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201 South Main, Suite 2300
Salt Lake City, Utah 84111

December 23, 2011

IDAHO PUBLIC
UTILITIES COMMISSION

**VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY**

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

Re: Case No. PAC-E-11-12
In the Matter of the Application of Rocky Mountain Power for Approval of Changes to its Electric Service Schedules and a Price Increase of \$32.7 Million, or Approximately 15.0 Percent

Dear Ms. Jewell:

Please find enclosed an original and seven copies of the executed Electric Service Agreement (ESA) between Rocky Mountain Power and Monsanto. The ESA has been updated to incorporate the curtailment values specified in paragraph 14 of the Stipulation.

If you have any questions regarding this filing, please contact Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,


Jeffrey K. Larsen
Vice President, Regulation

cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd of December, 2011, I caused to be served, via e-mail and/or US mail, a true and correct copy of the foregoing document in PAC-E-11-12 to the following:

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Racine, Olson, Nye, Budge & Bailey,
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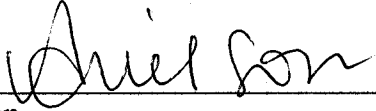
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Ariel Son
Coordinator, Regulatory Operations

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UTILITIES COMMISSION

**ELECTRIC SERVICE AGREEMENT
BETWEEN
ROCKY MOUNTAIN POWER
AND
MONSANTO COMPANY**

THIS ELECTRIC SERVICE AGREEMENT ("Agreement"), effective as of January 1, 2012, by and between PacifiCorp, an Oregon corporation doing business as Rocky Mountain Power that provides electric service in the State of Idaho (hereinafter referred to as "Rocky Mountain Power"), and Monsanto Company, a Delaware corporation that owns and operates an elemental phosphorus plant at a site near Soda Springs City in Caribou County, Idaho (hereinafter referred to as "Monsanto"). Rocky Mountain Power and Monsanto are also referred to herein individually as a "Party" and jointly as "Parties."

WITNESSETH:

WHEREAS, Rocky Mountain Power is currently the provider of retail electric energy and power to Monsanto's elemental phosphorous production facilities located at Soda Springs, Idaho (the "Plant"), and

WHEREAS, PacifiCorp and Monsanto had previously entered into an Interim Electric Service Agreement dated June 1, 2011, which expires on December 31, 2011, and

WHEREAS, Monsanto desires to purchase electric power and electric energy requirements for the Plant under this Agreement, and

WHEREAS, Rocky Mountain Power desires to be the exclusive provider of all electric power and energy to Monsanto's Plant, and

NOW, THEREFORE, the Parties agree as follows:

Section 1: Definitions

As used in this Agreement, the following terms have the meanings specified. Definitions relating to Operating Reserves and System Integrity and Economic Curtailment are contained in Exhibits A and B, and are incorporated in this Agreement by reference.

1.1 **Billing Period** means the period of approximately thirty (30) days intervening between regular successive meter reading dates.

1.2 **Day** means calendar day, Pacific Prevailing Time.

1.3 **Demand** means the rate in kilowatts at which electric energy is delivered by Rocky Mountain Power to Monsanto averaged over a fifteen (15) minute period of time.

1.4 **Electric Service Regulations** means Rocky Mountain Power's currently effective electric service rules and regulations, on file with and approved by the Idaho Public Utilities Commission ("Commission"), as they may be amended or superseded from time to time with the approval of the Commission.

1.5 **Firm Power and Energy** means electric power expressed in kilowatts and associated energy expressed in kilowatt-hours intended to have assured availability to Monsanto to meet that portion of Monsanto's load requirements specified in this paragraph. In this Agreement, Firm Power shall be the total Measured Demand in any Billing Period less the Interruptible Power as measured at the Point of Delivery. Firm Energy during any Billing Period shall be the total energy, in kilowatt-hours, delivered to Monsanto in the Billing Period less the Interruptible Energy and less any Replacement Energy.

1.6 **Interruptible Power and Energy** means electric power expressed in kilowatts and associated energy expressed in kilowatt-hours made available to Monsanto to meet the portion of Monsanto's load requirements subject to interruption of delivery at Rocky Mountain Power's option as set forth in Exhibits A and B of this Agreement. Interruptible Power shall be the first 162 megawatts of Measured Demand in any Billing Period. Interruptible Energy delivered to Monsanto during any Billing Period shall be the amount of energy, in kilowatt-hours, delivered to Monsanto equal to the number of hours in the Billing Period multiplied by the Interruptible Power and less

any Replacement Energy.

1.7 Measured Demand means the Demand in kilowatts supplied by Rocky Mountain Power as shown by or computed from the readings of Rocky Mountain Power's power meter(s) representing Monsanto's greatest use during the Billing Period.

