

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the
Application of Rocky Mountain
Power for Approval of the
Power Purchase Agreement Docket No. 14-035-145
Between PacifiCorp and
Tesoro Refining & Marketing
Company

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HEARING PROCEEDINGS  
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TAKEN AT: Public Service Commission
 Hearing Room 403
 160 East 300 South, 4th Floor
 Salt Lake City, Utah 84145-0585

DATE: Thursday, January 22, 2015

TIME: 10:00 a.m.

REPORTED BY: Teena Green, CSR, RPR, CRR, CBC

1 APPEARANCES

2 HEARING OFFICER: JORDAN WHITE

3
4 FOR ROCKY MOUNTAIN POWER:

5 DANIEL E. SOLANDER

6 Senior Counsel

7 ROCKY MOUNTAIN POWER

8 201 South Main Street, Suite 2300

9 Salt Lake City, Utah 84111

(801) 220-4014

10 daniel.solander@pacificorp.com

11 FOR DIVISION OF PUBLIC UTILITIES:

12 JUSTIN C. JETTER

13 ASSISTANT ATTORNEY GENERAL

14 COUNSEL FOR THE DIVISION OF PUBLIC UTILITIES

15 160 East 300 South

16 P.O. Box 140857

17 Salt Lake City, UT 84114-0857

18 (801) 537-9204

19 jjetter@utah.gov

20 FOR OFFICE OF CONSUMER SERVICES:

21 REX OLSON, ESQ.

22 ASSISTANT ATTORNEY GENERAL

23 160 East 300 South, Second Floor

24 Salt Lake City, Utah 84114(801) 366-0137

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| (Memorandum filed by the Division of Public Utilities, dated January 14, 2015, was received into evidence.) | 11 |

1 January 22, 2015 10:00 a.m.

2 P R O C E E D I N G S

3
4 THE HEARING OFFICER: All right. We'll go
5 ahead and go on the record.

6 Good morning. This is the time and place
7 noticed for Commission consideration of the
8 application of Rocky Mountain Power for approval of
9 the Power Purchase Agreement between PacifiCorp and
10 Tesoro Refining & Marketing Company in Docket
11 14-035-145.

12 My name is Jordan White, I'll be acting as
13 presiding officer for this hearing.

14 Let's go ahead and take appearances and
15 start with Mr. Olson.

16 MR. OLSON: Rex Olson on behalf of the
17 Office of Consumer Services.

18 MR. JETTER: And Justin Jetter
19 representing the Utah Division of Public Utilities.
20 And with me at counsel table is Charles Peterson,
21 technical consultant for the Division of Public
22 Utilities.

23 MR. SOLANDER: Good morning.
24 Daniel Solander on behalf of Rocky Mountain Power. I
25 have with me at counsel table Paul Clements, director

1 of marketing and origination of PacifiCorp.

2 THE HEARING OFFICER: All right. Before
3 we proceed, just as a reminder, with respect to the
4 Division's memorandum, or actually request for
5 response that was filed on January 14, there is some
6 information that's been redacted as confidential. So
7 just to the extent that there's information that folks
8 have a claim or believe there's a claim for
9 confidentiality, just please give us a heads up so
10 that the court reporter can properly mark the record
11 and then we can clear folks from the hearing room who
12 have not signed an NDA or who are not otherwise
13 entitled to hear or see information pursuant to a
14 statutory redaction.

15 Okay. Mr. Solander, this is Rocky
16 Mountain Power's application, so I'll go ahead and let
17 you proceed.

18 MR. SOLANDER: Thank you.

19 Rocky Mountain Power would like to call
20 Paul Clements as its witness for the application.

21 THE HEARING OFFICER: Raise your right
22 hand.

23 Do you solemnly swear that the testimony
24 you are about to give is the whole truth and nothing
25 but the truth?

1 THE WITNESS: Yes.

2 THE HEARING OFFICER: Thank you.

3 PAUL CLEMENTS,

4 called as a witness for and on behalf of Rocky
5 Mountain Power, being first duly sworn, was examined
6 and testified as follows:

7 DIRECT EXAMINATION

8 BY MR. SOLANDER:

9 Q. Could you please state your name and
10 business address for the record.

11 A. Yes.

12 My name is Paul Clements, C-L-E-M-E-N-T-S,
13 and I am at 201 South Main Street, Suite 2300, Salt
14 Lake City, Utah, 84010.

