

EXHIBIT SC-8 (JIF-8)

Rocky Mountain Power
Attachment DPU 24.13

ROCKY MOUNTAIN POWER

Present Value Revenue Requirement Summaries
2008-2009 10-Year Business Plan
2011 10-Year Business Plan

May 2011

CAI Capital Projects Study 2008-2009 10-Year Business Plan

PacifiCorp's 10-year plan includes multiple comprehensive air initiative (CAI) projects for the coal generation fleet. This analysis addresses, on a macro basis, whether continued unit operations of the company's coal plants through the regulatory depreciation life, produces enough net value to pay for the proposed CAI capital. The present value evaluation takes a merchant plant analysis approach in that each unit's revenue requirement cost is netted against the value of the unit's generation as measured by the forward price curve at projected CO₂ price levels. The results of the analyses indicate that at the \$8 per ton CO₂ price level assumption basis for PacifiCorp's 2009 10-year business plan, all the coal units will be above breakeven in terms of present value revenue requirement differential (PVRR(d)).

The PVRR(d) comparison of continued unit operations with CAI capital versus market value of generation is shown in the attached charts.

Study Approach

The study represents a macro effort to analyze the economics of PacifiCorp's coal fleet with respect to PacifiCorp's plan for CAI capital projects.

The analysis calculates the cumulative incremental PVRR(d) benefit or (detriment) of operating each unit from 1/1/2009 through each successive year through its regulated depreciation life. The PVRR is derived by subtracting the operating and capital revenue requirements from the market value of generation, assuming that the unit end of life is extended in one year increments. The \$8 CO₂ scenario utilizes the 2009 10-year plan capacity factors.

The PVRR(d) is calculated by subtracting fuel, O&M, environmental emissions cost, and on-going and CAI capital revenue requirement cost from revenue similar to a merchant plant valuation. The revenue is derived using forward price curves from Structure and Pricing's model runs at the \$8 CO₂ price scenario.

Key Assumptions

Pricing

1. Forward flat price curves for the \$8/ton CO₂ price scenario, as of 12/31/2008, were provided through the end of the study period.
2. Fuel pricing was provided through 2018 from the 2009 10-year plan; prices were escalated at the corporate escalation rate thereafter.
3. Forward price curves do not include the market effects of plant closure(s).

Revenues

1. The analysis period for calculating capital payback is assumed to begin in 2009.
2. Dispatch is based on annual capacity factors derived from the approved 2009 10-year plan capacity factors.
3. Potential extrinsic optionality value in dispatch is not included.

Capital / O&M

1. CAI capital dollars are taken from the approved 2009 10-year plan.
2. The 10-year plan contains multiple CAI projects that go into service in different years.
3. Existing capital is considered a "sunk cost" and is not included.
4. On-going capital and O&M costs from the 10-year plan have been included. Capital and O&M beyond the 10-year plan are based on the company's Strategic Asset Plan.
5. Plant/Unit decommissioning costs of \$40 per installed kW (corporate assumption, 2009 dollars) are included in the year of closure, adjusted at corporate escalation rates.

Other

1. The capacity factors for the \$8 CO₂ scenario are from the 10-year plan GRID run.
2. Discount rate is 7.1%.
3. Analysis life is assumed to be from 2009 through the Utah Commission stipulated book depreciation lives.
4. Full regulatory recovery of all existing and future costs is assumed.
5. SO₂ allowance costs are included based upon corporate emission forward price forecasts.

Dave Johnston Units 3 & 4, 2008 Study

Assumptions as stated above with the following exceptions:

1. Forward flat price curves for the \$8/ton CO₂ price scenario are as of 12/31/2007.
2. 2008 10-year plan assumptions for capital, O&M, generation and fuel prices are used as the study baseline.
3. Analysis life is assumed to begin in 2008.
4. Discount rate is 7.3%.

