

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application
of Rocky Mountain Power for Approval
of the Power Purchase Agreement
between PacifiCorp and Kennecott
Utah Copper, LLC (Smelter)
In the Matter of the Application
of Rocky Mountain Power for Approval
of the Power Purchase Agreement
between PacifiCorp and Kennecott
Utah Copper, LLC (Refinery)
In the Matter of the Application
of Rocky Mountain Power for Approval
of the Power Purchase Agreement
between PacifiCorp and Tesoro
Refining and Marketing Company

Docket No. 13-035-152
Docket No. 13-035-153
Docket No. 13-035-154

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HEARING PROCEEDINGS  
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TAKEN AT: Public Service Commission
Hearing Room 451
160 East 300 South
Salt Lake City, Utah

DATE: Wednesday, November 13, 2013

TIME: 10:01 a.m.

REPORTED BY: Scott M. Knight, RPR

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APPEARANCES

THE HEARING OFFICER:

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Hearing Proceedings

November 13, 2013

PROCEEDINGS

THE HEARING OFFICER: Good morning. This is the time and the place duly noticed for the Commission's consideration of three separate applications relating to power purchase agreements, or PPAs. My name's Jordan White. I've been asked by the commissioners to act as a presiding officer for these hearings.

The first PPA is in Docket No. 13-035-152, In the Matter of the Application of Rocky Mountain Power for Approval of the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper, LLC. This PPA concerns the purchase by PacifiCorp of energy from the cogeneration facility located at Kennecott smelter, and therefore, I may refer to this PPA--identify it as the smelter agreement.

The second PPA is in Docket 13-035-153, In the Matter of the Application of Rocky Mountain Power for Approval of the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper, LLC. This PPA concerns the purchase of power from the refinery, so I'll refer to this as the refinery PPA from time to time.

Finally, the third PPA is at Docket 13-035-154, In the Matter of the Application of Rocky Mountain Power for Approval of the Power Purchase Agreement between PacifiCorp

1 and Tesoro Refining and Marketing.

2 With that, why don't we go ahead and take
3 appearances.

4 MR. SOLANDER: Good morning. Daniel Solander,
5 attorney for Rocky Mountain Power. And I have with me at
6 counsel table Paul Clements, senior power marketing originator.

7 MR. JETTER: And Justin Jetter representing the
8 Utah Division of Public Utilities. And with me is Division analyst
9 Charles Peterson.

10 THE HEARING OFFICER: Before we go ahead and
11 proceed, are there any procedural or housekeeping matters that
12 we need to go over?

13 MR. JETTER: No.

14 THE HEARING OFFICER: I do have one, and then
15 one suggestion. Just a bit of clarification. I've noticed in
16 several of the comments, at least from the Division, when
17 they're referring to the smelter versus the refinery PPAs, it looks
18 like--it looks like you refer to 152, you're referring to the
19 refinery. Just for clarification, it's--152 is for the smelter,
20 correct, and 153 is the refinery agreement? Is that--just so I'm
21 clear on the comments that you filed. For example, the--I
22 thought I'd make sure I'd clarify for the record.

23 So, for example, on the October 24--

24 MR. PETERSON: Excuse me.

25 THE HEARING OFFICER: No. Go ahead, Mr.

1 Peterson.

2 MR. PETERSON: We have it as 152 as the
3 refinery. Is that . . .

4 MR. SOLANDER: The Commission's website has
5 152 as the smelter.

6 THE HEARING OFFICER: Well, what I'm going by
7 is the applications we have filed. And the agreement that's
8 attached to 152, I believe, is the smelter agreement. The
9 agreement attached to 153 is the refinery agreement.

10 MR. PETERSON: And I'm looking at the Rocky
11 Mountain Power letter to the Commission on November 1. And it
12 has 152 as the refinery and 153 as the smelter.

