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Division of Public Utilities

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ACTION REQUEST RESPONSE

**REDACTED**

To: Public Service Commission

From: Division of Public Utilities

Chris Parker, Director  
Artie Powell, Energy Section Manager  
Abdinasir Abdulle, Technical Consultant  
Justin Christensen, Utility Analyst

Date: August 21, 2014

Subject: Docket No. 14-035-107: In the Matter of the Application of Rocky Mountain Power for Approval of a Partial Requirement Master Electric Service Agreement between Rocky Mountain Power and Tesoro Refining and Marketing Company

**RECOMMENDATION: (Approve)**

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve the Electric Service Agreement between Rocky Mountain Power and Tesoro Refining and Marketing Company.

**ISSUE**

On August 11, 2014, Rocky Mountain Power (RMP or Company), a division of PacifiCorp, filed an application for approval of an Electric Service Agreement (ESA) with Tesoro Refining and Marketing Company (Tesoro). The effective date of this ESA is [REDACTED] and will

replace an existing contract that will [REDACTED]. The current agreement was effective [REDACTED], this ESA will continue for [REDACTED] and will replace and supersede the current agreement.

The Commission issued an action request to the Division on August 12, 2014. This memo, outlining the Division's investigation and conclusions, is in response to the aforementioned Commission request.

## **DISCUSSION**

The Commission approved a settlement stipulation on July 23, 2014 addressing the Company's application to revise Schedule 31. Under the revision it states, "Partial requirements service from the Company for customers with more than 15,000 kW of on-site generation shall be provided under contractual arrangements to be negotiated on a case-by-case basis." [REDACTED]

The proposed ESA between the Company and Tesoro outlines the terms, pricing, and Conditions under which the Company would continue to provide backup, maintenance, and supplementary power to Tesoro's facilities. The contract also states that the Company agrees to have available [REDACTED] of Back-up Power, and [REDACTED] of Supplementary Power. The maximum the Company is required to deliver is [REDACTED] subject to the results of a current facilities study.

The Company will bill Tesoro at the rates applicable to Electric Service Schedule 31 and Schedule 9 effective September 1, 2014 and as revised on September 1, 2015<sup>1</sup>. Though the contract does not explicitly mention surcharges, in a meeting with the Division and the Office dated August 19, 2014, the Company indicated that the surcharges (including EBA, DSM, etc)

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<sup>1</sup> See ESA Section 4.01

also apply to this contract. According to the ESA, if any provision of this ESA conflicts with the Electric Service Regulations, this ESA takes precedence over the Electric Service Regulations.

### **Conclusion**

Based upon the above outlined analysis, the Division recommends Commission approval of the proposed ESA between Tesoro and Rocky Mountain Power with an effective date of [REDACTED]

CC Paul Clements, PacifiCorp  
David Taylor, PacifiCorp  
Daniel Solander, PacifiCorp  
Michele Beck, Office of Consumer Services  
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Service List