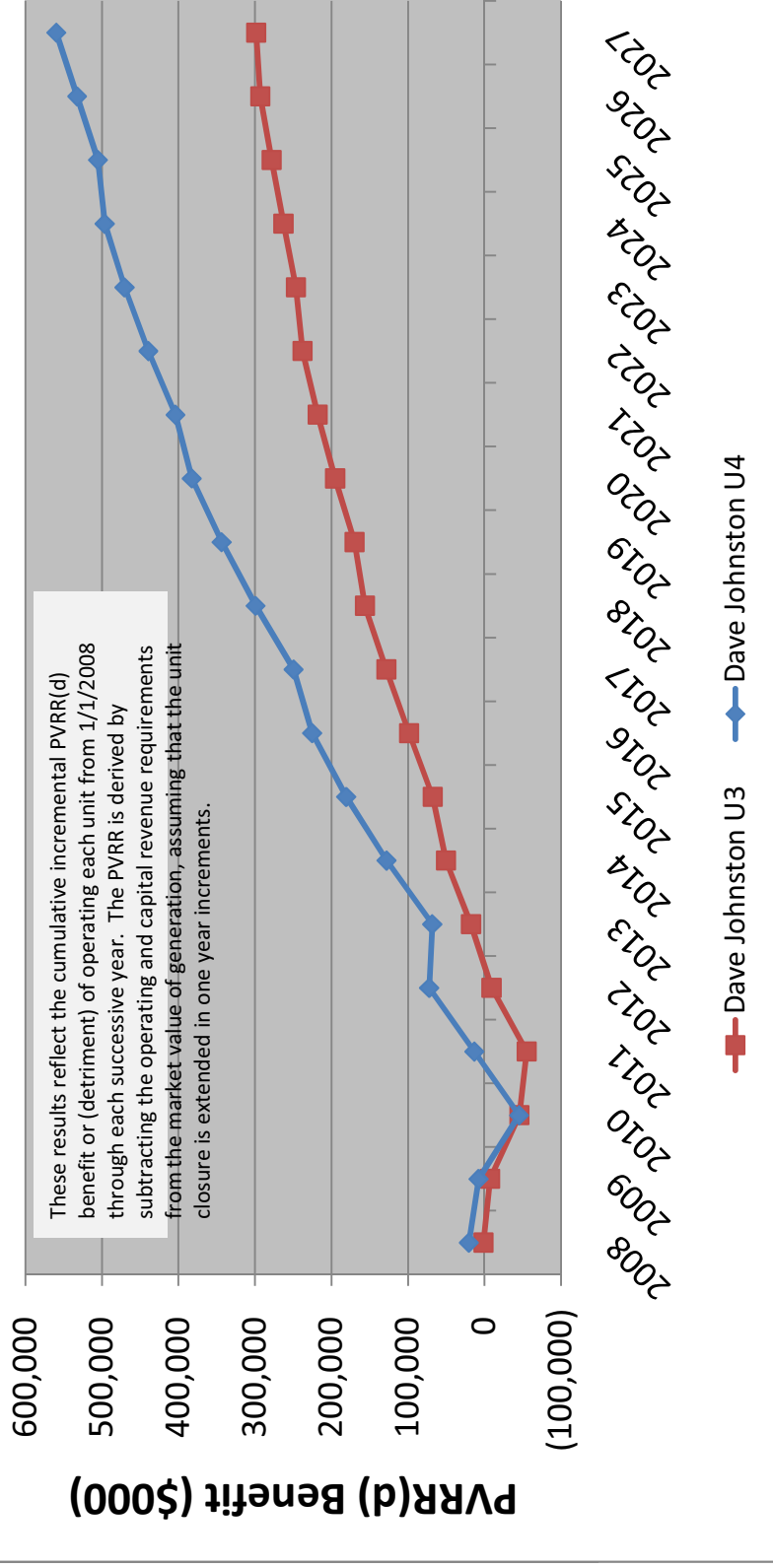
Significant CAI Capital Included

Table 1: Major pollution control equipment costs by year for PacifiCorp owned coal-fueled units included in economic analyses.					
Pollutant/Equipment	SO _x		PM	NO _x	
Unit	Phase 1 ¹	Phase 2 ²	Baghouse ³	LNB	SCR ⁴
Hunter 1	2010		2010	2010	2022
Hunter 2	2011		2011	2011	2023
Hunter 3					2016
Huntington 1	2010		2010	2010	2022
Jim Bridger 1	2010	2030		2010	2022
Jim Bridger 2	2009	2029			2021
Jim Bridger 3	2011	2027			2015
Jim Bridger 4	2008	2028		2012	2016
Naughton 1	2012			2012	2027
Naughton 2	2011			2011	2026
Naughton 3	2014		2014		2024
Wyodak	2011		2011	2011	2026

