

April 16, 2013

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

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

Attn: Gary Widerburg
Commission Secretary

Re: **Docket No. 03-035-14 – Quarterly Compliance Filing – 2013.Q1 Avoided Cost Input Changes**

Commission Orders dated October 31, 2005, and February 2, 2006, in Docket No. 03-035-14 require the Company 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 2012.Q4 quarterly compliance filing dated December 28, 2012.

PacifiCorp (dba Rocky Mountain Power) hereby respectfully submits an original and five copies of this 2012.Q4 quarterly compliance filing. 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 PDDRR avoided cost methodology is consistent with the Company's Resource Needs Assessment Update filed with the Commission in Docket No. 11-035-73. During the period 2014 through 2027 the proxy will be third quarter heavy load hour only front office transactions. Starting January 2028 the proxy will be a 400 MW combined cycle combustion turbine (CCCT).

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 a total reduction of approximately \$0.26/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. Major Changes from the Prior Study

Provided as **Appendix C** is a \$/MWh step impact study of the major changes from the prior study. The major changes since the 2012.Q4 study were the update to the December 2012 official forward price curve and an increase in the number of QFs in the QF queue resulting in the transition of the deferrable resource to the 400 MW CCCT starting in 2028. Also provided in **Appendix C** is the incremental impact of each change from the prior step.

5. Proxy Wind Resource

As a result of the Commission Order dated December 20, 2012 in Docket No. 12-035-100, the Company is using Dunlap I as the proxy wind resource. The proxy wind resource is unchanged from the Company's 2009.Q4 Compliance Filing dated March 9, 2010.

6. Integration Costs

Provided as **Appendix D** is the integration cost of intermittent resources. The Company calculated this value based on the reserve requirements developed in the 2012 Wind Integration Study, under development in conjunction with the 2013 Integrated Resource Plan, and using a similar integration methodology as used in Docket No. 11-035-200. This study updates the integration costs filed with the 2012.Q2 Compliance filing.

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 Brian Dickman at (503) 813-6484.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation & Government Affairs

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