1.8 Monsanto Electrical Facilities means all facilities and equipment within Monsanto's 138 kV substation at its Plant except for Rocky Mountain Power's metering equipment, under-frequency relays, capacitors and any other equipment owned by Rocky Mountain Power and installed in Monsanto's substation under the terms and conditions of this Agreement or any other agreement.

1.9 Point of Delivery for all power and energy delivered to Monsanto means the termination of Rocky Mountain Power's two 138 kV transmission lines at Monsanto's substation located approximately eight miles from Rocky Mountain Power's Soda (Idaho) hydroelectric station in Caribou County, Idaho, or such other point(s) of metering as Rocky Mountain Power and Monsanto shall agree.

1.10 Prudent Electrical Practices means those practices, methods and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy and that are in accordance with the IEEE Standards, the National Electrical Safety Code or the National Electric Code or any other applicable government code in effect during the term of this Agreement.

1.11 Replacement Energy Charge means the charge for Replacement Energy calculated in accordance with Section 4.1.3 of this Agreement.

1.12 Retail Customer means a Rocky Mountain Power customer who purchases electric power and energy for its own consumption (i.e., not for resale).

1.13 Termination Date means the hour ending 2400 on December 31 of the year established in paragraph 2.1.

1.14 Total Contract Demand means the specified Demand in kilowatts that Monsanto contracts with Rocky Mountain Power to supply and that Rocky Mountain Power agrees to have available for delivery to Monsanto. Monsanto may require the delivery of such amounts of Firm and Interruptible Power as Monsanto may require to meet Monsanto's load requirements up to, but not in excess of, the applicable Total

Contract Demand, which shall be 215,000 kW unless otherwise agreed in writing in accordance with the terms of this Agreement.

1.15 WECC means the Western Electricity Coordinating Council or a successor organization which assumes essentially the same functions as the Western Electricity Coordinating Council.

Section 2: Term; Reopeners

2.1 Term. The term of this Agreement shall be for a period commencing January 1, 2012, and ending on the hour ending 2400 on December 31, 2013 (the "Term"). After the Termination Date, Rocky Mountain Power shall continue to provide any electric service to Monsanto as specified in Idaho Electric Service Schedule No. 400 or its successor then in effect until such time as the Commission establishes or approves other terms and conditions and prices.

2.2 Reopeners and Price Adjustments. The charges specified in Section 4.1 of this Agreement shall be adjusted so that the charges equal the Commission-approved rates applicable to Monsanto, including, but not limited to, customer charges, demand charges, energy charges, surcharges, and credits, as specified in Idaho Electric Service Schedule No. 400 or its successor. Adjustments to the charges in Section 4.1 of this Agreement shall become effective on the effective date of any adjustment to Electric Service Schedule No. 400 resulting from any general rate case or other filing by Rocky Mountain Power; provided, however, that no adjustments to Electric Service Schedule No. 400 shall go into effect prior to January 1, 2014, except as provided in the Stipulation dated October 17, 2011 entered into between the parties for the purpose of settling Rocky Mountain Power Case No. PAC-E-11-12.

2.2.1 This Agreement may be reopened and modified by the Commission, upon application of either Rocky Mountain Power or Monsanto, in the following events: (i) direct access to wholesale electricity markets is implemented in the state of Idaho and available to Monsanto; or (ii) the WECC amends the quantity or requirements of either the contingency reserve or frequency response reserve component of Operating Reserves or otherwise modifies Operating Reserves requirements in a manner that

materially affects the availability or valuation of Operating Reserves under this Agreement.

2.2.2 Rocky Mountain Power may apply to the Commission for a modification of this Agreement if Rocky Mountain Power demonstrates that (i) Monsanto has shut down one or more of its furnaces for economic reasons for a period of 9 months or longer, excluding shut-downs for maintenance, repair or capital improvements, and (ii) PacifiCorp is materially financially harmed by reason of such reduction in furnace load, taking into account the price that could be obtained by Rocky Mountain Power in a market sale of the energy available from the reduced load, among other things. Rocky Mountain Power shall bear the burden of satisfying these conditions. The Commission shall determine whether these conditions have been satisfied and whether and in what respects this Agreement may be modified to address the change in Monsanto's furnace operations and the financial harm to Rocky Mountain Power.

Should Monsanto reduce its furnace operations from the existing 3-furnace level by one furnace or more for a period of 60 continuous days or more, Monsanto agrees to provide Rocky Mountain Power with regular status updates and reasonable advance notice before resuming the operation of such furnace or furnaces.

