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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of: The) Docket No. 15-035-77
Application of Rocky Mountain)
Power for Approval of the Power) HEARING
Purchase Agreement between)
Rocky Mountain Power and Tesoro)
Refining and Marketing Company)
LLC)

December 1, 2015
1:32 p.m.

Location: Utah Public Service Commission
160 East 300 South Fourth Floor
Salt Lake City, Utah 84111

Reporter: Susan S. Sprouse
Job No: 273444

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A P P E A R A N C E S

For Rocky Mountain Power: Daniel E. Solander
For Division of Public Utilities: Justin Jetter

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1 Tuesday, December 1, 2015; 1:32 p.m.

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

3 PRESIDING OFFICER: We are on the record. Good
4 afternoon everyone. My name is Melanie Reif. And I serve
5 as the legal counsel and hearing officer for the Utah
6 Public Service Commission. Welcome to everyone who is
7 here today.

8 This is the hearing in Docket 15-035-77. This
9 matter is entitled The Matter of the Application of Rocky
10 Mountain Power for Approval of the Power Purchase
11 Agreement between Rocky Mountain Power and Tesoro Refining
12 and Marketing Company, LLC.

13 Mr. Solander, I'll start with you with
14 appearances.

15 MR. SOLANDER: Thank you. Good afternoon. My
16 name is Daniel Solander. I'm appearing on behalf of Rocky
17 Mountain Power, and I have with me at the counsel table
18 Kyle Moore, Power Marketer/Originator for Rocky Mountain
19 Power, Pacificorp.

20 MR. JETTER: And I'm Justin Jetter. I represent
21 the Utah Division of Public Utilities. And with me at
22 counsel table is Utah Division of Public Utilities Utility
23 Analyst, Justin Christensen.

24 PRESIDING OFFICER: Thank you all again and
25 welcome.

1 Mr. Solander, this is your application, so I'll
2 let you take the lead.

3 MR. SOLANDER: Thank you. In support of Rocky
4 Mountain Power's application for approval of the power
5 purchase agreements, the Company would Call Kyle Moore as
6 its witness.

7 PRESIDING OFFICER: Mr. Moore, could you
8 please -- yes. And I'll swear you in before you have a
9 seat.

10 Do you swear to tell the truth?

11 THE WITNESS: Yes.

12 PRESIDING OFFICER: Thank you.

13 (The witness is duly sworn.)

14 * * *

15 KYLE MOORE,

16 Called by Rocky Mountain Power, having been duly
17 Sworn, is examined and testifies as follows:

18 DIRECT EXAMINATION

19 BY MR. SOLANDER:

20 Q. Good afternoon, Mr. Moore.

21 A. Good afternoon.

22 Q. Could you please state and spell your name for
23 the record?

24 A. Kyle Moore. K-y-l-e M-o-o-r-e.

25 Q. And by whom are you employed and in what

1 capacity?

2 A. By Rocky Mountain Power as a power
3 marketer/originator.

4 Q. And as part of your duties in that position,
5 were you involved in any negotiation and drafting of the
6 nonfirm power purchase agreement between Tesoro Refining
7 and Marketing Company, LLC, and PacifiCorp?

8 A. Yes.

9 Q. Have you prepared a summary for the Commission
10 of that agreement?

11 A. Yes, I have.

12 Q. Could you please present that summary.

13 A. I present today for Commission approval a
14 qualifying facility power purchase agreement between
15 Tesoro Refining and Marketing Company and PacifiCorp.

16 The agreement provides for the sales of
17 PacifiCorp of energy to be generated by Tesoro up to
18 25 megawatts from a gas-fired cogeneration facility owned
19 by Tesoro and located in Salt Lake City, Utah.

20 The agreement is for a term of 12 months,
21 January 1, 2016 to December 31, 2016. The purchase prices
22 set forth in the agreement were calculated using the
23 methodology approved by the Commission orders in Docket
24 No. 03-035-14.

25 And in the matter of the public interest, the

1 agreement is compliant with relevant Commission orders and
2 with Utah Schedule 38. Therefore, the company request the
3 Commission approve the agreement.

4 **Q. Does that conclude your summary?**

5 A. Yes, it does.

6 MR. SOLANDER: Mr. Moore is available for any
7 questions from the Division or the Commission.

8 PRESIDING OFFICER: Thank you. Mr. Jetter,
9 questions?

10 MR. JETTER: I have no questions, your Honor.
11 Thank you.

12 PRESIDING OFFICER: Thank you.

13 Mr. Moore, thank you for your testimony.

14 THE WITNESS: Thanks.

15 MR. SOLANDER: And I would ask at this time that
16 the application and the Exhibit A which is the power
17 purchase agreement be entered into the record.