13 THE HEARING OFFICER: Well, actually--I don't
14 want--we don't need to drill down to it much, but it was
15 confusing, because it was--on the smelter one, the 152, it says
16 that the refinery one is also being filed concurrently. I think
17 that's where the confusion derives from. But, again--

18 MR. SOLANDER: I think you had it correct.

19 THE HEARING OFFICER: Yeah, I think that
20 152--just so we're all on the same page, the 152 application is
21 with respect to the smelter application, smelter PPA, and that
22 the 153 docket is with respect to the refinery application. So,
23 again--

24 MR. PETERSON: If that's the correct style, then . . .

25 THE HEARING OFFICER: So, with that, the

1 second--I don't know how you want to handle receipt these
2 documents. I don't know if you want to do them wholesale now
3 or if you want to take them document by document.

4 MR. SOLANDER: We prefer, unless there are
5 objections from any other party, that they--the documents that
6 have been pre-filed just be admitted into the record at this time.

7 MR. JETTER: And we would concur with that. And
8 when I call Chuck as a witness, we'll just correct the numbering
9 errors.

10 THE HEARING OFFICER: Okay. No problem. So,
11 yeah, we have a series of documents. We have-- so, with that,
12 if there's no objection, we'll just go ahead and receive in the
13 record the documents filed thus far. Okay.

14 Okay. So, why don't we go ahead and begin with
15 Docket 13-035-152, which is the smelter PPA? Since this is
16 PacifiCorp's application, I'll ask Mr. Solander to proceed first.

17 MR. SOLANDER: Thank you. We have one
18 witness that is here in support of the power purchase agreement
19 between PacifiCorp and Kennecott Utah Copper, LLC, referred
20 to as the smelter, which is the 31.--or the nameplate generation
21 of up to 31.8 megawatts. Mr. Clements will provide clarification
22 regarding the size of the contract--or the size of the power
23 output in the PPA, and I would ask that he be sworn in at this
24 time.

25 THE HEARING OFFICER: Go ahead and raise your

1 right hand. Do you solemnly swear to tell the whole truth and
2 nothing but the truth?

3 MR. CLEMENTS: Yes.

4 THE HEARING OFFICER: Thank you.

5 PAUL CLEMENTS, being first duly sworn, was
6 examined and testified as follows:

7 EXAMINATION

8 BY-MR.SOLANDER:

9 Q. Could you please state and spell your name for the
10 record?

11 A. Yes. It's Paul Clements, C-L-E-M-E-N-T-S.

12 Q. And by whom are you employed and in what
13 capacity?

14 A. I'm employed by PacifiCorp as a senior power
15 marketer, originator responsible for negotiation of qualifying
16 facility agreements.

17 Q. As part of those responsibilities, did you, in fact,
18 negotiate the power purchase agreement with Kennecott Utah
19 Copper, LLC?

20 A. Yes.

21 Q. Could you please describe the previous agreement
22 very briefly and then the current agreement between PacifiCorp
23 and Kennecott Utah Copper?

24 A. Yes. We are presenting today for Commission
25 approval a qualifying facility power purchase agreement

1 between Kennecott Utah Copper and PacifiCorp. This
2 agreement provides for the sale to PacifiCorp of energy to be
3 generated by Kennecott up to 31.8 megawatts. It's from a waste
4 heat-fired cogeneration facility that has been constructed by
5 Kennecott and is located near Magna, Utah.

6 The agreement is for a term of 12 months, January
7 1, 2014, through December 31, 2014. The purchase prices set
8 forth in the agreement were calculated using the methodology
9 approved by the Commission in Docket No. 03-035-14.

10 The Company filed the original PPA for approval on
11 September 13 of 2013. On November 8 of 2013, the Company
12 filed an amended PPA in which certain changes were made to
13 the pricing in Exhibit E in response to recommendations made
14 by the Utah Division of Public Utilities. And, therefore, the
15 Company is seeking approval of the amended PPA.

16 This agreement is compliant with relevant
17 Commission orders and with Utah Schedule 38, and therefore,
18 the Company requests the Commission approve the agreement.

19 Q. Does that conclude your comments?

20 A. Yes, it does.

21 MR. SOLANDER: Mr. Clements is available for
22 questions from the parties and the Commission.

23 THE HEARING OFFICER: Mr. Jetter?

24 MR. JETTER: I have no questions, your Honor.

25 THE HEARING OFFICER: I will have some

1 questions, but I'll just go ahead and reserve those question. I'll
2 just do them in the context of the refinery PPA, if that's okay.

