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October 6, 2006

***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: Julie P. Orchard
Commission Secretary

**RE: Advice Filing 06-07 : Schedule 37 Replacement Pages
Avoided Cost Purchases From Qualifying Facilities (QF)
Docket : 06-035-T06**

On July 10, 2006, the company submitted, for filing, proposed changes to Schedule 37 of Tariff P.S.C.U. No. 46 of Utah Power & Light Company applicable to electric service in the State of Utah. On September 12, 2006, the Public Service Commission of Utah (the "Commission") issued an Order requesting that the company resubmit the tariff sheets, reflecting the decisions made within that Order.

The company hereby resubmits, for filing, an original and two (2) copies of the proposed changes to Schedule 37 of Tariff P.S.C.U. No. 46 of Utah Power & Light Company applicable to electric service in the State of Utah. This filing incorporates the decisions of the Commission's Order dated September 12, 2006. Pursuant to the requirement of Rule R746-405D, PacifiCorp states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. PacifiCorp will also provide an electronic version of this filing to tbehr@utah.gov. PacifiCorp respectfully requests an effective date of November 6, 2006

Second Revision of Sheet No. 37.2	Schedule 37	Avoided Cost Purchases From Qualifying Facilities
Second Revision of Sheet No. 37.3	Schedule 37	Avoided Cost Purchases From Qualifying Facilities
First Revision of Sheet No. 37.4	Schedule 37	Avoided Cost Purchases From Qualifying Facilities

Tariff Sheet No. 37.2 is being filed with revised tariff language incorporating the decision in the Commission's Order dated September 12, 2006 that the on-peak hours shall be defined using Mountain Prevailing Time (Docket No. 06-035-T06 / Order / September 12, 2006 / page 10).

Tariff Sheets No. 37.3 and 37.4 are being filed with updated prices. These updated prices incorporate the decision in the Commission's Order dated September 12, 2006 that the cost of the coal and natural gas resources identified as proxy plants beginning in 2012 should be consistent with the least cost portfolio identified by the Company in its 2004 IRP Update (Docket No. 06-035-T06 / Order / September 12, 2006 / pages 7 and 10). In this case, the updated prices comport with the cost assumptions of a supercritical coal-fired resource located in Utah and a wet-cooled Greenfield CCCT resource with duct firing capability in the northwest.

Actual Costs of Fuel Contracts (natural gas and coal) - the Commission's Order dated September 12, 2006 clarified the requirement for the costs of actual fuel contracts held by the Company, either natural gas or coal, should be used in the GRID calculation of avoided energy cost. It also clarified that in the absence of actual contract prices, forecasted fuel prices should be used (Docket No. 06-035-T06 / Order / September 12, 2006 / pages 8, 9 and 10). The company has incorporated this requirement into the avoided cost studies.

Included with this filing is an amended version of the company's avoided cost study entitled "UT AC Study – 7.7.2006 (Amended 20060929).xls" and a description of the avoided cost study entitled "UT AC Study – Appendix A - 7.7.2006.doc" (unchanged from the company's July 10, 2006 filing).

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

By E-mail (preferred)

datarequest@pacificorp.com

By Fax

(503) 813-6060

By Regular Mail

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Informal inquiries may be directed to Laren Hale at (503) 813-6054 or Mark Widmer at (503) 813-5541.

Very truly yours,

D. Douglas Larson
Vice President, Regulation

Enclosures