

In the Matter Of:

Rocky Mountain Power - PPA with Tesoro Refining and Marketing Company LLC

HEARING PROCEEDINGS DOCKET NO.16-035-40

November 16, 2016

Job Number: 342647

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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 DOCKET NO. 16-035-40
and Tesoro Refining and
Marketing Company LLC

HEARING PROCEEDINGS

TAKEN AT: Public Service Commission
 Hearing Room 403
 160 East 300 South
 Salt Lake City, Utah
DATE: Wednesday, November 16, 2016
TIME: 9:15 a.m.
REPORTER: Daren S. Bloxham, R.P.R.

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APPEARANCES

PRESIDING OFFICER:
Melanie Reif

FOR THE DIVISION OF PUBLIC UTILITIES:
Justin Jetter
ASSISTANT ATTORNEY GENERAL
160 East 300 South, Fifth Floor
Salt Lake City, Utah 84114

FOR ROCKY MOUNTAIN POWER:
Daniel Solander
ROCKY MOUNTAIN POWER
201 South Main Street, Suite 2300
Salt Lake City, UT 84111

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1 P-R-O-C-E-E-D-I-N-G-S

2 --oOo--

3 CHAIRMAN REIF: So we're back on the record.
4 And this is Docket 16-035-40 entitled in the Matter of
5 the Application of Rocky Mountain Power for Approval of
6 the Power Purchase Agreement between PacifiCorp and
7 Tesoro Refining and Marketing Company, LLC.

8 I'm Melanie Reif. I'm the presiding officer
9 for the Utah Public Service Commission. Welcome again
10 to our hearing this morning. And let's go ahead and
11 start with appearances, starting with you,
12 Mr. Solander.

13 MR. SOLANDER: Thank you. Daniel Solander
14 appearing on behalf of Rocky Mountain Power. And I
15 have with me at counsel table Kyle Moore, power
16 marketer/originator for PacifiCorp.

17 CHAIRMAN REIF: Thank you.

18 MR. JETTER: Good morning. I'm Justin Jetter
19 representing the Utah Division of Public Utilities.
20 With me at counsel table is Jeff Einfeldt, utility
21 analyst for the Division of Public Utilities.

22 CHAIRMAN REIF: Thank you. Welcome,
23 Mr. Einfeldt. Do we have anyone here representing the
24 Office this morning? The record should reflect that
25 there is no one here representing the Office this

1 morning. Thank you.

2 Mr. Solander?

3 MR. SOLANDER: Thank you. Rocky Mountain
4 Power would like to call Kyle Moore as its witness in
5 support of the agreement between PacifiCorp and Tesoro
6 Refining and Marketing Company.

7 CHAIRMAN REIF: Mr. Moore, I swore you in a
8 little bit earlier, and I'd just like to remind you
9 that you are still under oath. So you may proceed with
10 your testimony.

11 --oOo--

12 KYLE MOORE,

13 having been first duly sworn to tell the
14 truth, was examined and testified as follows:

15 --oOo--

16 THE WITNESS: Thank you. I present today for
17 Commission approval a Qualifying Facility Power
18 Purchase Agreement between Tesoro Refining and
19 Marketing Company and PacifiCorp.

20 The agreement provides for the sale to
21 PacifiCorp of energy to be generated by Tesoro up to
22 25 megawatts from a gas-fired cogeneration facility
23 owned by Tesoro and located in Salt Lake City, Utah.

24 The agreement is for a term of 12 months,
25 January 1, 2017, to December 31, 2017. The purchase

1 prices set forth in the agreements were calculated
2 using the methodology approved by the Commission orders
3 in Docket No. 03-035-14.

4 The company filed the PPA for approval
5 September 21, 2016. In comments filed on November 3,
6 2016, the PPU recommended that the language in the
7 agreement referencing the 2010 protocol be updated to
8 the 2017 protocol.

9 The DPU further recommended that the
10 Commission order the company to provide with future
11 Power Purchase Agreements filings the grid outputs and
12 Excel spreadsheets supporting the price calculations
13 and spreadsheets showing the voided line loss
14 calculations.

15 Further, the DPU recommended that the company
16 continue to provide at least quarterly hourly Power
17 Purchase Reports. The company filed a revised PPA on
18 November 14, 2016, addressing the concerns about the
19 protocol language. And it is my opinion that it
20 does -- it is in -- it does follow the 2017 protocol.

21 The agreement is compliant with relevant
22 Commission orders and with Utah Schedule 38.
23 Therefore, the company requests the Commission approve
24 the agreement.

25 MR. SOLANDER: Does that conclude your

1 summary?