3 Okay. With that, why don't we go ahead and move
4 on to the refinery PPA, which is 13-035-153?

5 Mr. Solander.

6 MR. SOLANDER: Do I need to introduce Mr.
7 Clements again?

8 THE HEARING OFFICER: No, he's sworn. He's
9 sworn.

10 BY MR. SOLANDER:

11 Q. Thank you.

12 Have you prepared a summary of the agreement
13 between PacifiCorp and Kennecott Utah Copper relating to the
14 refinery facility?

15 A. Yes, I have.

16 Q. Please proceed.

17 A. Thank you. The refinery agreement provides for
18 the sale to PacifiCorp of energy to be generated by Kennecott
19 up to 7.54 megawatts for the waste heat-fired cogeneration
20 facility constructed by Kennecott and located near Magna, Utah.

21 The Company notes that Kennecott has represented
22 in the agreement that the nominal nameplate capacity is 7.54
23 megawatts, but as installed and configured at the Kennecott
24 site, only 6.2 megawatts of output can be obtained from the
25 generator.

1 The agreement is for a term of 12 months, January
2 1, 2014, through December 31, 2014. The purchase prices set
3 forth in the agreement were calculated using the methodology
4 approved by the Commission in Docket No. 03-035-14.

5 Again, the Company filed this PPA for approval
6 September 13, 2013. And then, on November 8, 2013, the
7 Company filed an amended PPA, in which certain changes were
8 made to the pricing in Exhibit E in response to recommendations
9 made by the Utah Division of Public Utilities. And the Company
10 is seeking approval of the amended PPA.

11 This agreement is compliant with relevant
12 Commission orders and with Utah Schedule 38, and therefore,
13 the Company recommends approval.

14 THE HEARING OFFICER: Mr. Jetter?

15 MR. JETTER: I have no questions.

16 THE HEARING OFFICER: As I just mentioned, I'm
17 going to have--I'm going to do something a bit unorthodox here,
18 which is--the way I see it right now, the way the case is
19 postured, we've had a series of comments and
20 recommendations, whatever, but I'm almost feeling this is more
21 of a settlement at this point. There was at least at one point
22 where the Company took issue, I guess, with the comments
23 made by the Division with respect to application of the capacity
24 factor of 85 percent to the historic use, or configuration, versus
25 the nameplate capacity.

1 So, this is what I'm going to do, which is
2 unorthodox: I'm going to state the question I'm going to ask,
3 and then I'm going to give you--I'm going to take a brief recess
4 and come back and allow you to answer them.

5 So, I guess the questions I'm going to ask are, first
6 of all, do the parties agree to the specific methodologies? And
7 by "methodologies," I'm not referring to the methodology for
8 avoided cost that was approved in, you know, the order
9 mentioned by Mr. Clements, 03-035-14. What I'm referring to is
10 the methodology of--in--specifically, in both the refinery and the
11 smelter PPAs of application of the--rather than nameplate
12 capacity, but on specific, you know, historic use, or
13 configuration.

14 Do the parties agree that these--or do they believe
15 that these methodologies used to develop the pricing for these
16 two PPAs, or a Commission order to approve the same, would
17 not have precedential value in any future cases with respect to
18 PPAs? And if the answer to that is yes, in other words, they do
19 have some kind of precedential value, then I guess the question
20 would be, do the parties have a proposal as to when the
21 Commission would apply nameplate capacity versus the--you
22 know, the methods that are, you know--I assume were utilized
23 for the amended PPAs that are now before us, and when
24 those--and how they should actually--you know, what standards
25 would be used to consider those, I guess.

1 MR. SOLANDER: I don't think we need to recess. If
2 I can just confer with my client for a moment--I think I know
3 what the answer is, but let me confer with him.

4 THE HEARING OFFICER: Let me ask Mr. Jetter:
5 Do you want a minute or--

6 MR. JETTER: I could use a minute, yeah.

7 THE HEARING OFFICER: Why don't we go ahead,
8 if it's okay with you guys--why don't we go off the record for--is
9 five minutes okay or is ten minutes okay?

