



On August 28, 2014, the Commission's designated Presiding Officer conducted a hearing to consider the Application. At hearing, PacifiCorp, the Division and the Office provided testimony recommending Commission approval of the Application. Tesoro's counsel also provided a statement recommending approval of the Application. No party provided testimony in opposition to approval of the Application. At the conclusion of the hearing, the Presiding Officer issued a bench order approving the Agreement. This order memorializes that bench ruling.

**DISCUSSION, FINDINGS AND CONCLUSIONS**

**I. The Agreement**

According to the Application, the Agreement provides for the sale to Tesoro of firm power and energy to meet the requirements of Tesoro's facility, net of any such requirements satisfied by Tesoro's own self-generation. Tesoro's facility is located in Salt Lake City in PacifiCorp's service territory. The Agreement is for a [REDACTED].

**A. Parties' Positions**

**1. Applicant**

PacifiCorp's Application requests the Commission find the terms and conditions of the Agreement to be just, reasonable and in the public interest. PacifiCorp explains the Agreement is consistent with the prices and other terms related to [REDACTED]

[REDACTED]. PacifiCorp states the proceeding in which prices and other terms related to Schedule 31, in Docket No. 13-035-196, recently concluded with a final order issued by the Commission on July 23, 2014. See *In the Matter of the Application of Rocky*

*Mountain Power for Approval of Revisions to Back-Up, Maintenance, and Supplementary Power Service Tariff, Electric Service Schedule 31*, Docket No. 13-035-196 (Order Confirming Bench Ruling; July 23, 2014) (“Schedule 31 Order”).<sup>1</sup>

PacifiCorp states that most customers needing partial requirements service must take it under Schedule 31, pursuant to the Schedule 31 Order. Customers with more than 15,000 kW of on-site generation may take such service by agreement. PacifiCorp states that under the Agreement, Tesoro represents that it generates more than 15,000 kW of on-site electricity and therefore qualifies to take partial requirements service by separate agreement.

## **2. The Division**

At hearing, the Division testified the Agreement should be approved and that its terms are just, reasonable, and in the public interest. In its comments, the Division indicates that although the Agreement does not explicitly mention surcharges, in a meeting with the Division and the Office on August 19, 2014, PacifiCorp indicated the surcharges (including Energy Balancing Account, Demand Side Management, etc.) also apply to the Agreement. The Division’s comments further indicate that according to the Agreement, if any provision of the Agreement conflicts with the Electric Service Regulations, the Agreement takes precedence.

## **3. The Office**

At hearing, the Office testified that the Agreement makes no specific reference to Commission-approved surcharges being applied to Tesoro’s bills in the same manner applicable

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<sup>1</sup> The Commission observes that, at the request of PacifiCorp, the settlement stipulation addressing PacifiCorp’s application to revise Schedule 31 was approved by the Commission pursuant to its bench ruling at the hearing in Docket No. 13-035-196 on June 30, 2014.

to other customers. Based on discussions with PacifiCorp, however, the Office testifies it is satisfied that it is PacifiCorp's intent to apply Commission-approved surcharges to Tesoro's bills. To eliminate any question, however, the Office recommends the Commission should specifically require that Tesoro is subject to following Commission-approved surcharges as well as any subsequent surcharges that may arise over the [REDACTED] term of the Agreement: Rocky Mountain Power Electric Service Schedule Nos. 91, Surcharge to Fund Low Income Residential Lifeline Program ("Schedule 91"); 94 Energy Balancing Account (EBA) Pilot Program ("Schedule 94"); 98, REC Revenues Credit ("Schedule 98"); 193, Demand Side Management (DSM) Cost Adjustment ("Schedule 193"); and 195, Solar Incentive Program Cost Adjustment ("Schedule 195"). With that clarification, the Office testified the Agreement is just and reasonable in result and recommended Commission approval.

**B. Findings and Conclusions**

Based on our review of the Application, the Agreement, the comments filed in this docket, the testimony and comments provided at the hearing, and the lack of opposition to the Application, we find the prices, terms and conditions of the Agreement are just and reasonable and in the public interest. We further conclude the Office's request that the Commission provide clarity regarding application to the Agreement of Commission-approved surcharges as well as any subsequent surcharges that may arise over the [REDACTED] term of the Agreement, is reasonable.

**ORDER**

Pursuant to the foregoing discussion, findings and conclusions, we order:

1. The Agreement between PacifiCorp and Tesoro is approved, effective September 1, 2014.
2. The Agreement is subject to all Commission-approved surcharges as well as any subsequent surcharges that may arise over the [REDACTED] term of the Agreement, including but not limited to: Rocky Mountain Power Electric Service Schedule Nos. 91, 94, 98, 193 and 195.

DATED at Salt Lake City, Utah, this 25<sup>th</sup> day of September, 2014.

/s/ Jordan A. White  
Presiding Officer

Approved and confirmed this 25<sup>th</sup> day of September, 2014, as the Order of the  
Public Service Commission of Utah.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary  
DW#260854

DOCKET NO. 14-035-107

- 6 -

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 25<sup>th</sup> day of September, 2014, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center ([datarequest@pacificorp.com](mailto:datarequest@pacificorp.com))  
PacifiCorp

Dave Taylor ([dave.taylor@pacificorp.com](mailto:dave.taylor@pacificorp.com))  
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Administrative Assistant