

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

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**REDACTED - PUBLIC VERSION**

Supplemental Testimony of Loren P. Morse

April 2016

1 **Witness Identification and Purpose of Testimony**

2 **Q. Please state your name, business address and present position with PacifiCorp**  
3 **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  
13 Purchase and Transfer Agreement (“PTA”) and Power Supply Agreement (“PSA”) dated  
14 March 28, 2016 and to provide copies of those amendments. A copy of the Third  
15 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  
18 Exhibit RMP \_\_\_(LPM-2S) to this testimony. I will sometimes refer to the Third  
19 Amendment to PTA and the Second Amendment to PSA as the “Amendments” in this  
20 testimony.

21 **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  
24 Power Supply Agreement with Navajo Tribal Utility Authority and Amendment of

**REDACTED - PUBLIC VERSION**

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 [REDACTED]  
31 [REDACTED], Rocky Mountain Power and NTUA entered into the Amendments.  
32 The Amendments modify the provisions regarding service to Resolute [REDACTED]  
33 [REDACTED].

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 [REDACTED]  
43 [REDACTED].

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.

47 **Description of Amendments**

48 **Q. Please describe the principal terms of the Amendments.**

49 A.

[REDACTED]

50

[REDACTED]

51

[REDACTED]

52

[REDACTED]

53

[REDACTED]

54

[REDACTED] Thus, Resolute is assured that Rocky

55

Mountain Power will continue to serve it through the balance of the term of the MESAs.

56

[REDACTED]

57

[REDACTED]

58

[REDACTED]

59

[REDACTED]

60

[REDACTED]

61

[REDACTED]

62

[REDACTED]

63

[REDACTED]

64

[REDACTED]

65

[REDACTED]

66

[REDACTED]

67

[REDACTED]

68

[REDACTED]

69

[REDACTED]

70

[REDACTED]

71 [REDACTED]

72 [REDACTED]

73 [REDACTED]

74 [REDACTED]

75 Q. [REDACTED]

76 [REDACTED]

77 A. [REDACTED]

78 [REDACTED]

79 [REDACTED]

80 [REDACTED]

81 [REDACTED]

82 [REDACTED]

83 [REDACTED]

84 [REDACTED]

85 [REDACTED]

86 [REDACTED]

87 Q. [REDACTED]

88 [REDACTED]

89 A. [REDACTED]

90 [REDACTED]

91 [REDACTED]

92 [REDACTED]

93 [REDACTED]

94 [REDACTED]  
95 [REDACTED]  
96 [REDACTED]  
97 [REDACTED]  
98 [REDACTED]  
99 [REDACTED]

100 **Q. Are there any other significant changes as a result of the Amendments?**

101 A. Yes. The term of the PSA will now be firm for ten years following the transfer of service  
102 to Resolute from Rocky Mountain Power to NTUA. This term may be somewhat longer  
103 than the term of the PSA previously which was ten years from when Rocky Mountain  
104 Power transferred the first group of customers to NTUA. [REDACTED]  
105 [REDACTED]  
106 [REDACTED]  
107 [REDACTED]

108 **Q. Are these changes in the public interest?**

109 A. Yes. The modifications to the PTA and PSA resulting from the Amendments are in the  
110 public interest. First, they assure that Resolute will continue to receive service from Rocky  
111 Mountain Power throughout the term of the MESAs. Second, they assure that Resolute  
112 will be able to receive service from NTUA using power supplied by Rocky Mountain  
113 Power [REDACTED] for ten years  
114 following the transfer of service to NTUA. Third, [REDACTED]  
115 [REDACTED]  
116 [REDACTED]

117 [REDACTED]

118 [REDACTED]

119 [REDACTED]

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.