

- 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 Tesoro Refining and Marketing Company)
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DOCKET NO. 14-035-145

ORDER CONFIRMING BENCH RULING

APPROVING QUALIFYING FACILITY

CONTRACT

ISSUED: February 12, 2015

SYNOPSIS

The Commission approves the Power Purchase Agreement (“PPA”) between PacifiCorp and Tesoro Refining & Marketing Company LLC (“Tesoro”) for purchase of energy from Tesoro’s cogeneration facility.

PROCEDURAL HISTORY AND BACKGROUND

On November 18, 2014, PacifiCorp, doing business in Utah as Rocky Mountain Power (“PacifiCorp”), filed an Application for approval of the PPA. On November 25, 2014, the Commission held a scheduling conference and issued a Scheduling Order and Notice of Hearing (“Scheduling Order”). Pursuant to the Scheduling Order, the Division of Public Utilities (“Division”) filed comments on January 14, 2015, explaining that the Commission previously found the method PacifiCorp employed in the PPA for calculating avoided costs to be just, reasonable, and in the public interest and that the PPA complies with the Commission’s applicable pre-existing orders.

On January 28, 2015, the Commission’s designated Presiding Officer held a hearing wherein PacifiCorp and the Division provided testimony supporting Commission approval of the Application. The Office of Consumer Services (“Office”), though represented at the hearing,

provided no comment. At the hearing's conclusion, the Presiding Officer issued a bench order approving the PPA, effective January 22, 2015. This order memorializes that bench ruling.

DISCUSSION, FINDINGS AND CONCLUSIONS

Under the PPA, Tesoro will sell energy to PacifiCorp that Tesoro generates from its cogeneration facility located in Salt Lake City, Utah. The PPA is a non-firm contract. Tesoro's cogeneration facility has a Nameplate Capacity Rating of 25.0 megawatts, and the PPA estimates the annual energy Tesoro will deliver under the contract will be 10,000 megawatt hours subject to limitations the parties specify in the agreement. By its terms, the PPA is to become effective upon execution of the parties and the Commission's approval and expires on December 31, 2015.

A. Parties' Positions

1. Applicant

In its Application, PacifiCorp represents it is a "purchasing utility" pursuant to Utah Code Ann. § 54-12-2, and as such is obligated to purchase power from "qualifying facilities" under the Public Utility Regulatory Act of 1978 ("PURPA"), Utah Code Ann. § 54-12-1, *et seq.*, and Commission orders. The Application further notes that Tesoro represents it is a "qualifying facility" in the PPA.

According to PacifiCorp, the purchase prices set forth in the PPA were calculated using the method the Commission previously approved in a series of orders the Commission issued in Docket No. 03-035-14, *In the Matter of the Application of PacifiCorp for Approval of an IRP-Based Avoided Cost Methodology for QF Projects Larger than One Megawatt*. PacifiCorp further testified the PPA is compliant with relevant Commission orders and with Electric Service

Schedule No. 38 (“Schedule 38”). PacifiCorp represents all interconnection requirements have been met and the Tesoro facility will be fully integrated with the PacifiCorp system.

2. The Division and the Office

In its filed comments, the Division concurred that the method PacifiCorp employed to calculate avoided cost is consistent with the Commission’s prior orders. At hearing, the Division recommended approval of the PPA, and the Division further testified that the pricing and other terms of the PPA are just, reasonable, and in the public interest. The Office’s counsel represented at hearing that the Office had reviewed the Application and that the Office declined to make comment.

B. Findings and Conclusions

The Commission infers from the Office’s election not to comment that the Office has no objection to the Commission’s approval of PacifiCorp’s Application. Accordingly, based upon the Application, the Commission’s review of the PPA, the Division’s comments, the testimony provided at hearing, and the lack of opposition to the Application, the Commission finds the prices, terms and conditions of the PPA are consistent with applicable state laws, relevant Commission orders, and Schedule 38. The Commission further concludes the PPA is just, reasonable, and in the public interest.

ORDER

Pursuant to the foregoing discussion, findings and conclusions, the Commission orders the PPA between PacifiCorp and Tesoro is approved, effective January 22, 2015.

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DATED at Salt Lake City, Utah, this 12th day of February, 2015.

/s/ Jordan A. White
Presiding Officer

Approved and Confirmed this 12th day of February, 2015, 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#263703

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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.

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CERTIFICATE OF SERVICE

I CERTIFY that on the 12th day of February, 2015, 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)
PacifiCorp

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