Rocky Mountain Power Docket No. 15-035-84 Witness: Loren P. Morse BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH **ROCKY MOUNTAIN POWER REDACTED - PUBLIC VERSION** Supplemental Testimony of Loren P. Morse

1 Witness Identification and Purpose of Testimony

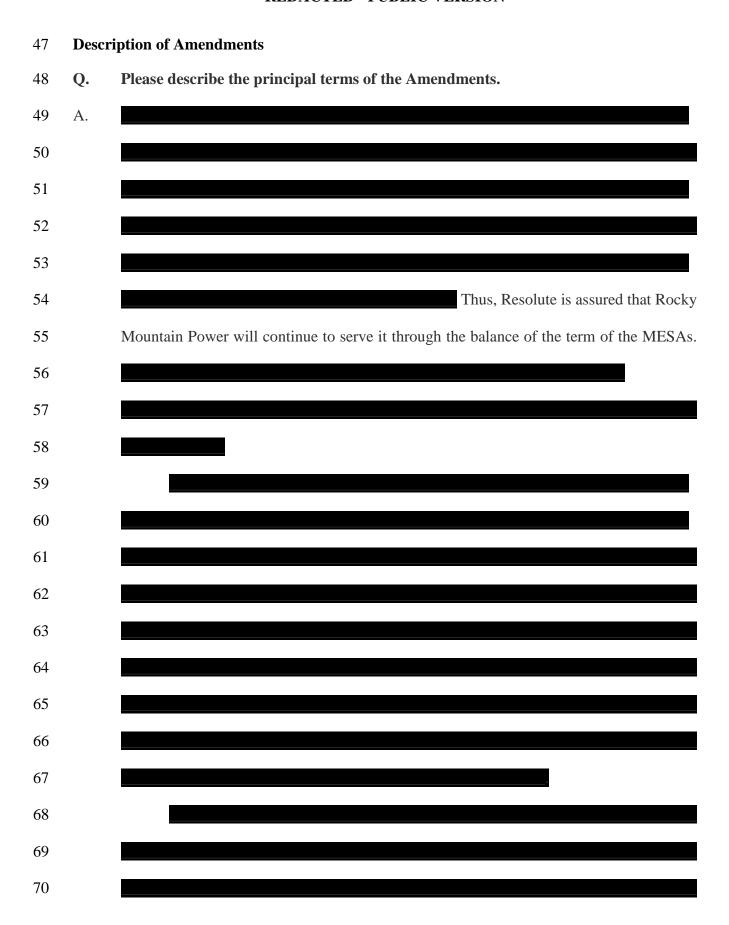
- 2 Q. Please state your name, business address and present position with PacifiCorp
- doing business as Rocky Mountain Power ("Rocky Mountain Power" or the
- 4 "Company").
- 5 A. My name is Loren P. ("Lucky") Morse. My business address is 70 North 200 East,
- 6 American Fork, Utah 84003. My present position is Director, Regional Business
- 7 Management for Rocky Mountain Power.
- 8 Q. Are you the same Loren P. ("Lucky") Morse that filed Confidential Testimony in
- 9 this matter on December 21, 2015.
- 10 A. Yes.
- 11 Q. What is the purpose of your supplemental testimony in this proceeding?
- 12 A. The purpose of my supplemental testimony is to describe further amendments to the
- Purchase and Transfer Agreement ("PTA") and Power Supply Agreement ("PSA") dated
- March 28, 2016 and to provide copies of those amendments. A copy of the Third
- Amendment to Purchase and Transfer Agreement ("Third Amendment to PTA") is
- 16 Confidential Exhibit RMP ___(LPM-1S) to this testimony. A copy of the Second
- 17 Amendment to Power Supply Agreement ("Second Amendment to PSA") is Confidential
- Exhibit RMP ___(LPM-2S) to this testimony. I will sometimes refer to the Third
- Amendment to PTA and the Second Amendment to PSA as the "Amendments" in this
- 20 testimony.

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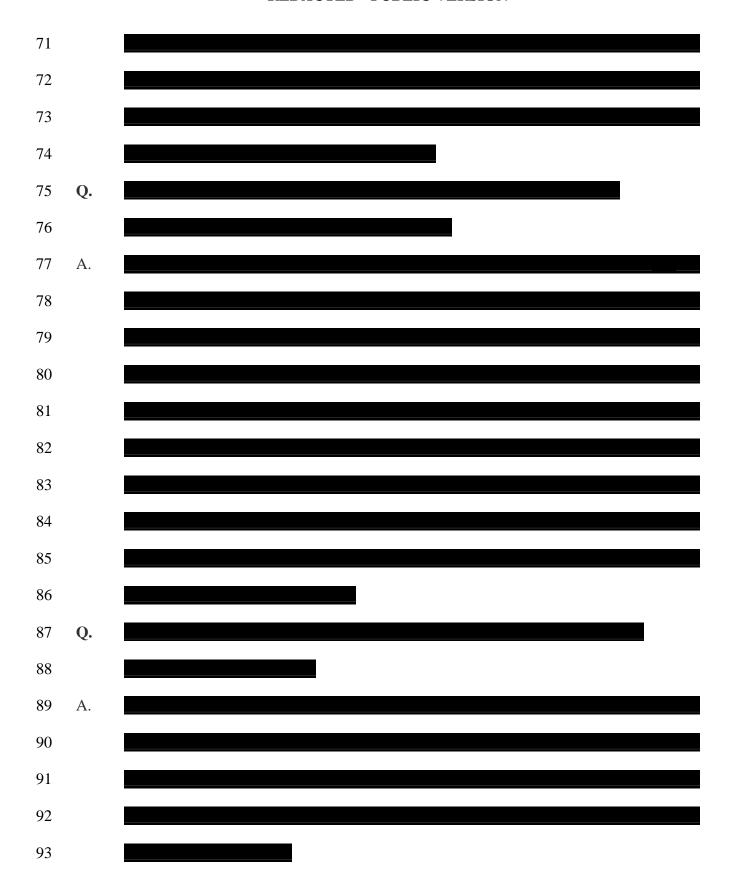
Summary of Supplemental Testimony