10 MR. JETTER: Five minutes is sufficient.

11 THE HEARING OFFICER: Why don't we go ahead
12 and reconvene at 10:15. Does that make sense? We'll go
13 ahead and go off the record now.

14 (Recess taken, 10:13-10:21 a.m.)

15 THE HEARING OFFICER: Let's go ahead and go
16 back on the record. Where we last left off, I threw out a couple
17 of questions I was hoping the parties could consider briefly in
18 recess, and I'm going to ask them again. So, I'll go ahead and
19 ask the Division, I guess, the first question, which is--you know,
20 again, understanding that my view of this is what we have really
21 before the Commission is essentially a settlement with respect
22 to this specific-- again, I've got to be careful, I'm using the word
23 "methodology," because I know we have the established QF, you
24 know, avoided cost methodology that's already been
25 approved--but more of application of generation--generator-

1 specific alterations, I guess, to pricing.

2 Is it the Division's view that this is something that's
3 like a new methodology going forward or is this just specific to
4 the right outcome for these PPAs in general?

5 MR. JETTER: I think I can just quickly address
6 both questions. In the Division's view, this is something that we
7 would prefer to deal with on a case-by-case basis. And, so, we
8 don't think that this particular docket or these sets--this set of
9 dockets today would have any precedent going forward.

10 I think, certainly, we may propose the same type of
11 calculation in the future if we have a history of use, but I don't
12 think that we can say with any certainty how we might apply it in
13 the future. And I don't think we would like to set any precedent
14 here. We simply feel that it was appropriate for the two
15 QFs--PPAs in the 152, 153 dockets.

16 THE HEARING OFFICER: So, just make
17 sure--you're saying that you're reserving the right to bring up
18 this type of historic use, or what have you, application in the
19 future but you think that as--but you're not saying that you
20 would rely on this in the future for, you know, some kind of--the
21 Commission's approval of this type of calculation?

22 MR. JETTER: I think that's correct. I don't think
23 that we would rely on these dockets as any precedent or point
24 back to them at any point in the future. I think if we were to
25 make the same argument again, it would just stand on its own

1 merits at that time where we could debate that methodology in
2 the future if we wanted.

3 THE HEARING OFFICER: If the Commission were
4 to adopt for these specific agreements, what would be--would
5 the Division plan on proposing standards for approval or going
6 forward on--I mean, when would this be applied for nameplate
7 versus historic, or configuration?

8 MR. JETTER: I think it would just have to be on a
9 case-by-case basis. I don't think we really thought through how
10 we would apply it in all cases, necessarily, to the various types
11 of QFs.

12 THE HEARING OFFICER: Do you have an answer
13 for why this would be in the public interest to apply this type of
14 calculation for this--these particular PPAs--the smelter and
15 refinery? And I'm assuming it's a similar, I guess, view for both,
16 correct? In other words, it's based on historic use, or
17 configuration, rather than nameplate?

18 MR. JETTER: Yes. Simply the basis is that it's the
19 best, most accurate information available. And when we have a
20 historic pattern of output from a certain QF, we think it's better
21 to price based on the best available data. And in certain cases
22 where we have fairly reliable longer- term historical data, we
23 think it's better to use the more simplified formula, the 85
24 percent.

25 THE HEARING OFFICER: So would that be the

1 standard, then, going forward? I mean, reserving the Division's
2 right to look at it case-by-case, but is that generally what would
3 be used if there's historical data to utilize, that that would be
4 the application versus nameplate?

5 MR. JETTER: I think that's fair to say. I think
6 that--that principle is something that the Division would be fairly
7 likely to stand behind again in the future.

8 MR. SOLANDER: Your Honor, if I could jump in on
9 that one point. One thing that Mr. Jetter hasn't touched on is, if
10 this was to be establishing a precedent, that issue wasn't
11 noticed in this proceeding, and there could have been other
12 interested parties, including the Office or other QF developers
13 or owners, who might have wished to comment if the
14 Commission was seeking to establish a standard that in X
15 situation, historical usage or historical data would be applied;
16 otherwise, the 85 percent would apply.