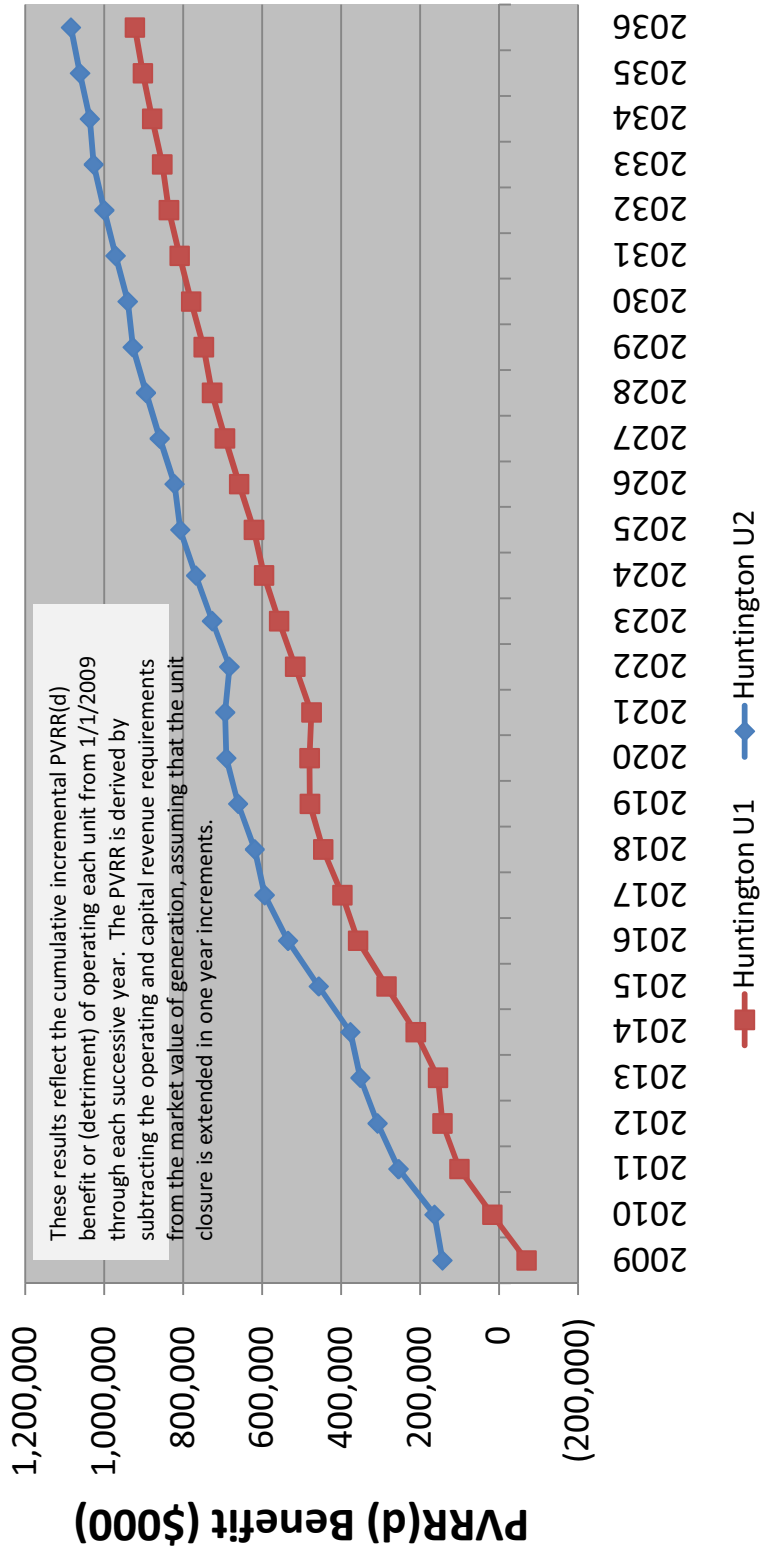
Notes

- 1 Phase 1 implies baseline scrubber upgrades across the fleet.
- 2 Phase 2 implies new technology and/or equipment installation to achieve 95% sulfur dioxide removal rate on the Jim Bridger units.
- 3 Baghouse and scrubber installations also reduce mercury emissions and support anticipated HAPs MACT compliance as a co-benefit.