- 22 Q. Please summarize your supplemental testimony.
- 23 A. As discussed in the Application for Approval of Purchase and Transfer Agreement and
- Power Supply Agreement with Navajo Tribal Utility Authority and Amendment of

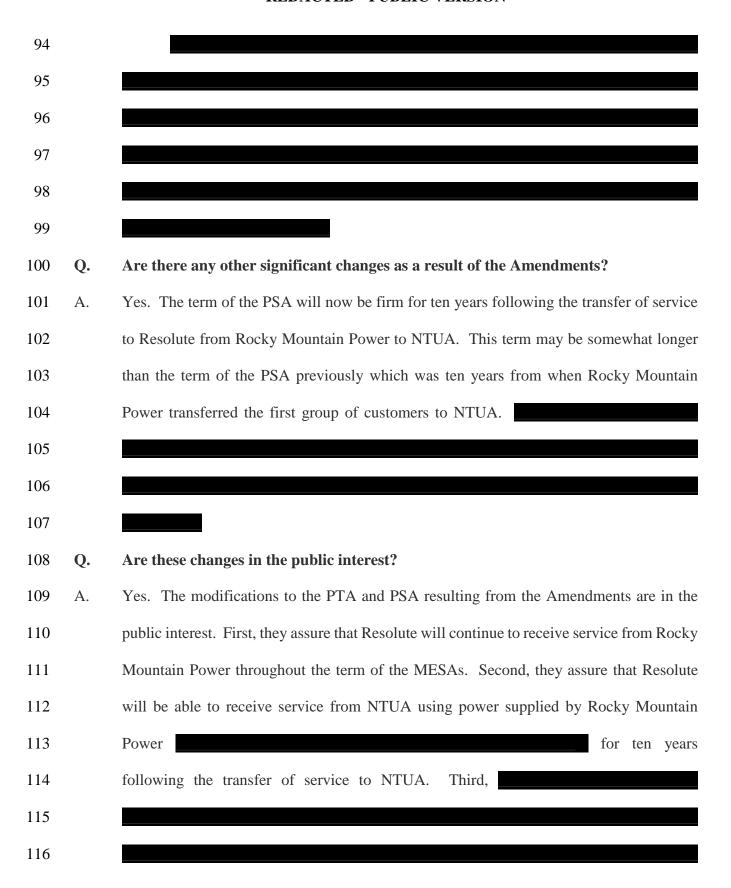
25		Certificate of Public Convenience and Necessity ("Application"), Rocky Mountain
26		Power's largest customer on the Navajo Reservation is Resolute Natural Resources
27		Company, LLC ("Resolute"). Resolute intervened in this docket in opposition to the
28		Application. Rocky Mountain Power and the Navajo Tribal Utility Authority ("NTUA")
29		have been in discussions with Resolute to attempt to address its concerns. In an effort to
30		address the concerns of Resolute, and to clarify the
31		, Rocky Mountain Power and NTUA entered into the Amendments.
32		The Amendments modify the provisions regarding service to Resolute
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34	Q.	Have the Amendments resolved all of the issues of Resolute?
35	A.	Rocky Mountain Power understands that the Amendments have resolved the concerns of
36		Resolute. Rocky Mountain Power and NTUA have reached an agreement in the
37		Amendments that will assure that Resolute receives electric service from Rocky Mountain
38		Power for the balance of the term of its Master Electric Service Agreements ("MESA")
39		with Rocky Mountain Power and from NTUA at rates Resolute finds acceptable for an
40		additional ten years. Additionally, we are hopeful that the Amendments will also address
41		some of the questions of the Division of Public Utilities ("Division") and Office of
42		Consumer Services ("Office") regarding
43		
44		Notwithstanding issues raised by Resolute, the Amendments improve the
45		transaction for the benefit of all interested stakeholders. As a result, the Application is
46		even more in the public interest than it was prior to the Amendments.



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120	Conclusion	
121	Q.	What do you conclude?
122	A.	The PTA and PSA as amended are the product of extensive and difficult negotiations
123		between the Company and NTUA. They represent a carefully balanced and delicate
124		compromise of complex issues and must be viewed together and in their entirety. The
125		Amendments improve the fairness of the PTA and PSA for all interested stakeholders.
126		Approval of the PTA and PSA is in the public interest for the reasons stated above.
127	Q.	What do you recommend?
128	A.	Rocky Mountain Power recommends that the Commission grant the Application,
129		approving the PTA and the PSA and finding them prudent and amending Rocky Mountain
130		Power's Certificate to remove the NTUA Assumed Service Territory.
131	Q.	Does this conclude your supplemental testimony?
132	A.	Yes.