

Case No. PAC-E-01-16  
Exhibit No.12  
Witness: Stan K. Watters

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

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Exhibit Accompanying Rebuttal Testimony of Stan K. Watters

August, 2002

## Interruptible or Curtailment Products

Description	How	Amount	Term	Notice	Duration	Frequency	Payment	Liquidated damages	Buythrough Option
Non-Spin Operating Reserves	PacifiCorp call option to interrupt customer load per WECC criteria for recovery from contingency event	Dependent upon customer loads . Generally aligned with furnace loads per historical agreements	Calendar Year  All hours	10 minute	1 hour maximum	Defined in agreement Maximums set for year, month, day	Monthly call option (\$ per kW-month)	PacifiCorp can dispatch interruption if customer declines	Not available
System Integrity Interruption	PacifiCorp call option to interrupt customer load per system integrity criteria and prudent utility practice	Typically 100 percent of customer load unless clearly defined amount	Calendar Year  All hours	Except under emergency conditions, 2 hours	Not defined but 1 hour notice when service restored	Not defined	Monthly call option (\$ per month based on load size, location and other factors)	PacifiCorp can dispatch interruption if customer declines	Not available
Economic curtailment Super Peak Period	PacifiCorp call option to curtail customer load during super peak hours at PacifiCorp's discretion	Dependent upon customer loads	Calendar Year  Highest value in June through September	Day-of Typically 2 hour	8 hour 1PM to 9PM Monday – Friday	Daily 5 days per week  Limits normally set for maximum number of hours	Monthly call option (\$/kW-month) plus Strike payment (\$/MWh) when curtailed	Buy-through	Applicable market index shaped to reflect hourly prices plus delivery costs

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Economic curtailment  All Hours	PacifiCorp call option to curtail customer load during all hours at PacifiCorp's discretion	Calendar Year  All hours	Calendar Year  Highest value in June through September	Day-of Varies Typically 2 hour, 4 hour and 8 hour	Primarily during the on-peak period 6AM to 10PM	Daily 5 days/wk Limits normally set for maximum number of hours	Monthly call option (\$/kW-month) and Strike payment (\$/MWh) when curtailed		Applicable market index shaped to reflect hourly prices plus delivery costs
Energy Exchange	Website  voluntary curtailment	Customer decides	Calendar year as needed	Day ahead or 2 days ahead	1 day – select hours defined by PacifiCorp	As posted	Posted price minus current energy price in power supply agreement		Not available

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**Exhibit SKW-3****Economic Curtailment Option**

Capacity	46 MW
Retail Cost	\$31.40 /MWh
Annual Capacity Cost	\$ (2,340,000)
Lost Retail Revenue	\$ (722,200)
Curtailments/year	500 hours
SoCal Bdr Nat Gas	\$3.75 /mmBtu
Heat Rate	15,000
VOM	\$3.00
Market Price - SuperPeak	\$59.25 /MWh
Capacity Charge	\$3.08 /kW-mo
Avoided Reservation Fee	\$1,699,450
Avoided Energy Cost	<u>\$1,362,750</u>
Net Benefit	\$0.00

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**Exhibit SKW-4****System Integrity Benefit**

Capacity	162 MW
Annual Cost	(\$486,000)
System Interruption/year	12 hour
FERC Cap	\$250 /MWh
Avoided Purchase Cost	<u>\$486,000</u>
Net Benefit	\$0.00

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## Buythrough Provision for Economic Curtailment Option

Monsanto shall have the right to decline the Day-of curtailment option and purchase power for the Curtailment Load for the Duration of Curtailment for the day. (the “Replacement Power”).

Monsanto shall notify PacifiCorp by phone and/or fax of its decision to decline the Day-of option within one (1) hour after PacifiCorp provides notification to Monsanto for the Day-of option to curtail. *For example, if PacifiCorp notifies Monsanto by 11AM MPT, Monsanto must respond to PacifiCorp by 12PM MPT.* If Monsanto fails to notify PacifiCorp of its decision to decline the Day-of option within the one (1) hour period, Monsanto will be obligated to physically provide the Curtailment Load as agreed.

### Replacement Power Price

Monsanto shall purchase daily Replacement Power for the Duration of Curtailment from the PacifiCorp as calculated:

*Hourly Shaped Market Price multiplied by the Curtailment Load multiplied by the Duration of Curtailment (hours).*

Hourly Shaped Market Price shall be defined as daily Dow Jones <sup>TM</sup> Palo Verde Firm On-Peak Price, as reported at [www.dowjones.com](http://www.dowjones.com) each Monday – Sunday multiplied by the following hourly shaping factors for each applicable month:

January	<u>114%</u>	May	<u>122%</u>	September	<u>119%</u>
February	<u>114%</u>	June	<u>126%</u>	October	<u>113%</u>
March	<u>114%</u>	July	<u>130%</u>	November	<u>111%</u>
April	<u>110%</u>	August	<u>130%</u>	December	<u>116%</u>

Holidays include only New Year’s Day, President’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be considered a Holiday.

Monthly Replacement Power shall equal the sum of daily Replacement Power for that month.