15 Q. And by whom are you employed and in what
16 capacity?

17 A. I'm employed by PacifiCorp, and I'll make
18 a slight correction to my title. While I appreciate
19 the promotion, I'm a senior power marketer for
20 PacifiCorp Energy.

21 Q. And as part of your duties as senior power
22 marketer, were you responsible for the negotiation of
23 the nonfirm power purchase agreement between Tesoro
24 and PacifiCorp?

25 A. Yes.

1 Q. Can you please describe the agreement and
2 the negotiation of the agreement and the agreement
3 itself?

4 A. Yes.

5 A very brief summary of the agreement --
6 and none of the information in my summary is
7 considered confidential.

8 I appreciate this opportunity to present
9 today before the Commission and request approval of
10 the qualifying facility Power Purchase Agreement
11 between Tesoro Refining & Marketing Company and
12 PacifiCorp.

13 The agreement provides for sale to
14 PacifiCorp of energy to be generated by Tesoro up to
15 25 megawatts from their gas-fired cogeneration
16 facility, which is owned by Tesoro and located in Salt
17 Lake City, Utah. This agreement is for a term that
18 goes through December 31, 2015. The parties currently
19 have in place a short-term bridging power purchase
20 agreement, which is not a QF agreement but an
21 agreement that the parties entered into that is
22 covering deliveries from the facility until this
23 agreement which is before the Commission today is
24 approved and effective, at which time the short-term
25 power purchase agreement will terminate and be

1 replaced with this agreement before the Commission.

2 The purchase prices set forth in this
3 agreement were calculated using the methodology
4 approved by the Commission in Docket No. 03-035-14.
5 On January 14, 2015, the Division of Public Utilities
6 filed their report in which they recommended the
7 Commission approve the agreement.

8 To my knowledge, no other party has filed
9 comments on the Company's application. The Company
10 represents this agreement is compliant with relevant
11 Commission orders and with Utah Schedule No. 38. And
12 therefore, the Company requests the Commission approve
13 the agreement.

14 Q. Does that conclude your summary?

15 A. Yes, it does.

16 MR. SOLANDER: Mr. Clements is available
17 for questions from the Commission or from other
18 parties.

19 MR. JETTER: No questions from the
20 Division.

21 MR. OLSON: No questions.

22 THE HEARING OFFICER: Do you --

23 MR. SOLANDER: I was just going to say, we
24 would ask that the agreements entered into on the 14th
25 of November and the Company's application both be

1 entered into the record as evidence.

2 THE HEARING OFFICER: Any objection?

3 MR. OLSON: No objections.

4 THE HEARING OFFICER: They're received.

5 (The agreements entered into on the 14th
6 of November and the Company's application were
7 received into evidence.)

8 THE HEARING OFFICER: One question, I
9 guess, and I don't mean to jump ahead here, but I'm
10 assuming since you're going to bridge -- you're going
11 to request a bench ruling today?

12 MR. SOLANDER: That would be our intent,
13 yeah.

14 THE HEARING OFFICER: And so the requested
15 effective date, I guess if it is granted, would be
16 today, then.

17 Is that the requested effective date?

18 THE WITNESS: Yes, that would be correct.

19 THE HEARING OFFICER: Okay. All right.
20 Mr. Jetter?

21 MR. JETTER: Thank you, Your Honor.

22 The Division would like to have sworn in
23 Charles Peterson.

24 THE HEARING OFFICER: Do you solemnly
25 swear that the testimony you are about to give is the

1 whole truth and nothing but the truth?

2 THE WITNESS: Yes.

3 CHARLES PETERSON,
4 called as a witness for and on behalf of the Division
5 of Public Utilities, being first duly sworn, was
6 examined and testified as follows:

7 DIRECT EXAMINATION

8 BY MR. JETTER:

9 Q. Mr. Peterson, would you please state your
10 name and occupation for the record.

11 A. Charles E. Peterson, I'm a technical
12 consultant with the Division of Public Utilities, and
13 our address is 160 East 300 South in Salt Lake City.

14 Q. Thank you.

15 And have you had an opportunity to review
16 the application and exhibits attached to that
17 application filed by Rocky Mountain Power in this
18 docket?

