

**In the Matter Of:**

In Re: RMP - PPA with Tesoro Refining and Marketing Company LLC

**HEARING, DOCKET NO. 18-035-38**

*December 13, 2018*

*Job Number: 504678*

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of: )  
Application of Rocky Mountain Power for ) Docket No.  
Approval of Power Purchase Agreement ) 18-035-38  
between PacifiCorp and Tesoro Refining )  
and Marketing Company, LLC. )

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December 13, 2018  
10:00 a.m.

Location: Public Service Commission  
160 East 300 South, 4th Floor  
Salt Lake City, Utah

Reporter: Rashell Garcia

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A P P E A R A N C E S

Presiding Officer: MICHAEL HAMMER

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Salt Lake City, UT 84114

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1 December 13, 2018

10:00 a.m.

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

3 PRESIDING OFFICER HAMMER: Good morning. This  
4 is the time and place noticed for hearing in the matter of  
5 the Application of Rocky Mountain Power for Approval of Power  
6 Purchase Agreement between PacifiCorp and Tesoro Refining &  
7 Marketing Company, LLC. It's Commission Docket No.  
8 18-035-38. My name is Michael Hammer and I'm the  
9 Commission's designated presiding officer. Let's go ahead  
10 and take appearances, please.

11 MR. MCDERMOTT: Jacob McDermott with Rocky  
12 Mountain Power. With me is Kyle Moore who will be a witness  
13 today.

14 MR. JETTER: Good morning. I'm Justin Jetter  
15 with the Utah Attorney General's Office. And I'm here today  
16 representing the Utah Division of Public Utilities. With me  
17 at counsel table is Charles Peterson, technical consultant  
18 with the Division of Public Utilities. And he will testify  
19 at the hearing today.

20 PRESIDING OFFICER HAMMER: All right. Are there  
21 any preliminary matters before we begin?

22 MR. JETTER: No.

23 PRESIDING OFFICER HAMMER: Mr. McDermott, call  
24 your first witness, please.

25 MR. MCDERMOTT: Sure. Kyle Moore. Would you

1 stand, please?

2 PRESIDING OFFICER HAMMER: You can remain seated.

3 Mr. Jetter, you have no objection to the witness?

4 MR. JETTER: No objection.

5 PRESIDING OFFICER HAMMER: Do you swear to tell  
6 the truth, Mr. Moore?

7 MR. MOORE: Yes. I present today for commission  
8 approval --

9 MR. MCDERMOTT: One moment.

10 MR. MOORE: Sorry.

11 EXAMINATION

12 BY MR. MCDERMOTT:

13 Q. Mr. Moore, could you please state your name and  
14 business address and position with Rocky Mountain Power?

15 A. Yes. My name is Kyle Moore. My business  
16 address is 1407 West North Temple, Salt Lake City, Utah,  
17 84116. And my position is an originator with Rocky Mountain  
18 Power.

19 Q. Thank you. In the scope of your duties for Rocky  
20 Mountain Power, did you participate in the negotiations and  
21 oversee the execution of the Tesoro Power Purchase Agreement  
22 that's before the Commission for approval in this docket  
23 today?

24 A. Yes, I did.

25 Q. Did you prepare a summary of testimony in support

1 **of Rocky Mountain Power's application?**

2 A. Yes, I did.

3 **Q. Please share that with us, Mr. Moore.**

4 A. I present today for Commission approval a  
5 qualifying facility power purchase agreement between Tesoro  
6 Refining and Marketing Company and PacifiCorp. The agreement  
7 provides for the sale to PacifiCorp of energy to be generated  
8 by Tesoro up to 25 megawatts from a gas fired cogeneration  
9 facility owned by Tesoro and located in Salt Lake City,  
10 Utah.

11 The agreement is for a term of twelve months,  
12 January 1, 2019 through December 31, 2019. The purchase  
13 prices set forth in the agreement were calculated using the  
14 methodology approved by the Commission orders in Docket No.  
15 03-035-14.

16 The company filed the PPA for approval on October  
17 5th, 2018. And the company filed an amendment to the  
18 original PPA on November 13th, 2018 to update an error in the  
19 line loss factor used in the pricing formula, as pointed out  
20 by the Division of Public Utilities.

21 In comments filed on November 20, 2018, the  
22 Division of Public Utilities stated their belief that the PPA  
23 complied with the Commission's guidelines and recommended  
24 approval. In their comments, the Division also listed three  
25 items pertaining to future PPA filings. First, they

1 requested that the company continue to provide, at least  
2 quarterly, hourly power purchase reports. Second, they  
3 requested the Commission order the company at the time of  
4 future PPA filings to provide the Division and Office of  
5 Consumer Services the GRID outputs and Excel spreadsheets  
6 supporting the price calculations along with the spreadsheets  
7 showing avoided line loss calculations. The company agrees  
8 to these two recommendations.