17 I think that creating a rule or standard in this
18 proceeding, creating precedent in that way would leave parties
19 on the outside who may have wished to comment if that issue
20 had been noticed and that they thought that that was going to
21 be an issue that the Commission was going to be deciding in
22 this proceeding.

23 MR. JETTER: I think I would agree with that. I'm
24 just trying to give you a little bit of answer to what the Division's
25 thoughts are, but I don't think that this should set any

1 precedent. There's a lot of other interested parties and
2 different QFs that aren't represented here that may object to
3 this, and they should have a fair opportunity to be involved
4 when it's with respect to their particular generation facility.

5 THE HEARING OFFICER: Let's just--I may ask
6 some additional questions, but I'll let Rocky Mountain Power
7 respond to the question.

8 MR. SOLANDER: Sure. We believe in this case
9 the Division's recommendations as to these two facilities were
10 reasonable. We didn't intend this to be precedential. And we
11 believe that, you know, in future QFs, if appropriate, if there
12 were similar situations, this could be evaluated on a
13 case-by-case basis. But we don't believe there's the need to
14 establish a standard or a precedent going forward regarding
15 other QFs or even these same QFs in the future.

16 THE HEARING OFFICER: Do you believe the
17 pricings that are established here for the amended PPAs are
18 just and reasonable and in the public interest?

19 MR. SOLANDER: We do, and we support the
20 Division's recommendations. And that's why we filed the
21 amended contracts that resulted in those prices, and we do
22 believe they are.

23 THE HEARING OFFICER: I guess I'll have the
24 same question for you.

25 MR. JETTER: Yes, Your Honor, we do believe that

1 amended contract pricing is in the public interest, and the
2 remainder of the contract's also in the public interest.

3 THE HEARING OFFICER: So, just--again, not to
4 keep hitting on this point, but it sounds like both the Division
5 and the Company are saying that they don't believe that--as to
6 these specific contracts and the application which, you know,
7 ultimately derive the pricing--these two PPAs should be
8 precedential, but rather that if, in fact, the Division were
9 to--proposes that the methodology going forward--that they
10 would, you know, potentially in the future provide some type of
11 standards for approval or, you know, further, you know,
12 indication that this would be the new world view going forward, I
13 guess. Is that correct?

14 MR. JETTER: Yeah, I think that's an accurate
15 statement. I think--I don't know at this point what type of docket
16 or what avenue we would take for doing that. But I think--in
17 fact, that's an open question left for the future as to how these
18 are going to be done.

19 THE HEARING OFFICER: Let me ask this
20 question. In--I believe it was Rocky Mountain Power's
21 comment--Rocky Mountain Power's comment at one point, they
22 indicated that-- you know, and I understand--I'm not going to get
23 too deep into this, because I'll make myself look very
24 foolish--but my understanding of how kind of the stack works in
25 grid is that basically the more megawatts you have, the less

1 you're going to get, meaning the pricing, right? The way the
2 stack works.

3 So, I guess my question is: Is there a
4 potential--because based upon the comments I saw from Rocky
5 Mountain Power, there's no limitation on the amount of power
6 that the Company would be required to purchase--is there a
7 potential for Kennecott to get the higher price based upon a
8 lower, you know, potential output, but ultimately get paid a
9 higher price than they would have gotten if they would have--it
10 would have been based on the nameplate capacity?

11 And let me just ask that to Rocky Mountain Power,
12 actually.

13 MR. CLEMENTS: Sure, I can provide a response.
14 The Commission--you are correct in your statement that the
15 more megawatts that you put into the grid bottle determine the
16 avoided cost, the lower the avoided cost will be. It's not a very
17 large change when we're talking about the size of generators,
18 but it does have an impact.

19 And, so, what the Company looked at was trying to
20 utilize the amount of output that is expected from these
21 facilities. And in the case of the smelter, there is a reasonable
22 and fairly lengthy operating history at that facility. And it's
23 reasonable to assume that that facility will continue to operate
24 at that level, and therefore, using that historical information,
25 would calculate the most accurate avoided cost in this instance.