- 4 The company has included these SCRs in the economic analyses to add conservatism to the PVR(d) results presented. The SCRs at Jim Bridger and Naughton are required; however, no company commitments or agency actions have been taken that require installation of the other SCRs listed.

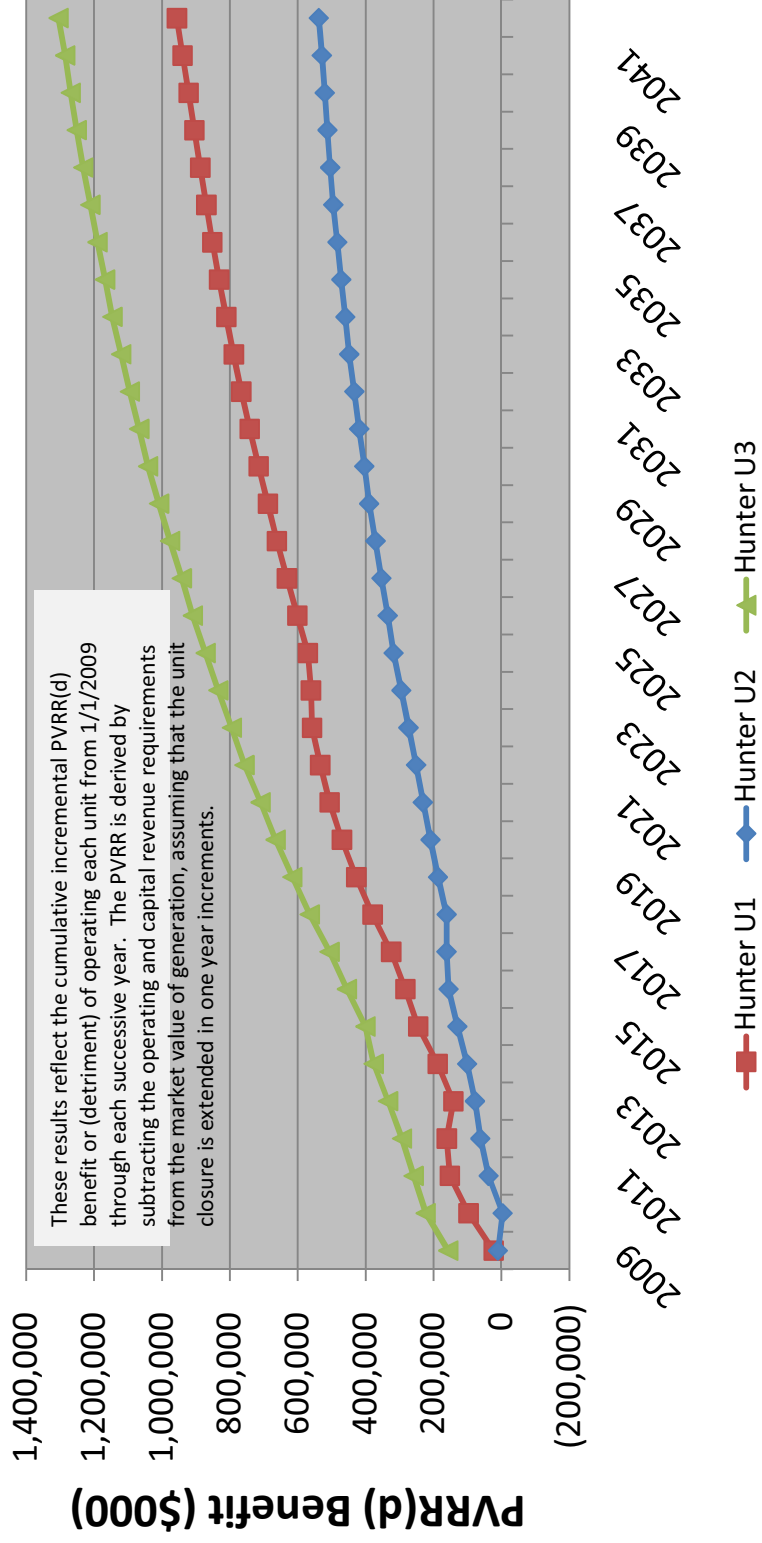
Cumulative Incremental PVRR(d) Benefit 12/31/2007 Market Prices



