

In the Matter Of:

RMP Approval of the Power Purchase Agreement with Tesoro Company, LLC

HEARING DOCKET NO. 19-035-38

December 05, 2019

Job Number: 584236

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Application of Rocky)
Mountain Power for) Docket No. 19-035-38
Approval of the Power)
Purchase Agreement between)
PacifiCorp and Tesoro)
Refining & Marketing) HEARING
Company LLC)

December 5, 2019
3:00 p.m.

Location: Public Service Commission
160 East 300 South, 4th Floor
Salt Lake City, UT 84111
(801) 530-6769

Reporter: Teri Hansen Cronenwett
Certified Realtime Reporter, Registered Merit Reporter
Job No. 584236

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A P P E A R A N C E S

Presiding Officer: Michael Hammer

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1 December 5, 2019

3:00 p.m.

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

3 PRESIDING OFFICER HAMMER: Good afternoon.

4 Let's go on the record. This is the time and place
5 noticed for hearing in the Application of the Rocky
6 Mountain Power for Approval of the Power Purchase
7 Agreement Between PacifiCorp and Tesoro Refining and
8 Marketing Company, LLC. It's commission Docket No.
9 19-035-38.

10 My name is Mike Hammer, and I am commission's
11 designated presiding officer. Let's go ahead and take
12 appearances beginning with the company, please.

13 MR. MCDERMOTT: Jacob McDermott for Rocky
14 Mountain Power, and with me at counsel table is Kyle
15 Moore, our witness today.

16 MR. JETTER: And Justin Jetter representing
17 the Utah Division of Public Utilities, and with me at
18 counsel table is Jeff Einfeldt.

19 PRESIDING OFFICER HAMMER: All right. Is
20 there anything before we begin with testimony?

21 MR. MCDERMOTT: No, sir.

22 PRESIDING OFFICER HAMMER: All right.
23 Mr. McDermott, please call your first witness.

24 MR. MCDERMOTT: The company would like to call
25 Kyle Moore.

1 PRESIDING OFFICER HAMMER: Mr. Moore, do you
2 swear to tell the truth?

3 THE WITNESS: Yes.

4 KYLE MOORE,
5 was called as a witness, and having been first duly
6 sworn to tell the truth, testified as follows:

7 DIRECT EXAMINATION

8 BY MR. MCDERMOTT:

9 **Q. Mr. Moore, could you please state your name,**
10 **title with the company, and business address, please?**

11 A. Yes. My name is Kyle Moore. I'm an
12 originator for the company, and the business address is
13 1407 West North Temple Street, Salt Lake City, Utah,
14 84116.

15 **Q. And did you prepare a summary of your**
16 **testimony today to share with us?**

17 A. I did.

18 **Q. Could you please proceed?**

19 A. Yes. I present today for commission approval
20 a qualifying facility power purchase agreement between
21 Tesoro Refining and Marketing Company and PacifiCorp.
22 The agreement provides for the sale to PacifiCorp of
23 energy to be generated by Tesoro up to 25 megawatts from
24 a gas-fired cogeneration facility owned by Tesoro and
25 located in Salt Lake City, Utah.

1 The agreement is for a term of 12 months,
2 January 1, 2020, to December 31, 2020. The purchase
3 prices set forth in the agreement were calculated using
4 the methodology approved by the commission orders in
5 Docket No. 03-035-14.

6 The company filed the PPA for approval October
7 15th, 2019. In comments filed on November 18th, 2019,
8 the Division of Public Utilities stated their belief
9 that the PPA complied with the commission's guidelines
10 and recommended approval.

11 In their comments the division also listed two
12 items pertaining to future PPA filings. First, they
13 requested that the company continue to provide, at least
14 quarterly, hourly power purchased reports. Second, they
15 requested the commission order the company at the time
16 of future PPA filings to provide to the division and
17 Office of Consumer Services the GRID outputs and Excel
18 spreadsheets supporting the price calculations, along
19 with the spreadsheets showing avoided line loss
20 calculations. The company agrees to these two
21 recommendations.

