



201 South Main, Suite 2300  
Salt Lake City, Utah 84111

March 9, 2010

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

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> 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 – 2009.Q4 Supplemental  
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 November 23, 2009, 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 [jwatts@utah.gov](mailto:jwatts@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 / Partial Displacement Differential Revenue Requirement (PDDRR) avoided cost methodology is unchanged from the last filing. Avoided cost modeling remains consistent with the Company's 2008 Integrated Resource Plan (2008 IRP).

**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 \$0.17 /MWh on a 20-year nominal levelized basis. Avoided costs presented in **Appendix B** are calculated assuming a 100 MW 85% capacity factor QF resource.

**4. Major Changes From 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: (1) the use of the latest long-term load forecast, (2) the update to the most recent Official Price Forecast, (3) updates to incorporate the Commission's orders in Docket 09-035-T14 and (4) all other changes to the model. Also provided in **Appendix C** is the incremental impact of each change from the prior step.

**5. Proxy Wind Resource**

The company's most recently RFP wind resource is Dunlap I Wind; a 111 MW wind resource located in Carbon County, Wyoming. The Company owned resource will have a real levelized cost of \$48.09/MWH and is scheduled to be on-line by the end of 2010. The company proposes to update the avoided cost "proxy" wind resource from Top of the World Wind to Dunlap I Wind. **Appendix D** provides updated wind resource pricing based on Dunlap I Wind.

Rocky Mountain Power  
03-035-14 2009.Q2 Supplemental Compliance Filing  
Avoided Cost Input Changes  
March 9, 2010  
Page 3

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

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