

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
PacifiCorp for Approval of a Power) DOCKET NO. 06-035-10
Purchase Agreement with Tesoro Refining)
and Marketing Company) REPORT AND ORDER
)

ISSUED: February 10, 2006

SYNOPSIS

The Commission approves the 2006 Purchase Power Agreement between PacifiCorp and Tesoro Refining and Marketing Company.

By The Commission:

On January 10, 2006, PacifiCorp filed an Application with the Commission to approve a Power Purchase Agreement (Agreement) between PacifiCorp and Tesoro Refining and Marketing Company (Tesoro), dated January 9, 2006. PacifiCorp also requested expedited treatment of the Application as the parties' prior purchase power agreement had expired on December 31, 2005. The Agreement continues PacifiCorp's purchase of non-firm energy from Tesoro's natural gas-fired cogeneration/qualifying facility located at Tesoro's facilities located in Salt Lake City, Utah. The Agreement is for a period of 12 months, January 1 through December 31, 2006, for up to 25 megawatts and is represented as conforming to the Commission's October 31, 2005, Order, issued in PSC Docket No. 03-035-14; wherein we established avoided capacity and energy cost payments for purchases from qualifying facilities larger than one megawatt. Although the Agreement was executed and submitted subsequent to the January 1, 2006, start date, the parties request application of the Agreement's terms to any power provided on or after January 1, 2006.

DOCKET NO. 06-035-10

-2-

By Memorandum dated February 7, 2006, the Division of Public Utilities (DPU) responded to the Application and the supporting written testimony of Matt Baebler. The DPU Memorandum explains the analysis made by the DPU and contains the DPU's recommendations relative to the Agreement. The DPU recommends that the Commission approve the Agreement as filed and apply its terms to all power delivered beginning January 1, 2006. No other responses or comments to the Application have been submitted by any other person. Based upon the Application, the supporting testimony and DPU Memorandum, we find that the terms of the Agreement are just and reasonable and that the Agreement is in the public interest. Wherefore the Commission concludes that it will approve the Agreement.

We enter this ORDER approving the submitted Agreement between PacifiCorp and Tesoro Refining and Marketing Company. The terms will be applied for the January 1 through December 31, 2006, time period.

DATED at Salt Lake City, Utah, this 10th day of February, 2006.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#47662