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Attorney for Rocky Mountain Power

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Rocky            )  
Mountain Power for Approval of Power            )  
Purchase Agreement Between PacifiCorp            )  
and Tesoro Refining and Marketing                )  
Company    )  
  )  
  )  
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DOCKET NO. 07-035-\_\_

APPLICATION OF  
ROCKY MOUNTAIN POWER

Pursuant to Utah Code Ann. § 54-12-2, PacifiCorp, doing business as Rocky Mountain Power (“Rocky Mountain Power or the “Company”) hereby applies for an order approving a Power Purchase Agreement (“Agreement”) between the Company and Tesoro Refining and Marketing Company (“Tesoro”) dated February 2, 2007. Rocky Mountain Power also requests that the Agreement be approved effective as of February 5, 2007, for power purchased on and after that date. In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility in the state of Utah and is subject to the jurisdiction of the Commission with regard to its rates and service. Rocky Mountain Power also provides retail electric service in the states of Idaho and Wyoming. As a “purchasing utility,” as that term is used in Utah Code Ann. § 54-12-2, the Company is obligated to purchase power from qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978, Utah Code Ann. § 54-12-1, *et seq.*, and the

Commission's orders. Under the Agreement, Tesoro represents itself to be a qualifying facility, and agrees to provide Rocky Mountain Power, upon request, with evidence to show its qualifying facility status.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By fax: (503) 813-6060

By mail: Data Request Response Center  
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3. In Docket No. 03-035-14, *In the Matter of the Application of PacifiCorp for Approval of an IRP-Based Avoided Cost Methodology for QF Projects larger than One Megawatt*, the Commission issued a series of orders, which established avoided capacity and energy cost payments for purchases from QF projects larger than one megawatt, such as Tesoro's, under contracts with the Company with terms up to 20 years.

4. The Company and Tesoro executed a power purchase agreement providing for the sale to the Company of non-firm energy to be generated by Tesoro up to 25 MW, from a natural gas-fired cogeneration facility located in Salt Lake City, Utah (the

“Facility”). Tesoro will deliver to the Company whatever excess amounts of power, up to 25 MW, it does not need to serve its own load. Deliveries are expected to be approximately 12 MW on-peak and approximately 7 MW off-peak. The Agreement also permits Tesoro to purchase back-up service from the Company under terms equal to Service Schedule No. 31. A copy of the Agreement is attached to this Application. The Agreement will expire on December 31, 2007.

5. The purchase prices set forth in the Agreement were calculated using the methodology approved in the Commission’s Orders in Docket No. 03-035-14.

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 the Company’s system.

7. The Agreement constitutes a “New QF Contract” under the Interjurisdictional Cost Allocation Protocol (“Protocol”), previously filed with the Commission pursuant to a stipulation in Docket No. 02-035-04. According to the terms of the Protocol, the costs of the QF provisions would be allocated as a system resource unless any portion of those costs exceed the cost Rocky Mountain Power would have otherwise incurred acquiring comparable resources.

8. The terms of the Agreement for power purchased on and after February 5, 2007 are appropriate because the previous QF agreement between the Company and Tesoro expired on December 31, 2006 and there are no contractual terms currently in effect governing the Company’s purchase of QF power from Tesoro.

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WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue an order approving the Agreement submitted herewith and finding the terms and conditions of the Agreement to be just and reasonable and in the public interest.

DATED this 9<sup>th</sup> day of February, 2007.

Respectfully submitted,

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Dean S. Brockbank  
Attorney for Rocky Mountain Power

## CERTIFICATE OF SERVICE

I hereby certify that on this 9<sup>th</sup> day of February, 2007, I caused to be served via electronic mail, a true and correct copy of the foregoing Application of Rocky Mountain

Power to the following:

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