19 A. Yes, I have.

20 Q. And did you prepare a memorandum filed by
21 the Division of Public Utilities, dated January 14,
22 2015?

23 A. Yes.

24 Q. And does that document continue to reflect
25 the position of the Division of Public Utilities?

1 A. Yes.

2 Q. Are there any edits or changes that you
3 would like to make at this time?

4 A. Yes, one small edit on page 5.

5 I incorrectly designated Michelle Beck and
6 Cheryl Murray as being with the committee of consumer
7 services. That's an obsolete designation, they are
8 not at the Office of Consumer Services. Otherwise,
9 I'm unaware of any other corrections.

10 Q. Thank you.

11 The Division would like to move to enter
12 this document into the record.

13 THE HEARING OFFICER: Any objection?

14 MR. OLSON: No objection.

15 THE HEARING OFFICER: It's received.

16 (Memorandum filed by the Division of
17 Public Utilities, dated January 14, 2015, was received
18 into evidence.)

19 BY MR. JETTER:

20 Q. Thank you.

21 Are you aware of any opposition to
22 approval of this?

23 A. I'm not aware of any opposition.

24 Q. And do you believe that approval would be
25 just, reasonable, and in the public interest?

1 A. Yes, I do.

2 Q. Thank you.

3 And I would just like to proffer, on
4 behalf of the Division, that we would support a bench
5 order, effective immediately, for this application.

6 Thank you. I have no further questions
7 for Mr. Peterson.

8 THE HEARING OFFICER: Did you have any
9 summary or are you available to cross-examine?

10 MR. JETTER: Yes, he's available for
11 cross.

12 MR. SOLANDER: No questions. Thank you.

13 MR. OLSON: No questions.

14 THE HEARING OFFICER: Mr. Olson?

15 MR. OLSON: The Office has reviewed the
16 application and would like to make no comment, so --

17 THE HEARING OFFICER: No comment, okay.
18 Okay. Well, so we have a request for a
19 bench ruling.

20 Why don't we go ahead, then, and take a --
21 was there something -- the other matters --

22 MR. SOLANDER: I mean I would also
23 request, if possible, that the Commission follow up
24 the bench order with a written order by February 1,
25 which is the day that the interim agreement expires,

1 just so that we can memorialize the bench order before
2 that will occur. I'm sorry, the end of February.

3 THE HEARING OFFICER: By the end of
4 February, okay. We'll definitely consider that into
5 your request.

6 Just a brief recess.

7 (A recess was taken.)

8 THE HEARING OFFICER: Let's go ahead and
9 go back on the record.

10 Appreciate the participation this morning.

11 Having considered PacifiCorp's
12 application, the comments filed in this docket by the
13 Division and the recommendation and from the lack of
14 opposition or silence from the Division, we infer
15 no opposition -- sorry, from the Office -- we infer no
16 opposition from the Office. The fact the opposition
17 is otherwise unopposed, the Commission finds the
18 approval of the application and the agreement
19 addressed therein as just and reasonable and in the
20 public interest and includes such approval -- relevant
21 statutes, rules, and Commission orders.

22 And therefore, the Commission approves the
23 application in Docket No. 14-035-145. This bench
24 order has been approved and confirmed by the
25 Commission and a written memorialization of this

1 decision will be filed. The effective approval date
2 for this agreement is today, which is January 22 --
3 21, 2015.

4 Before we adjourn today, are there any
5 other -- the effective date of this agreement is
6 January 22, 2015.

7 MR. EVANS: The effective date of the
8 approval?

9 THE HEARING OFFICER: The approval meaning
10 the --

11 MR. EVANS: The Commission's order.

12 THE HEARING OFFICER: So just to be clear,
13 so, yes, the effective day of our approval is --
14 effective date, wouldn't that coincide with the
15 effective date of the agreement?

16 MR. CLEMENT: Correct.

17 THE HEARING OFFICER: I just want to make
18 sure that you have what you need for -- we approve the
19 agreement effective today.

20 Is that --

21 MR. SOLANDER: The 22nd.

22 THE HEARING OFFICER: The 22nd of January
23 2015.

24 Okay. Are there any other matters we need
25 to address before we adjourn?

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MR. JETTER: I don't think so.
THE HEARING OFFICER: Okay. We're
adjourned. Thank you.
(Concluded at 10:19 a.m.)

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CERTIFICATE

This is to certify that the proceedings in the foregoing matter were reported by me in stenotype and thereafter transcribed into written form;

That said proceedings were taken at the time and place herein named;

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

Teena Green

Teena Green, RPR, CSR, CRR, CCG