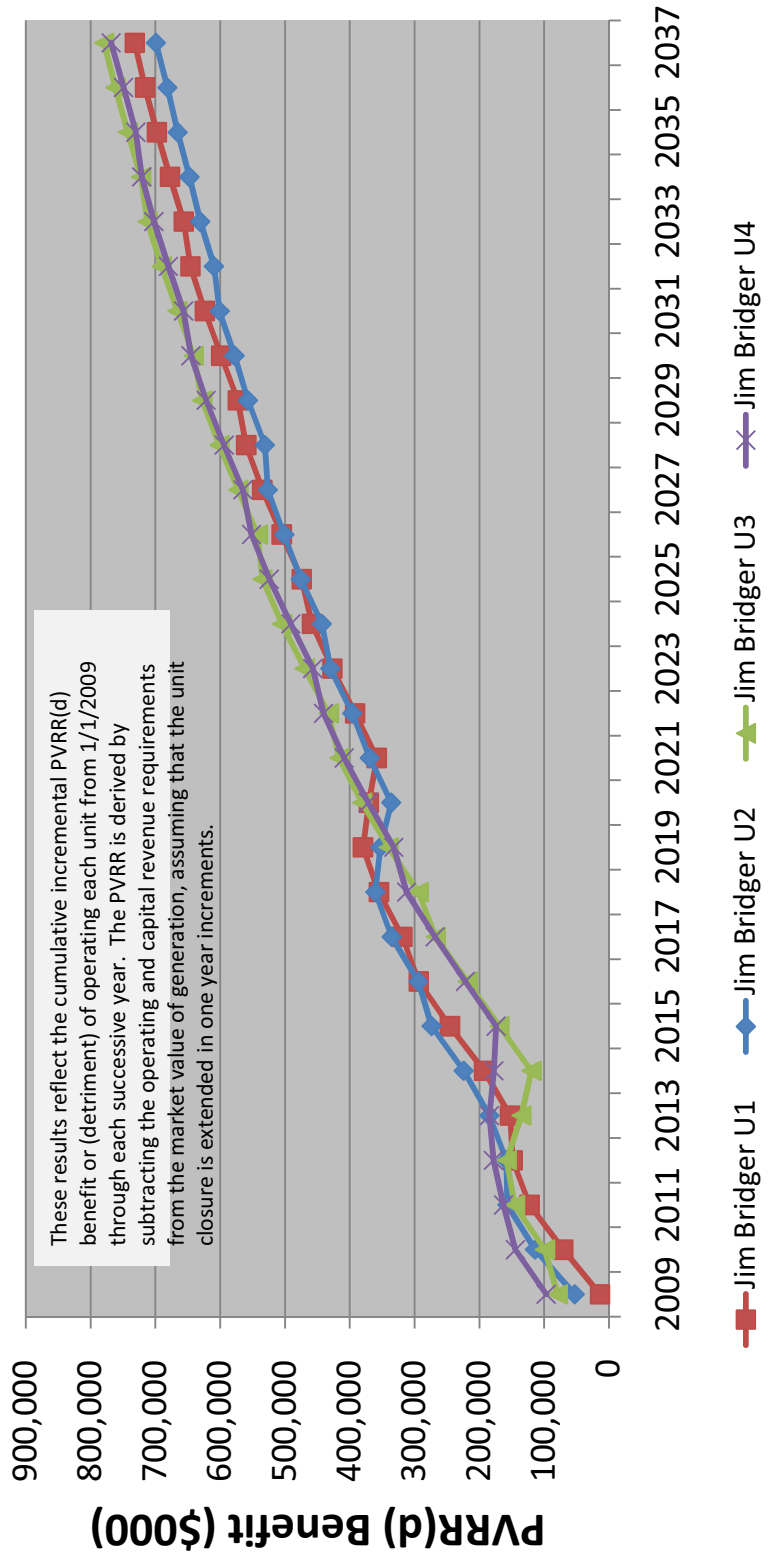
Cumulative Incremental PVRR(d) Benefit 12/31/2008 Market Prices



