

Stephen F. Mecham (4089)  
Stephen F. Mecham Law, PLLC  
1180 First Avenue  
Salt Lake City, Utah 84103  
Telephone: 385-222-1618  
Email: sfmecham@gmail.com

Brian W. Burnett (3772)  
Callister Nebeker & McCullough  
10 East South Temple, Suite 900  
Salt Lake City, Utah 84133  
Telephone: 801-530-7428  
Email: brianburnett@cnmlaw.com

*Attorneys for Resolute Natural Resources Company, LLC*

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Approval of Purchase and Transfer Agreement and Power Supply Agreement with Navajo Tribal Utility Authority and Amendment of Certificate of Public Convenience and Necessity	<b>Docket No. 15-035-84</b> <b>Petition to Intervene of Resolute Natural Resources Company, LLC</b>
---	--

Resolute Natural Resources Company, LLC (“RNRC”) petitions the Public Service Commission of Utah (“Commission”) on behalf of itself, its parent and affiliates (together “Resolute”) for intervention in the above-entitled matter pursuant to Utah Code Ann. § 63G-04-207 and Utah Admin. Code R746-100-7.

The grounds for this petition are as follows:

1. RNRC is a Delaware limited liability company, qualified to do business as a foreign legal entity in the State of Utah and on the Navajo Nation Reservation with headquarters in Denver, Colorado. Together with its parent, Resolute, and other wholly-owned subsidiaries of such parent, it is engaged in the acquisition, exploitation and development

of oil and gas properties. Resolute's principal producing property is the Aneth Oil Field in southeast Utah primarily located on the Navajo Nation (the "Aneth Field").

2. Resolute operates the Aneth Field on behalf of itself and Navajo Nation Oil and Gas Company ("NNOGC"), a federally chartered corporate entity wholly-owned by the Navajo Nation. Resolute and NNOGC own substantially all of the working interest in the Aneth Field and bear virtually all of the expenses of operating the field, and receive almost all of the net profits, or bear the net losses from such operation. In the past, revenue from the Aneth Field has been one of the largest sources of revenue for the Navajo Nation, providing direct moneys in 2014 of over \$100 million. With the collapse of oil prices, and the threat of increased electrical prices pursuant to the application of Rocky Mountain Power ("RMP") in this matter, Aneth Field is in danger of becoming largely uneconomic.
3. Resolute, as operator of the Aneth Field on behalf of itself and NNOGC, is a customer of RMP. Operations in the Aneth Field account for a substantial majority of the load and energy consumption in the service territory RMP proposes to transfer to the Navajo Tribal Utility Authority ("NTUA") in the Application in this docket.<sup>1</sup>
4. Resolute and NNOGC are in the final stages of completing a proprietary electrical transmission and distribution system entirely separate and apart from the assets that NTUA proposes to acquire from RMP. The proprietary system connects to the RMP system outside of the Navajo Nation. However, the portion of the Resolute/NNOGC proprietary system within the Navajo Nation is encompassed by the service territory that RMP proposes to transfer to the NTUA.

---

<sup>1</sup> See paragraph 6, RMP Application.

5. One of the largest expenses to operate the Aneth Field is electricity, being approximately \$14.25 million in 2015 which represented 22% of all gross lease operating costs.  
Operation of the field is extremely energy dependent and requires reliable, competitively-priced power. NTUA has informed Resolute directly that following the proposed transfer of the service territory from RMP to NTUA, Resolute's electrical rates would increase materially even though NTUA would not own or operate any portion of the transmission and distribution system that provides electricity to the field, nor would NTUA generate any of the electricity. In fact, NTUA would simply tax the field to support completely separate endeavors of the NTUA.
6. Allowing NTUA to tax the delivery of electricity to the Aneth Field would be unjust, unreasonable and is therefore not in the public interest because it would threaten the very viability of the field in a time of great economic stress in the oil and gas industry.
7. Besides placing an unjust tax on the field, allowing NTUA to sever Resolute and NNOGC's tie to RMP would endanger the field by making the field dependent entirely on NTUA's ability to acquire electricity from RMP or others, with only limited term contracts in place. The lack of secure and reliable long-term electrical supply would negatively affect Resolute and NNOGC's ability to continue oil and gas operations in the Aneth Field.
8. Resolute is very concerned about the impact RMP's proposed transfer could have both on electrical rates and the reliability of future electrical supply. As demonstrated by this Petition, Resolute has a significant interest in the above-captioned matter and its legal rights or interests may be substantially affected by the outcome.