1 We have not received any indication from
2 Kennecott that they intend to alter the operational schematic for
3 that facility, and so we expect it will continue to operate as it
4 has historically. And therefore, to calculate the most accurate
5 avoided cost for this particular PPA, it would be appropriate to
6 use the average expected output based on historical data.

7 There may be instances where that might not be
8 appropriate if the counterparty says our operations are going to
9 change from something that's been historically seen. And, then,
10 we'd have to evaluate that on a case-by-case basis. But, in this
11 instance, we believe that the use of the historical for the smelter
12 and the adjusted nameplate for the refinery is the most accurate
13 information that we have and that will result in the most
14 accurate avoided cost that's compliant with the methodology in
15 the 03--I guess it's the 03-035-14 docket.

16 THE HEARING OFFICER: So, is it safe to say
17 there's no concerns from either the Division or Rocky Mountain
18 Power of a potential issue with the ratepayer neutrality
19 standards under PURPA based upon the pricing that's contained
20 in these two PPAs?

21 MR. CLEMENTS: No, we don't have any concerns
22 in these particular PPAs.

23 MR. JETTER: I don't think we have any concern
24 either.

25 And to go back to the point of why we kind of think

1 they should be on an individual case-by-case basis: One of the
2 first things is, the 85 percent calculation nameplate, you could
3 have the same issue there where you calculate it at 85 and they
4 actually maybe come out at 95 percent or something. They
5 might potentially be selling a little bit more power than was
6 expected.

7 And, additionally, you could have a situation where
8 one of the QFs is--has a historical output of, let's just for a
9 hypothetical, 10 megawatts every year or something or--and
10 they take a two-year period where they shut down that
11 generation for whatever reason and then they come back online.

12 I think that's a great example where you'd want to
13 take an individual look at that one, because those two years
14 may not be reflective of what we expect to be the output to be,
15 and it may skew the data a little bit. But an individualized look
16 at that may say: Well, a historical data from the third year back
17 on--on back through history gives us a real good idea of what
18 we're going to expect.

19 And I guess from the Division's point of view, that's
20 why we think the case-by-case basis gets us the closest
21 probably to the ratepayer neutrality standard by getting the
22 closest estimate of what the output will be from that particular
23 generator for the period of the contract.

24 THE HEARING OFFICER: Is there anything else
25 the parties want to--have any other comments on these

1 particular applications before we proceed with the Tesoro
2 application?

3 MR. JETTER: No.

4 THE HEARING OFFICER: Okay. Why don't we go
5 ahead and do that?

6 And, Mr. Solander, let's move on to Docket
7 13-035-154, the Tesoro PPA.

8 BY MR. SOLANDER:

9 Q. Mr. Clements, would you provide a short summary
10 of the contract between Kennecott and Tesoro Refining and
11 Marketing Company?

12 MR. CLEMENTS: Yes. The Company has entered
13 into a qualified facility power purchase agreement with Tesoro
14 Refining and Marketing Company. The agreement provides for
15 the sale to PacifiCorp of energy from the Tesoro facility up to 25
16 megawatts. This is a gas-fired cogeneration facility that's
17 owned by Tesoro and located on the north side of Salt Lake
18 City, Utah.

19 The agreement is for a term of 12 months, January
20 1, 2014, through December 31, 2014. And the purchase price is
21 set forth in this agreement were calculated using the
22 methodology approved by the Commission in Docket 03-035-14.
23 This agreement is compliant with all relevant Commission orders
24 concerning avoided costs and with Utah Schedule 38 and the
25 Company recommends approval.

1 THE HEARING OFFICER: Mr. Jetter.

2 MR. JETTER: I have no questions, your Honor.

3 Thank you.

4 THE HEARING OFFICER: And does the Division
5 have any comment on this application?

6 MR. JETTER: We don't have any specific comment
7 for this one.

8 If you'd like, we could call a witness and go on the
9 record for maybe three--all three together, if that would be
10 acceptable.