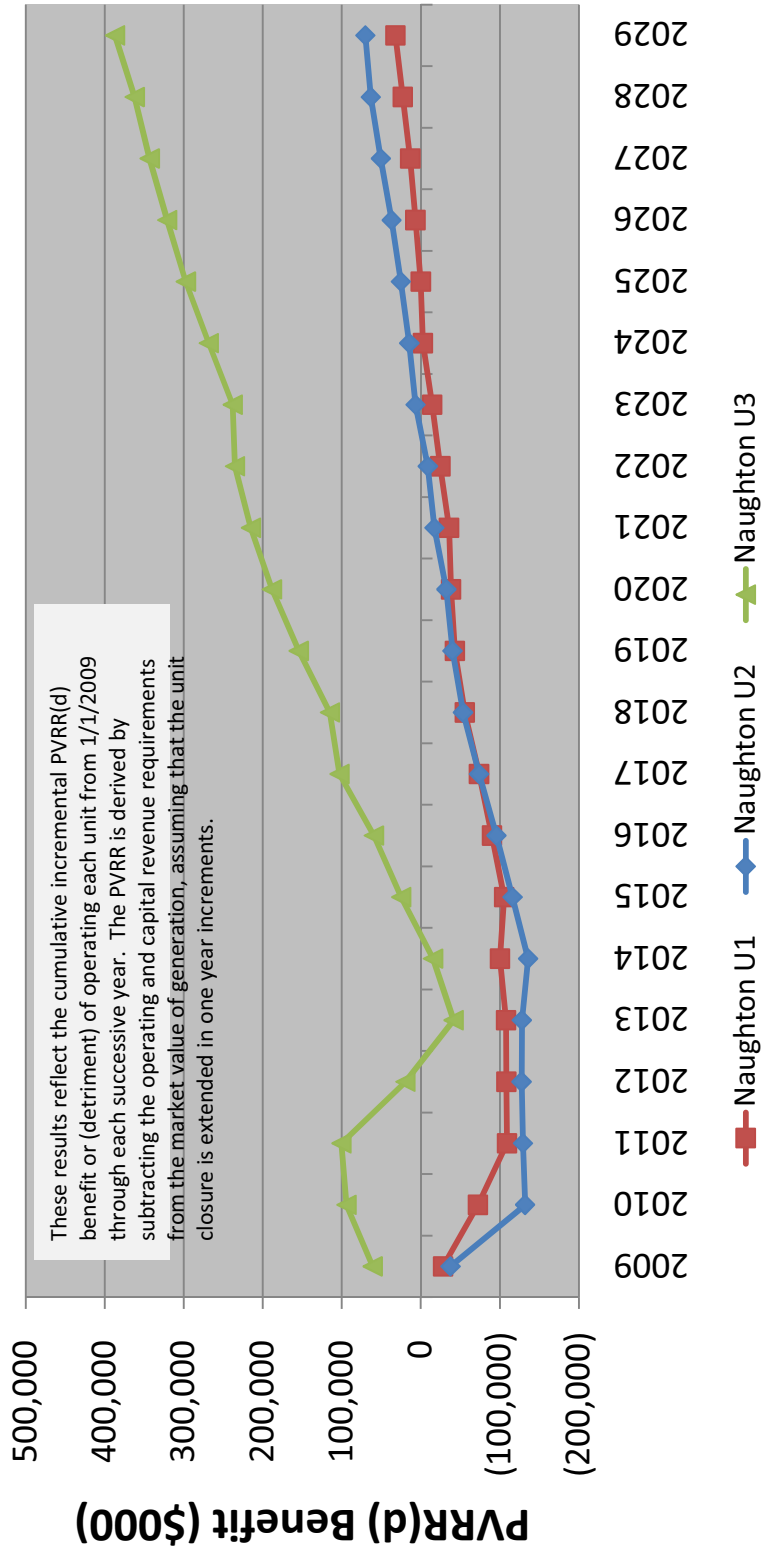
Cumulative Incremental PVRR(d) Benefit 12/31/2008 Market Prices



