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Attorneys for Rocky Mountain Power

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of	)	DOCKET NO. _____
ROCKY MOUNTAIN POWER	)	
for Approval of the Power Purchase	)	APPLICATION OF
Agreement between PacifiCorp	)	ROCKY MOUNTAIN POWER
and Tesoro Refining and Marketing	)	
	)	

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Pursuant to Utah Code Ann. § 54-12-2, PacifiCorp, doing business in Utah as Rocky Mountain Power (“Rocky Mountain Power” or “Company”) hereby applies for an order approving the Power Purchase Agreement (“Agreement”) between PacifiCorp and Tesoro Refining and Marketing Company (“Tesoro”) dated October 10, 2011. In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility in the state of Utah and is subject to the jurisdiction of the Public Service Commission of Utah with regard to its rates and service. Rocky Mountain Power also provides retail electric service in the states of Idaho and Wyoming. As a “purchasing utility,” as that term is used in Utah Code Ann. §54-12-2, PacifiCorp is obligated to purchase power from qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978, Utah Code Ann. §54-12-1, *et seq.*, and the Commission’s orders. Under

the Agreement, Tesoro represents itself to be a qualifying facility, and agrees to provide PacifiCorp, upon request, with evidence to show its qualifying facility status.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
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Informal inquiries may be directed to Dave Taylor, Utah Regulatory Affairs Manager, at (801) 220-2923.

3. In Docket No. 03-035-14, *In the Matter of the Application of PacifiCorp for Approval of an IRP-Based Avoided Cost Methodology for QF Projects larger than One Megawatt*, the Commission issued a series of orders, which established avoided capacity and energy cost payments for purchases from QF projects larger than one megawatt, such as Tesoro's, under contracts with PacifiCorp with terms up to 20 years.

4. The Agreement provides for the sale to PacifiCorp of energy to be generated by Tesoro up to 25.0 MW, from a natural gas-fired cogeneration facility constructed by Tesoro and located in Salt Lake City, Utah (the “Facility”). A copy of the Agreement is attached to this Application as Exhibit A. The Agreement is for a term of 12 months: January 1, 2012 through December 31, 2012.

5. The purchase prices set forth in the Agreement were calculated using the methodology approved in Docket No. 03-035-14.

6. The Facility is located in Salt Lake City, UT in an area served by Rocky Mountain Power. All interconnection requirements have been met and the Facility is fully integrated with the Rocky Mountain Power system.

7. The Agreement constitutes a “New QF Contract” under the PacifiCorp Interjurisdictional Cost Allocation Protocol (“Protocol”), previously filed with the Commission pursuant to a stipulation in Docket No. 02-035-04. According to the terms of the Protocol, the costs of the QF provisions would be allocated as a system resource, unless any portion of those costs exceed the cost PacifiCorp would have otherwise incurred acquiring comparable resources.

8. The existing QF Power Purchase Agreement, dated October 1, 2010 (the “2011 Agreement”) between PacifiCorp and Tesoro expires on December 31, 2011. Therefore, the parties desire that no time lapse between the expiration of the 2011 Agreement and the approval of the Agreement for which approval is sought in this Application. Rocky Mountain Power respectfully requests that the Commission issue a scheduling order in this Docket as quickly as practicable, and requests that the Commission set this matter for hearing October 31, 2011.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue an order approving the Agreement and find the terms and conditions of the Agreement to be just and reasonable and in the public interest.

DATED this 25<sup>th</sup> day of October, 2011.

Respectfully submitted,

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Daniel E. Solander  
Yvonne R. Hogle  
Attorneys for Rocky Mountain Power

## CERTIFICATE OF SERVICE

I hereby certify that on this 25<sup>th</sup> day of October, 2011, I caused to be served via electronic mail, a true and correct copy of the foregoing Application of Rocky Mountain Power to the following:

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Ariel Son  
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