11 THE HEARING OFFICER: Yeah. Why don't we go
12 ahead and do that?

13 MR. JETTER: At this time, we'd like to swear in
14 Charles Peterson.

15 THE HEARING OFFICER: Do you solemnly swear
16 to tell the whole truth and nothing but the truth?

17 MR. PETERSON: Yes.

18 THE HEARING OFFICER: Be seated.

19 CHARLES E. PETERSON, being first duly sworn,
20 was examined and testified as follows:

21 EXAMINATION

22 BY-MR.JETTER:

23 Q. Mr. Peterson, would you please state your name
24 and occupation and place of business for the record?

25 A. Charles E. Peterson, S-O-N. I'm a technical

1 consultant for the Division of Public Utilities in the Heber Wells
2 Building here.

3 Q. Thank you. Mr. Peterson, have you reviewed the
4 application materials submitted in the Dockets 13-035-152, 153,
5 and 154?

6 A. Yes.

7 Q. And have you reviewed all of the filings in addition
8 to the application materials by the Company?

9 A. Yes.

10 Q. And did you make a recommendation in each of
11 these three dockets?

12 A. Yes, I did.

13 Q. And based on the amended application in 152 and
14 153, do you recommend approval of the application with those
15 updated figures for the pricing?

16 A. Yes, on behalf of the Division, I do.

17 Q. Thank you. And do you recommend approval of the
18 initial application power purchase agreement in 154 docket?

19 A. Yes.

20 Q. And do you believe the pricing and other terms in
21 those power purchase agreements, if approved, would be just,
22 reasonable, and in the public interest?

23 A. Yes, as applied to these particular plants.

24 Q. Are you aware of any opposition to acceptance or
25 approval by the Commission of any of the terms or any of the

1 parts of either three dockets?

2 A. I'm not aware of any disagreements outstanding.

3 Q. Thank you.

4 MR. JETTER: I have no further questions.

5 THE HEARING OFFICER: Mr. Solander.

6 MR. SOLANDER: No questions. Thank you.

7 MR. PETERSON: Your Honor, do you want me to
8 make on the record a statement regarding the docket numbers
9 that are appropriate to--

10 THE HEARING OFFICER: I think the record's clear
11 from--based upon the statements that Mr.--

12 MR. PETERSON: There's clearly confusion.

13 THE HEARING OFFICER: Why don't we go ahead
14 and--I understand that both of these are--all three are set to
15 expire, I guess, within this year. So, why don't we go ahead and
16 take a brief recess and we'll be back. And-- because I'm not
17 going to excuse the witnesses for now, because I know you want
18 to reserve the right if there's any additional questions. But why
19 don't we go ahead and go off the record for now?

20 (Recess taken, 10:38-10:42 a.m.)

21 THE HEARING OFFICER: Let's go ahead and go
22 back on the record.

23 Thanks very much for your patience, everyone's
24 comments and testimony today. Based upon the Commission's
25 review of the applications and the comments filed in these

1 dockets, along with the statements made in the hearings this
2 morning, the Commission approves PacifiCorp's applications in
3 Dockets No. 13-035-152 and 13-035-153, and specifically the
4 amendments to the purchase agreements--the power purchase
5 agreements that were filed on November 8, 2013.

6 The Commission also approves, for the same
7 reasons, based upon the applications in 13--
8 the application in Docket No. 13-035-154, and the comments
9 received and testimony here today, that PPA also with Tesoro.

10 The Commission will issue written orders
11 memorializing these bench orders in due course.

12 Unless the parties have any further matters to
13 address, we'll go ahead and adjourn. Before I say that, both of
14 the witnesses are excused.

15 Thanks, everyone, today.

16 (Proceedings adjourned at 10:43 a.m.)

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CERTIFICATE

This is to certify that the foregoing proceedings were taken before me, SCOTT M. KNIGHT, a Registered Professional Reporter and Notary Public in and for the State of Utah, residing at South Jordan, Utah;

That the proceedings were reported by me in stenotype and thereafter caused by me to be transcribed into typewriting, and that a full, true, and correct transcription of said proceedings so taken and transcribed is set forth in the foregoing pages, inclusive.

I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the event thereof.

Scott M. Knight, RPR
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