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May 26, 2011

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Attn: Julie P. Orchard
Commission Secretary

Re: **Case No. 03-035-14 – Quarterly Compliance Filing – 2011.Q2
Avoided Cost Input Changes**

Commission Orders dated October 31, 2005 and February 2, 2006 in Case No. 03-035-14 state that the Company is required to keep a record of any changes, including data inputs, made to the Proxy and GRID models used in calculating avoided costs. The Orders further require the Company to notify the Commission and Division of Public Utilities of updates made to the models used in the approved Proxy and Partial Displacement Differential Revenue Requirement (PDDRR) avoided cost methodologies.

This filing reports changes since the Company's last compliance filing dated March 3, 2011, Case No. 03-035-14.

PacifiCorp (dba Rocky Mountain Power) hereby respectfully submits an original of this compliance filing to address this requirement. An electronic copy of this filing will be provided to psc@utah.gov. Additional detail is provided below:

1. **GRID Model Data Updates**

A number of data and modeling assumption updates have occurred in the GRID model since the last filing. **Appendix A** provides a summary of those updates.

2. **Proxy / Partial Displacement Differential Revenue Requirement
Avoided Cost Methodology**

The Proxy used in the Partial Displacement Differential Revenue Requirement (PDDRR) avoided cost methodology is consistent with the Company's 2011 Integrated Resource Plan (2011 IRP) which was filed with the Commission on March 31, 2011. During the period 2011 through 2015 the proxy will be third quarter high load hour only front office trades and starting June 2016 the proxy is a 597 MW combined cycle combustion turbine (CCCT). Both proxy resources are listed in Table 8.16 of the 2011 IRP. The use of the 2011 IRP is a change from the prior study.

3. Impact to Avoided Cost Prices (\$/MWh)

Provided as **Appendix B** is a \$/MWh impact study of the above mentioned updates, together with a comparison to the last filing. The updates reflect an increase of \$2.04 /MWh on a 20-year nominal levelized basis. Avoided costs presented in **Appendix B** were calculated assuming a 100 MW 85% capacity factor QF resource.

4. Study Methodology Changes

Existing interruptible load contracts are extended through the duration of the study. This modeling is consistent with 2011 IRP study assumptions. See 2011 IRP report, Volume 1, pages 94, 98 and 102.

5. Major Changes from the Prior Study

Provided as **Appendix C** is a \$/MWh step impact study of the major changes from the prior study. Identified as the major changes are: the update to the most recent Official Forward Price Curve, the transition to the 2011 IRP preferred resource portfolio, extending existing interruptible load contracts and all other changes to the model. Also provided in **Appendix C** is the incremental impact of each change from the prior step.

6. Proxy Wind Resource

The selection of Dunlap I Wind as the proxy wind resource is unchanged from the Company's 2009.Q4 Compliance Filing dated March 9, 2010.

It is respectfully requested that all formal correspondence and requests regarding this compliance filing be addressed to:

By E-Mail (preferred): datarequest@pacificorp.com

By Regular Mail : Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

Informal inquiries may be made to Laren Hale at (503) 813-6054 or Hui Shu at (503) 813-5540.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation

cc: Service List (Case No. 03-035-14)