9. Resolute's intervention and participation in this matter will not materially impair the prompt and orderly conduct of these proceedings.
10. Resolute's interests are not adequately represented by another party in this proceeding.
11. Resolute requests that copies of all notices and filings in this docket be served on:

Stephen F. Mecham  
Stephen F. Mecham Law, PLLC  
1180 First Avenue  
Salt Lake City, Utah 84103  
[sfmecham@gmail.com](mailto:sfmecham@gmail.com)

Brian W. Burnett  
Callister Nebeker & McCullough  
10 East South Temple, Suite 900  
Salt Lake City, Utah 84133  
Email: [brianburnett@cnmlaw.com](mailto:brianburnett@cnmlaw.com)

Michael Stefanoudakis  
1700 Lincoln Street  
Suite 2800  
Denver, CO 80203  
Email: [mstefanoudakis@ResoluteEnergy.com](mailto:mstefanoudakis@ResoluteEnergy.com)

Please serve all documents electronically whenever possible.

NOW THEREFORE, Resolute respectfully requests that the Commission enter an Order granting Resolute's Petition to Intervene in this docket allowing Resolute to participate to the fullest extent allowed by law.

Dated this 8<sup>th</sup> day of January, 2016.

Stephen F. Mecham Law, PLLC

Callister Nebeker & McCullough

/s/ Stephen F. Mecham  
Stephen F. Mecham

/s/ Brian W. Burnett  
Brian W. Burnett

## Certificate of Service

I hereby certify that on January 8, 2016, I caused a true and correct copy of the foregoing Petition to Intervene of Resolute Natural Resources Company, LLC to be emailed to the following:

Chris Parker  
William Powell  
Dennis Miller  
Division of Public Utilities  
160 East 300 South, 4<sup>th</sup> Floor  
Salt Lake City, UT 84111  
[ChrisParker@utah.gov](mailto:ChrisParker@utah.gov)  
[wpowell@utah.gov](mailto:wpowell@utah.gov)  
[dennismiller@utah.gov](mailto:dennismiller@utah.gov)

Patricia Schmid  
Justin Jetter  
Assistant Attorney General  
500 Heber M. Wells Building  
160 East 300 South  
Salt Lake City, Utah 84111  
[pschmid@utah.gov](mailto:pschmid@utah.gov)  
[Jjetter@utah.gov](mailto:Jjetter@utah.gov)

Michele Beck  
Cheryl Murray  
Utah Office of Consumer Services  
160 East 300 South, 2<sup>nd</sup> Floor  
Salt Lake City, UT 84111  
[mbeck@utah.gov](mailto:mbeck@utah.gov)  
[cmurray@utah.gov](mailto:cmurray@utah.gov)

Rex Olsen  
Assistant Attorney General  
160 East 300 South, 5th Floor  
P.O. Box 140857  
Salt Lake City, Utah 84114-0857  
[rolsen@utah.gov](mailto:rolsen@utah.gov)

Gary A. Dodge  
HATCH, JAMES & DODGE  
10 West Broadway, Suite 400  
Salt Lake City, Utah 84101  
[gdodge@hjdllaw.com](mailto:gdodge@hjdllaw.com)

R. Jeff Richards  
Yvonne R. Hogle  
Rocky Mountain Power  
1407 West North Temple, Suite 320  
Salt Lake City, Utah 84116  
[robert.richards@pacificorp.com](mailto:robert.richards@pacificorp.com)  
[yvonne.hogle@pacificorp.com](mailto:yvonne.hogle@pacificorp.com)

Gregory B. Monson  
Stoel Rives LLP  
201 South Main Street, Suite 1100  
Salt Lake City, Utah 84111  
[greg.monson@stoel.com](mailto:greg.monson@stoel.com)

Bob Lively  
Utah Regulatory Affairs Manager  
Rocky Mountain Power  
1407 West North Temple, Suite 330  
Salt Lake City, Utah 84116  
[bob.lively@pacificorp.com](mailto:bob.lively@pacificorp.com)

/s/ Brian W. Burnett