

other tariff customers, Agrium and Rocky Mountain Power negotiated rate adjustment schedules to reflect a portion of the identified revenue requirement, with a provision that Commission-approved rate adjustments would apply under the agreement (Section 8.3).

Staff noted that the parties' previous ESA expired December 31, 2010, coinciding with Agrium's movement to a full tariff standard whereby its annual revenue requirement was established by the Commission (Case No. PAC-E-10-07). Staff believes it is appropriate for Agrium and the Company to maintain an ESA that provides detailed service requirements not specified under Schedule No. 401, including: terms for contract termination, delivery of power, minimum power factor, billing agreements, metering and operational guidelines.

The Company's Application identifies revisions to the termination policy (Section 1.17); elimination of monthly charges and adjustment mechanism (Sections 4.1 and 4.2); and new procedures for routine meter testing and verification of equipment accuracy (Section 5.2). Staff supports the first two modifications because they minimize the need for an additional filing to amend the ESA when rates for Agrium change. Additionally, the parties have instituted a policy to allow for 180 days' notice if either party seeks to terminate the agreement. Staff supports the 180-day notification provision because it provides both parties adequate insurance if circumstances require future revisions to the ESA or some unforeseen circumstance causes the Company to discontinue service to Agrium.

Staff quoted the revised Section 4.1 of the ESA which mirrors the language found in Electric Service Schedule No. 401:

The charges specified in Section 4.1 of this Agreement shall be adjusted so that the charges equal the Commission-approved rates applicable to NuWest, including but are not limited to, customer charges, demand charges, energy charges, surcharges, and credits, as specified in Electric Service Schedule Nos. 401 and 94 [Energy Cost Adjustment] and any other applicable charges that should apply.

Staff believes this section appropriately acknowledges Agrium's movement to a tariff standard and avoids any perceived inconsistencies with Section 8.3. Any billing changes would only impact the tariff sheet.

Staff does not oppose the addition of Section 5.2 outlining the parameters and procedures for testing meter accuracy. Staff believes that, while there is no history of billing

disputes between the parties stemming from faulty metering equipment, it is important to ensure that such equipment is properly maintained and meets current industry standards.

Staff supports the proposed amendments to the ESA. Staff recommended that the Commission approve the Electric Service Agreement between Agrium and Rocky Mountain Power, dated April 10, 2012.

COMMISSION FINDINGS AND DECISION

The Commission has reviewed Rocky Mountain Power's Application requesting Commission approval of its ESA with Agrium. The Commission finds that the ESA negotiated by Rocky Mountain Power and Agrium is fair, just, and reasonable. The ESA clarifies the exact terms and conditions of the electric service to be provided by Rocky Mountain Power to Agrium not otherwise specified under Schedule No. 401. Therefore, the Commission approves the parties' Agreement.

ORDER

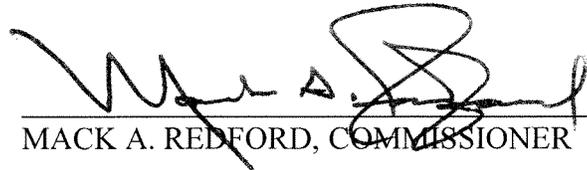
IT IS HEREBY ORDERED that Rocky Mountain Power's Application seeking Commission approval of its Electric Service Agreement with Agrium Company is approved. The terms and conditions of the ESA shall be effective as of April 10, 2012.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th
day of June 2012.



PAUL KJELLANDER, PRESIDENT

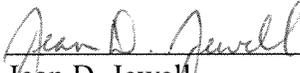


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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