9 The agreement is compliant with relevant  
10 Commission orders and with Utah Schedule 38, and should be  
11 found to be in the public interest. Therefore, the company  
12 requests the Commission approve the agreement.

13 MR. MCDERMOTT: Thank you, Mr. Moore. The  
14 company has no further questions.

15 PRESIDING OFFICER HAMMER: Mr. Jetter?

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

17 PRESIDING OFFICER HAMMER: Any other witnesses,  
18 Mr. McDermott?

19 MR. MCDERMOTT: No. Thank you.

20 PRESIDING OFFICER HAMMER: Mr. Jetter?

21 MR. JETTER: Thank you. The Division would like  
22 to call and have sworn in Charles Peterson.

23 PRESIDING OFFICER HAMMER: Mr. Peterson, do you  
24 swear to tell the truth?

25 MR. PETERSON: Yes.

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EXAMINATION

BY MR. JETTER:

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

A. Charles E. Peterson. I'm a utility technical consultant with the Division of Public Utilities.

Q. Thank you. And in the course of your employment with the Division, have you had an opportunity to review the application as well as the amendment to the application filed on November 13th?

A. Yes, I have.

Q. And did you create and cause to be filed with the Commission the comments of the Division of Public Utilities filed on November 20th, 2018?

A. Yes.

Q. Do you have any corrections or changes you'd like to make to that?

A. No.

Q. If -- let me rephrase that question. Do the comments accurately reflect your opinion on the approval of this application?

A. Yes, it does.

Q. I'd like to move to enter the comments from the Division of Public Utilities into the record of the hearing.

PRESIDING OFFICER HAMMER: They're admitted.



1           **Q.     Thank you. Do you have a brief summary of the**  
2 **Division's position?**

3           A.     Very brief, Your Honor. The Division has  
4 reviewed the application and related documents, especially  
5 the pricing terms. The Division believes that the Tesoro --  
6 that the Tesoro Power Purchase Agreement between it and Rocky  
7 Mountain Power complies with Schedule 38 guidelines and with  
8 relevant dockets and orders issued by the Commission for  
9 pricing qualified facilities and specific Docket Nos.  
10 03-035-14 and 12-035-100.

11                     The Division believes that these are -- let me  
12 restate that. This power purchase agreement complies with  
13 Schedule 38 and those dockets I just mentioned. The Division  
14 believes that it should be approved and -- as just and  
15 reasonable and in the public interest. And that concludes my  
16 statement.

17           **Q.     Thank you. I have no further questions.**  
18 **Mr. Peterson is available for questions from the Commission.**

19                     PRESIDING OFFICER HAMMER: Mr. McDermott?

20                     MR. MCDERMOTT: No questions from the company.  
21 Thank you.

22                     PRESIDING OFFICER HAMMER: And I don't have any.  
23 Thank you, Mr. Peterson. Mr. Jetter, any other witnesses?

24                     MR. JETTER: Nothing further from the Division.

25                     PRESIDING OFFICER HAMMER: All right. Is there

1 anything else before we return?

2 MR. MCDERMOTT: Could we move to have a ruling on  
3 the bench for approval of the PPA?

4 PRESIDING OFFICER HAMMER: You can certainly  
5 move. Unfortunately, I don't have a quorum of the  
6 commissioners present to confirm such a ruling this morning,  
7 but I am aware of the December 31st deadline. It's pretty  
8 cut and dry, so nobody should lose any sleep about getting an  
9 order in in a timely fashion.

10 MR. MCDERMOTT: Okay. Thank you very much.

11 PRESIDING OFFICER HAMMER: We're adjourned.  
12 Thank you.

13 (The commission hearing was concluded at 10:09  
14 a.m.)

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C E R T I F I C A T E

STATE OF UTAH )  
 ) :ss  
COUNTY OF SALT LAKE )

THIS IS TO CERTIFY that the foregoing hearing was taken before me, Rashell Garcia, Certified Shorthand Reporter and Notary Public in and for the State of Utah, residing in Salt Lake City.

That the proceedings were reported by me in Stenotype, and thereafter caused to be transcribed by computer, and that a full, true, and correct transcription of said proceedings so taken and transcribed is set forth in the foregoing pages, numbered from 2 to 10, inclusive.

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.

Rashell Garcia  
Rashell Garcia CSR, RPR  
License No. 144

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