2 THE WITNESS: Yes, it does.

3 MR. SOLANDER: Mr. Moore is available for
4 questions from the parties or the Commission.

5 CHAIRMAN REIF: Thank you. Any questions?

6 MR. JETTER: I have no questions. Thank you.

7 CHAIRMAN REIF: Thank you for your testimony,
8 Mr. Moore.

9 Anything further, Mr. Solander?

10 MR. SOLANDER: Yes. Thank you. The company
11 would move that the application and the contract as
12 amended be entered into the record.

13 CHAIRMAN REIF: Any objection?

14 MR. JETTER: No objection.

15 CHAIRMAN REIF: Okay. Thank you. It's
16 admitted.

17 MR. SOLANDER: Thank you.

18 CHAIRMAN REIF: Mr. Jetter?

19 MR. JETTER: Thank you. The Division would
20 like to call and have sworn in Mr. Jeffrey Einfeldt.

21 CHAIRMAN REIF: Mr. Einfeldt. Good morning.

22 --oOo--

23 JEFFREY EINFELDT,

24 having been first duly sworn to tell the

25 truth, was examined and testified as follows:

1

EXAMINATION

2 BY MR. JETTER:

3 Q. Mr. Einfeldt, would you please state your
4 name. And I think it would assist the court reporter
5 to spell your last name for the record.

6 A. My name is Jeffrey S. Einfeldt. My last name
7 is spelled E-I-N-F-E-L-D-T. I'm a utility analyst with
8 the Division of Public Utilities.

9 Q. Thank you. In the course of your employment
10 with the Utah Division of Public Utilities, have you
11 had the opportunity to review the application and
12 additional filings made by the company in this docket?

13 A. Yes.

14 Q. And did you create and cause to be filed with
15 the Commission an Action Request Response November 3,
16 2016?

17 A. Yes.

18 Q. And have you had the opportunity to review
19 the November 14th updated language in an amended Power
20 Purchase Agreement filed by the company?

21 A. Yes, I have.

22 Q. And does that amended language in that
23 November 14th, 2016, filed amended contract satisfy
24 your concerns that you had expressed in the
25 recommendation?

1 A. Yes, it does.

2 Q. And with respect to the updated language, do
3 you recommend approval of the updated Power Purchase
4 Agreement?

5 A. Yes, I do.

6 Q. And do you believe that the Power Purchase
7 Agreement is just, reasonable, and in the public
8 interest?

9 A. Yes.

10 MR. JETTER: I have no further questions.
11 Mr. Einfeldt is available for cross.

12 CHAIRMAN REIF: Thank you, Mr. Jetter.
13 Thank you for your testimony, Mr. Einfeldt.

14 MR. SOLANDER: No questions.

15 CHAIRMAN REIF: Anything further, Mr. Jetter.

16 MR. JETTER: I would just move at this time
17 to enter the Action Request Response from November 3,
18 2016, into the record.

19 THE WITNESS: Any objection?

20 MR. SOLANDER: No objection.

21 CHAIRMAN REIF: It's admitted.

22 MR. JETTER: Thank you.

23 CHAIRMAN REIF: Is there anything else to
24 come before the Commission at this time?

25 MR. SOLANDER: Nothing from the company.

1 Thank you.

2 CHAIRMAN REIF: Okay. Mr. Jetter?

3 MR. JETTER: Nothing further.

4 CHAIRMAN REIF: Okay. Thank you very much.
5 We'll take this under advisement. And as I mentioned
6 earlier before we went on the record, the Commission is
7 aware of the requested timeframe. We intend to issue
8 an order well within that timeframe just to make
9 everyone aware of that. And with that being said,
10 we'll be adjourned, and an order will be forthcoming.
11 Thank you for your time today.

12 (The proceedings concluded at 9:21 a.m.)

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1 REPORTER'S CERTIFICATE

2 STATE OF UTAH)

3 COUNTY OF UTAH)

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5 I, Daren S. Bloxham, a Notary Public and
6 Certified Shorthand Reporter, Registered Professional
7 Reporter, hereby certify:

8 THAT the foregoing proceedings were taken
9 before me at the time and place set forth in the
10 caption hereof; that the witness was placed under oath
11 to tell the truth, the whole truth, and nothing but the
12 truth; that the proceedings were taken down by me in
13 shorthand and thereafter my notes were transcribed
14 through computer-aided transcription; and the foregoing
15 transcript constitutes a full, true, and accurate
16 record of such testimony adduced and oral proceedings
17 had, and of the whole thereof.

18 I have subscribed my name on this 27th day of
19 November, 2016.

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Daren S. Bloxham
Registered Professional Reporter #335

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