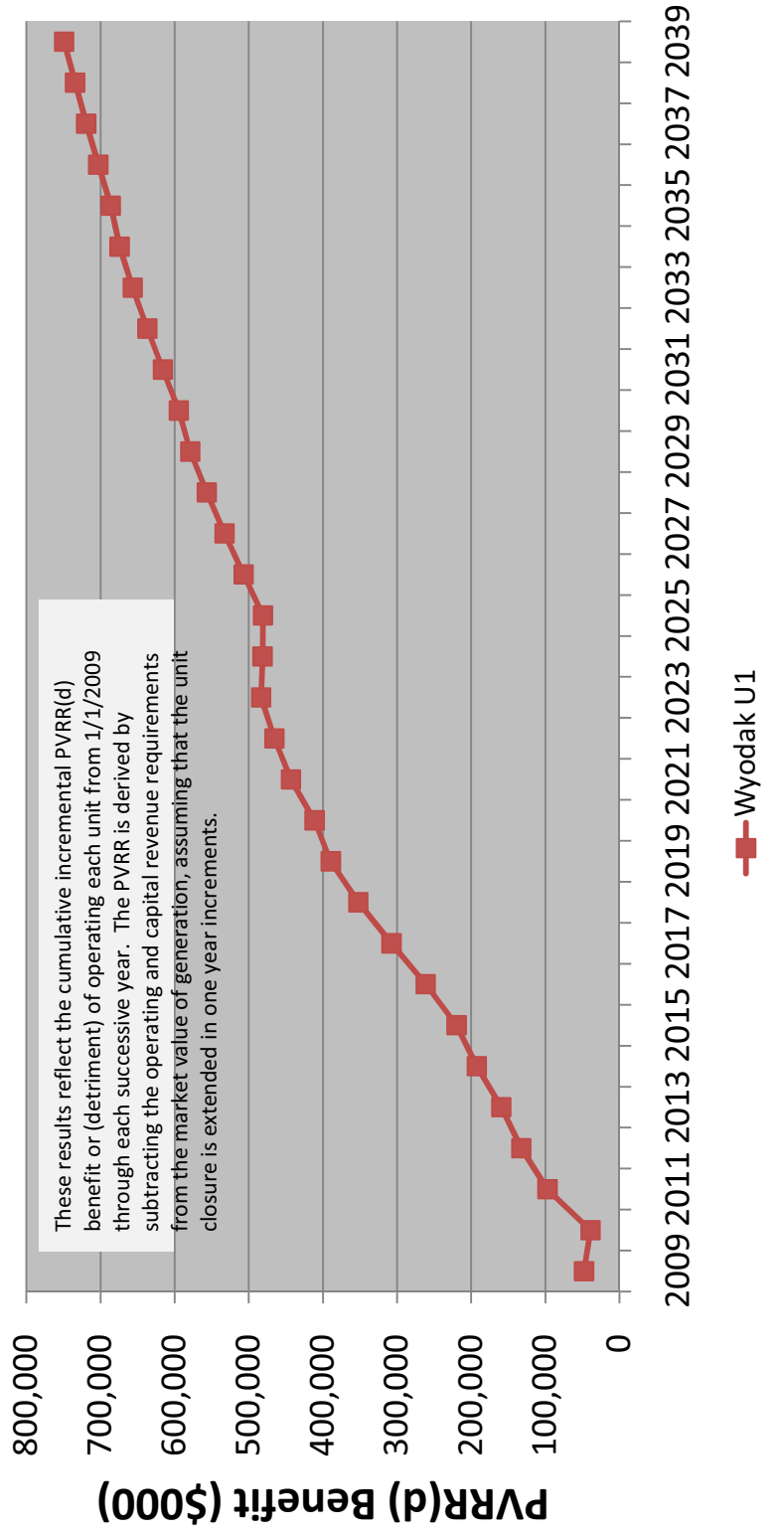
Cumulative Incremental PVRR(d) Benefit 12/31/2008 Market Prices



