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June 16, 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 – 2010.Q1  
Avoided Cost Input Changes**

Commission Orders dated October 31, 2005 and February 2, 2006 in Docket 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 9, 2010, Docket 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 [mlivingston@utah.gov](mailto:mlivingston@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 has been updated to be consistent with the Company's 2008 Integrated Resource Plan Update (2008 IRP Update) which was filed with the Commission on March 31, 2010. During the period 2012 through 2014 the proxy will be third quarter high load hour only front office trades and starting June 2015 the proxy is a 607 MW combined cycle combustion turbine. Both proxy resources are listed in table ES.1 of the 2008 IRP Update.

**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 decrease of \$2.11 /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 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: (1) the use of the latest long-term load forecast, (2) the update to the most recent Official Forward Price Curve, and (3) 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 selection of Dunlap I Wind as the proxy wind resource is unchanged from the Company's 2009.Q4 Supplemental 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](mailto:datarequest@pacificorp.com)  
[dave.taylor@pacificorp.com](mailto:dave.taylor@pacificorp.com)

By Regular Mail : Data Request Response Center  
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825 NE Multnomah Street, Suite 2000  
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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 (Docket No. 03-035-14)