

September 28, 2023

***VIA ELECTRONIC FILING***

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Administrator

**Re: Docket No. 23-035-47– In the Matter of the Application of Rocky Mountain Power for Approval a Fourth Amendment of a Power Purchase Agreement Between PacifiCorp and Tesoro Refining & Marketing Company LLC**

Rocky Mountain Power (the “Company”) hereby submits for filing its application for approval of a Fourth Amendment of the Power Purchase Agreement between PacifiCorp and Tesoro Refining and Marketing Company dated September 25, 2023.

The Company’s filing consists of the Company’s Application, Confidential Exhibit A, four confidential workpapers and three non-confidential workpapers.

The Company respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
[jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[katherine.smith@pacificorp.com](mailto:katherine.smith@pacificorp.com)

By regular mail: Data Request Response Center  
Rocky Mountain Power  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,



Joelle Steward  
Senior Vice President, Regulation and Customer & Community Solutions

Enclosures  
CC: Service List



Agreement, Tesoro represents itself to be a qualifying facility, and agrees to provide PacifiCorp, upon request, evidence to show its qualifying facility status.

2. Communications regarding this Application should be sent to:

Jana Saba  
Utah Regulatory Affairs Manager  
Rocky Mountain Power  
1407 West North Temple, Suite 330  
Salt Lake City, UT 84116  
E-mail: [jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)

Katherine Smith  
Rocky Mountain Power  
1407 West North Temple, Suite 320  
Salt Lake City, Utah 84116  
e-mail: [katherine.smith@pacificorp.com](mailto:katherine.smith@pacificorp.com)

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
[katherine.smith@pacificorp.com](mailto:katherine.smith@pacificorp.com)

By regular mail: Data Request Response Center  
Rocky Mountain Power  
825 NE Multnomah St., Suite 2000  
Portland, OR 97232

Informal inquiries related to this Application may be directed to Jana Saba, Utah Regulatory Affairs Manager, at (801) 220-2823.

3. In Docket No. 03-035-14, the Commission issued a series of Orders that established avoided capacity and energy cost payments for purchases from QF projects larger than one megawatt, such as Tesoro's, under contracts with PacifiCorp. The

Commission re-affirmed this methodology in an August 16, 2013, Order on Phase II Issues in Docket No. 12-035-100.<sup>1</sup>

4. The Agreement provides for the sale to PacifiCorp of energy to be generated by Tesoro up to 25.0 megawatts, from a gas-fired generation facility (Facility) owned by Tesoro and located in Salt Lake City, Utah. The Amendment, attached this Application as Confidential Exhibit A, extends the term of the Agreement through December 31, 2024, establishes the pricing for the extension period and updates the Line Loss Factor for the same period. The Commission has previously approved three amendments to the initial Tesoro Agreement approved in Docket No. 19-035-38.<sup>2</sup>

5. The purchase prices in the Amendment were calculated using the methodology approved by the Commission in Docket No. 03-035-14. Pursuant to the Commission's order in Docket No. 16-035-40, this Application also provides confidential Generation and Regulation Initiative Decision Tool ("GRID") outputs and spreadsheets supporting the derivation of power purchase agreement prices with all spreadsheet formulae intact. Also provided is the confidential workpaper supporting the avoided line loss adjustment calculation used to develop the loss factor in the Fourth Amendment.

6. The Facility is located in Salt Lake City in an area served by Rocky Mountain Power. All interconnection requirements have been met and the Facility is fully integrated with PacifiCorp's system.

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<sup>1</sup> See *In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Renewable Avoided Cost Methodology for Qualifying Facilities Projects Larger than Three Megawatts*, Order on Phase II Issues (August 16, 2013).

<sup>2</sup> Subsequently amended in Docket No. 20-035-42 (Dec. 17, 2020), Docket No. 21-035-68 (Feb. 24, 2022), and Docket No. 22-035-52 (Jan. 13, 2023).

7. According to the terms of the 2020 Protocol, approved by the Commission in Docket No. 19-035-42, costs of the qualifying facility power purchase agreement will be allocated in accordance with section 4.4.2 of the 2020 Protocol.

