective date of the charges established by such final order. Accordingly, if the Commission determines that the charges during such period should be higher than the interim prices approved by the Commission, Monsanto shall pay PacifiCorp the difference applicable to all electric service provided during that period. Similarly, if the Commission determines that the charges during such period should be lower than the interim prices approved by the Commission, PacifiCorp shall pay Monsanto the difference applicable to all electric service provided during that period. Further, if Monsanto were to prevail in the Declaratory Judgment Action, there would be a similar true-up for electric service provided during the additional year of the Agreement. The Company proposes that interest on any underpayments or overpayments accrue at the weighted average cost of capital utilized in the cost of service study (8.42%), and that either such payment shall be made within 30 days of invoice.

8. Whatever rates are charged by the Company or paid by Monsanto pursuant to a Commission order in this matter will not be a basis for waiver or estoppel in the Declaratory Judgment Action.

9. In order to have a determination of interim service provisions by January 1, 2002, Utah Power requests that this application be processed under Modified Procedure pursuant to RP 201-204. Written comments by interested parties should be sufficient for purposes of the Commission's review.

WHEREFORE, Utah Power respectfully requests that the Commission process this Application under Modified Procedure and issue an Interim Order that:

a) Utah Power shall provide firm electric service to Monsanto under the provisions of its Electric Service Schedule No. 9 and the Electric Service Regulations set forth in its tariff, except that the pricing for such service shall be as set forth above; and

b) the charges and the amounts paid by Monsanto for service beginning January 1, 2002, pursuant to such Interim Order, will be subject to true-up in accordance with a final order by the Commission regarding the appropriate charges for service during the period of January 1, 2002 through the effective date of the charges established by such final order. Payment pursuant to such true-up shall be made as described in the Company's Application.

Dated: December \_\_\_\_, 2001

Respectfully submitted,

STOEL RIVES LLP

By \_\_\_\_\_  
Mary S. Hobson  
John M. Eriksson

Of Attorneys for PacifiCorp,  
dba Utah Power & Light Company

**CERTIFICATE OF SERVICE**

I hereby certify that on this 7<sup>th</sup> day of December, 2001, I caused to be served, via facsimile transmission, a true and correct copy of the **Application of Pacificorp and Direct Testimony of David L. Taylor** to the following:

Randy Budge  
RACINE, OLSON, NYE, BUDGE  
& BAILEY  
Facsimile No.: (208) 232-6109

In addition, I certify I cause to be served a true and correct copy of the **Application of Pacificorp and Direct Testimony of David L. Taylor together with Exhibits 1-3 to Mr. Taylor's testimony** to the following:

Randy Budge  
RACINE, OLSON, NYE, BUDGE  
& BAILEY  
Center Plaza—Corner First & Center  
P.O. Box 1391  
Pocatello, Idaho 83204-1391

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