22 This -- the agreement is compliant with
23 relevant commission orders, excuse me, and with Utah
24 Schedule 38 and should be found to be in the public
25 interest. Therefore, the company requests the

1 commission approve the agreement.

2 MR. MCDERMOTT: Thank you, Mr. Moore. The
3 company makes Mr. Moore available for commission
4 questions or cross-examination.

5 PRESIDING OFFICER HAMMER: Mr. Jetter?

6 MR. JETTER: I have no questions, thank you.

7 PRESIDING OFFICER HAMMER: And you answered my
8 only one. Thank you, Mr. Moore. No other witnesses,
9 Mr. McDermott?

10 MR. MCDERMOTT: No other witnesses. Thank
11 you.

12 PRESIDING OFFICER HAMMER: Mr. Jetter?

13 MR. JETTER: Thank you. The division would
14 like to call and have sworn Mr. Einfeldt.

15 PRESIDING OFFICER HAMMER: Mr. Einfeldt, do
16 you swear to tell the truth?

17 THE WITNESS: Yes.

18 JEFFREY S. EINFELDT,
19 was called as a witness, and having been first duly
20 sworn to tell the truth, testified as follows:

21 DIRECT EXAMINATION

22 BY MR. JETTER:

23 Q. Would you please state your name and
24 occupation for the record.

25 A. Jeffrey S. Einfeldt. I am employed by the

1 Division of Public Utilities as a utility analyst.

2 Q. Thank you. And have you had an opportunity to
3 review the application material submitted in this
4 docket?

5 A. Yes.

6 Q. And did you create and cause to be filed with
7 the commission an action request response, including the
8 comments and recommendations of the division dated
9 November 18th, 2019?

10 A. Yes.

11 Q. Do you have any corrections or changes you
12 would like to make to that recommendation?

13 A. No.

14 MR. JETTER: I'd like to move to enter the
15 action request response from the division into the
16 record.

17 PRESIDING OFFICER HAMMER: It's admitted.

18 MR. JETTER: Thank you.

19 Q. (By Mr. Jetter) Do you have a brief summary of
20 the division's position in this docket?

21 A. Yes.

22 Q. Please go ahead.

23 A. The division recommends the commission approve
24 the non-firm purchase power agreement between PacifiCorp
25 and Tesoro Refining and Marketing Company in regards to

1 its natural gas cogeneration facility located in Salt
2 Lake City Refinery, the subject of Docket No. 19-035-38.

3 The division finds the agreement is similar to
4 contracts of prior years and complies with the
5 commission guidelines established in prior orders. The
6 division finds the contract to be just, reasonable and
7 in the public interest. That's it.

8 MR. JETTER: Thank you. I have no further
9 questions. Mr. Einfeldt is available for
10 cross-examination or questions from the commission.

11 PRESIDING OFFICER HAMMER: Mr. McDermott?

12 MR. MCDERMOTT: No questions from the company.
13 Thank you.

14 PRESIDING OFFICER HAMMER: And I have none.
15 Thank you, Mr. Einfeldt. Is there anything else before
16 we adjourn?

17 MR. JETTER: Nothing from the division.

18 MR. MCDERMOTT: No, sir, thank you.

19 PRESIDING OFFICER HAMMER: Thank you,
20 everyone.

21 (The hearing concluded at 3:05 p.m.)
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C E R T I F I C A T E

STATE OF UTAH)
COUNTY OF SALT LAKE)

THIS IS TO CERTIFY that the foregoing proceedings were taken before me, Teri Hansen Cronenwett, Certified Realtime Reporter, Registered Merit Reporter and Notary Public in and for the State of Utah.

That the proceedings were reported by me in Stenotype, and thereafter transcribed by computer under my supervision, and that a full, true, and correct transcription is set forth in the foregoing pages, numbered 3 through 9 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.

WITNESS MY HAND and official seal at Salt Lake City, Utah, this 20th day of December, 2019.

Teri Hansen Cronenwett
Teri Hansen Cronenwett, CRR, RMR
License No. 91-109812-7801

My commission expires:
January 19, 2023

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