8. The existing Agreement between PacifiCorp and Tesoro expires on December 31, 2023. To the extent possible, the parties desire that there be no lapse in time between the expiration of the Agreement and the approval of the Amendment in this Application. However, the Company is not seeking an expedited approval of this Application and recognizes that there may be a lapse in time before the Fourth Amendment is approved based on the timing of this Application.

**WHEREFORE**, Rocky Mountain Power respectfully requests the Commission approve the Fourth Amendment to the Agreement and find that the terms and conditions are just, reasonable, and in the public interest.

DATED this 28<sup>th</sup> day of September 2023.

Respectfully Submitted,

/s/ Katherine Smith  
Attorney for Rocky Mountain Power

**Redacted  
Exhibit A**

## FOURTH AMENDMENT TO NON-FIRM POWER PURCHASE AGREEMENT

This Fourth Amendment (this “Amendment”) to the Non-Firm Power Purchase Agreement entered into on October 11, 2019 (as amended by the First Amendment dated October 13, 2020, by the Second Amendment dated January 16, 2021, and by the Third Amendment dated November 10, 2022, the “Agreement”) is entered into by and between PacifiCorp and Tesoro Refining & Marketing Company LLC. This Amendment will become effective on the date associated with the signature of the last Party to sign it. All defined terms used but not defined in this Amendment have the meanings provided to them in the definition for such terms in the Agreement.

WHEREAS, the Parties wish to extend the term of the Agreement and establish the pricing for the extension period;

The Parties agree as follows:

1. Section 2.2 of the Agreement is hereby replaced in its entirety with the following:


“Unless earlier terminated as provided herein, this Agreement shall terminate at 24:00:00 MPT December 31, 2024.”

2. The Exhibit E attached hereto as **Attachment 1** shall replace Exhibit E of the Agreement in its entirety effective as of January 1, 2024.
3. Effective as of January 1, 2024, the Line Loss Factor, as defined in Section 5.1, shall be 1.0247 for the period for which the Agreement is extended by this Amendment.
4. Except as expressly modified and amended in accordance with the provisions of this Amendment, all other terms and conditions of the Agreement remain in full force and effect and continue to bind the Parties. In the event of a conflict, this Amendment shall have the highest precedence over Agreement or previous amendments. The Parties executing this Amendment warrant that they have the requisite authority to do so.

By signing below, the duly authorized representatives of the Parties indicate their agreement to the terms of this Amendment.

**Tesoro Refining & Marketing  
Company LLC**

**PacifiCorp**

By:   
Name: Stuart Smith  
Title: Energy Manager  
Date: Sep 22, 2023

By: Ronald Scheirer Digitally signed by Ronald Scheirer  
Date: 2023.09.25 09:02:46 -07'00'  
Name: Ronald Scheirer  
Title: Director, Valuation and Commercial  
Business  
Date: \_\_\_\_\_

  
FA  
Approved as to form.

  
JLH





**CERTIFICATE OF SERVICE**

Docket No. 23-035-47

I hereby certify that on September 28, 2023, a true and correct copy of this Application was served by electronic mail to the following:

**Utah Office of Consumer Services**

Michele Beck [mbeck@utah.gov](mailto:mbeck@utah.gov)  
[ocs@utah.gov](mailto:ocs@utah.gov)

**Division of Public Utilities**

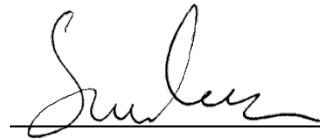
[dpudatarequest@utah.gov](mailto:dpudatarequest@utah.gov)

**Assistant Attorney General**

Patricia Schmid [pschmid@agutah.gov](mailto:pschmid@agutah.gov)  
Patrick Grecu [pgrecu@agutah.gov](mailto:pgrecu@agutah.gov)  
Robert Moore [rmoore@agutah.gov](mailto:rmoore@agutah.gov)

**Rocky Mountain Power**

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Jana Saba [jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
Katherine smith [katherine.smith@pacificorp.com](mailto:katherine.smith@pacificorp.com)



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Santiago Gutierrez  
Coordinator, Regulatory Operations