18 PRESIDING OFFICER: Is there any objection?

19 MR. JETTER: No objections.

20 PRESIDING OFFICER: Thank you. They are
21 admitted.

22 Mr. Jetter.

23 MR. JETTER: The Division would like to call its
24 first witness and only witness, Justin Christensen.

25 PRESIDING OFFICER: Mr. Christensen, come on up.

1 And do you swear to tell the truth?

2 THE WITNESS: I do.

3 (The witness is duly sworn.)

4 * * *

5 JUSTIN CHRISTENSEN,

6 Called by the Division, having been duly
7 Sworn, is examined and testifies as follows:

8 PRESIDING OFFICER: Thank you.

9 DIRECT EXAMINATION

10 BY MR. JETTER:

11 Q. Good afternoon. Would you please state your
12 name and occupation for the record?

13 A. Yes. My name is Justin Christensen. I'm a
14 utility analyst with the Division of Public Utilities.

15 Q. And in the course of your employment with the
16 Division of Public Utilities, have you had the opportunity
17 to review the applications submitted by Rocky Mountain
18 Power in this docket for a power purchase agreement with
19 Tesoro Refining and Marketing?

20 A. Yes.

21 Q. And did you create or cause to create and be
22 filed with the Commission an action request response dated
23 November 19th, 2015, filed by the Division?

24 A. Yes.

25 Q. And are there any corrections or changes that

1 you would like to make to that today?

2 A. No.

3 PRESIDING OFFICER: Mr. Jetter, just one moment.
4 I'm not quite so sure your microphone is on, Mr.
5 Christensen. Could you make sure that that is on and that
6 it's pulled close to you? Thank you.

7 Q. (BY MR. JETTER) Does that action request
8 response accurately reflect the Division of Public
9 Utilities' opinion on this application?

10 A. Yes.

11 Q. And have you prepared a brief statement
12 summarizing the Division's position?

13 A. Yes, I have.

14 Q. Please go ahead and read that.

15 A. The Division has had an opportunity to review
16 the contract between Tesoro and Rocky Mountain Power, and
17 we've had a chance to review the grid outputs and
18 concluded that the pricing for this proposed contract
19 reflects the correct facts of this facility. The Division
20 believes that the Company has correctly complied with
21 Commission orders on the method used to determine pricing
22 for a contract under Schedule 38.

23 The Division finds the agreement between Rocky
24 Mountain Power and Tesoro to be just, reasonable and in
25 the public interest.

1 MR. JETTER: Thank you. I would move at this
2 time that the Division's action request response be
3 entered into the record at this hearing.

4 PRESIDING OFFICER: Any objection?

5 MR. SOLANDER: No objection.

6 PRESIDING OFFICER: It's admitted.

7 MR. JETTER: Thank you, your Honor. I have no
8 further questions for Mr. Christensen. He's available for
9 cross-examination.

10 PRESIDING OFFICER: Thank you. Mr. Solander.

11 CROSS-EXAMINATION

12 BY MR. SOLANDER:

13 Q. Just one question. The Division raised an issue
14 regarding Rocky Mountain Power's reporting of QF outputs
15 in its action request response; is that right?

16 A. Correct.

17 Q. And to the best of your knowledge and belief has
18 Rocky Mountain Power corrected that reporting problem that
19 you raised in your response?

20 A. Yes, we have received updated quarterly reports.

21 MR. SOLANDER: Thank you. I have no further
22 questions for Mr. Christensen.

23 PRESIDING OFFICER: Thank you, Mr. Solander.

24 Mr. Christensen, you may be excused.

25 THE WITNESS: Thank you.

1 Mr. Solander, is there anything further you'd
2 like to address?

3 MR. SOLANDER: No. Rocky Mountain Power has no
4 further witnesses at this time.

5 PRESIDING OFFICER: Okay. It is the
6 Commission's intention at this point to adjourn the
7 hearing, and we will have an order issued as soon as
8 possible, assuming that meets everyone's satisfaction.

9 MR. SOLANDER: Yes, thank you.

10 PRESIDING OFFICER: Thank you. Have a nice
11 afternoon.

12 (Hearing adjourned at 1:39 p.m.)

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C E R T I F I C A T E

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

I, Susan S. Sprouse, a Registered Professional Reporter, Certified Court Reporter, and Notary Public in and for the State of Utah, do hereby certify:

That the foregoing hearing was taken on December 1, 2015.

That the proceedings were reported by me in stenotype and thereafter transcribed by computer, and that a full, true, and correct transcription of said testimony so taken is set forth in the foregoing pages;

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.

WITNESS MY HAND and official seal at Salt Lake City, Utah, this 8th day of December, 2015.



SUSAN S. SPROUSE
License No. 5965543-7801

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