Section 3: Purchase and Sale of Power

3.1 **Scope of Deliveries.** Rocky Mountain Power shall deliver such amounts of power and energy to the Point of Delivery as Monsanto requires to meet its load requirements up to, but not in excess of, Total Contract Demand, subject to the provisions of Exhibits A and B. Subject to the interruption and curtailment provisions of Exhibits A and B. Rocky Mountain Power shall use its reasonable best efforts to supply Monsanto's Interruptible Power and Energy requirements.

3.2 **Delivery Voltage.** Rocky Mountain Power shall deliver power and energy at the Point of Delivery in the form of three-phase, alternating current at a nominal frequency of 60 cycles per second, and at a nominal voltage of 138,000 volts, in accordance with Prudent Electrical Practices. Except during temporary emergency conditions, Rocky Mountain Power shall maintain voltage within the limits of 5 percent

above and 5 percent below a normal operating voltage, such normal voltage to be established by Rocky Mountain Power from time to time upon reasonable notice to Monsanto, between the limits of 120,000 volts and 138,000 volts. Rocky Mountain Power reserves the right to modify the voltage standards in this Section to conform to changes in applicable ANSI standards.

3.3 Reactive Requirements. Monsanto shall control and limit the flow of reactive power between Rocky Mountain Power's and Monsanto's system so as to maintain a Power Factor in accordance with Section 4.1.4.

3.4 Phase Balance. Monsanto shall balance its loads among phases to the extent practicable. If the difference between maximum and minimum phase loads regularly or frequently exceeds 10 percent, based upon a defined place of measurement, Rocky Mountain Power may require that Measured Demands be determined on the basis of three times the load in the maximum phase.

3.5 Wave Form. In the design, selection, and operation of equipment using electric power, Monsanto shall observe due precautions to avoid distortion of wave form that, reacting through the system of Rocky Mountain Power, may result in interference to operation of telephone systems or in other injurious effects to Rocky Mountain Power's electrical system or other Retail Customers. If such adverse effects result at any time from distortion of wave form by causes originating in the Monsanto Electrical Facilities, Monsanto shall remediate such effects in accordance with Section 3.7 of this Agreement.

3.6 Cooperation in Operation.

3.6.1 Monsanto shall endeavor to supply Rocky Mountain Power in advance with information as to conditions affecting Monsanto's power load that may aid Rocky Mountain Power in load dispatching and in planning Rocky Mountain Power's power system operation, such as the probable times and durations of substantial daily load changes. Following an unexpected furnace outage, Monsanto shall notify Rocky Mountain Power's dispatcher as quickly as possible of the expected duration of such outage. Such estimates or advance information shall not be binding on either Party.

3.6.2 Rocky Mountain Power shall hold in reserve sufficient generating capacity to supply Monsanto's anticipated load requirements for a period not to exceed

thirty (30) minutes beyond Monsanto's estimated time of load increase. If Monsanto's load requirements have not begun to increase within such thirty (30) minute period, Rocky Mountain Power may sell or otherwise dispose of such reserve capacity as surplus energy until such time as Monsanto is ready to increase load. However, if such a sale is made, Monsanto may not increase load until such sale can be terminated or Rocky Mountain Power is able to obtain additional capacity through some other means. Such restriction to Monsanto's load shall not be accounted for as curtailment, but shall not extend more than one (1) hour beyond the time Monsanto is ready to increase load.

3.6.3 In order to administer the terms and conditions of this Agreement, Rocky Mountain Power and Monsanto shall each designate from time to time in writing their respective representatives for the purpose of giving and receiving informal communications required under this Agreement.

3.6.4 Rocky Mountain Power acknowledges that Monsanto's electric furnaces require shutdowns for maintenance and overhauling, and it is the intent of the Parties that such shutdowns and consequent reduction of power requirements be predetermined insofar as possible by agreement between the Parties. Except as otherwise provided in Exhibits B, Monsanto shall provide Rocky Mountain Power with notice of all planned shutdowns of the furnaces.

3.7 Remediation. In the event Monsanto's operations fail to comply with technical requirements of this Agreement or the Electric Service Regulations, or adversely affect the operation of Rocky Mountain Power's transmission or distribution system or other Rocky Mountain Power retail customers, Rocky Mountain Power will promptly give Monsanto written notice thereof. Within thirty (30) days after such notice a working team will be formed with members designated by each Party. The working team will then consult and meet as needed to identify and agree upon: (1) the nature and extent of the alleged problem or deficiency; (2) the cause and responsibility for the problem; (3) reasonable alternative solutions together with the costs and implementation time associated with each; and (4) a mutually acceptable remedial action plan. If the Parties fail to agree, either may petition the Commission to resolve any disputes, which determination shall be binding.