Cumulative Incremental PVRR(d) Benefit 12/31/2008 Market Prices



Cumulative Incremental PVRR(d) Benefit 12/31/2008 Market Prices



CAI Capital Projects Study 2011 10-Year Business Plan

PacifiCorp's 10-year plan includes multiple comprehensive air initiative (CAI) projects for the coal generation fleet. This analysis addresses, on a macro basis, whether continued unit operations of the company's coal plants through the regulatory depreciation life, produces enough net value to pay for the proposed CAI capital. The present value evaluation takes a merchant plant analysis approach in that each unit's revenue requirement cost is netted against the value of the unit's generation as measured by the forward price curve at projected CO2 price levels.

Two sets of CO2 price assumptions have been used to evaluate potential outcomes. The first curve represents the \$19 per ton CO2 price level assumption basis for PacifiCorp's current 10-year business plan. The second curve represents a low/high CO2 price level assumption scenario that is aligned with the Coal Utilization Case Studies completed as part of the Company's 2011 Integrated Resource Plan. In this scenario, CO2 prices start out lower but then in the long run reach much higher levels.

The results of the analyses indicate that at the \$19 per ton CO2 price level assumption basis for PacifiCorp's current 10-year business plan, all the coal units will be above breakeven in terms of present value revenue requirement differential (PVRR(d)). The results of the analyses indicate that under the low/high CO2 price scenario, all of the coal units will be above breakeven in terms of PVRR(d).

The PVRR(d) comparison of continued unit operations with CAI capital versus unit closure is shown in the attached charts.

Study Approach

The study represents a macro effort to analyze the economics of PacifiCorp's coal fleet with respect to PacifiCorp's plan for CAI capital projects.

The analysis calculates the cumulative incremental PVRR(d) benefit or (detriment) of operating each unit from 1/1/2011 through each successive year through its regulated depreciation life. The PVRR is derived by subtracting the operating and capital revenue requirements from the market value of generation, assuming that the unit end of life is extended in one year increments. The \$19/ton CO2 price scenario utilizes the current 10-year plan capacity factors, the IRP low/high CO2 price scenario utilizes the 10-year plan capacity factors in as much as the plants are in the money, otherwise the plants are not dispatched.

The PVRR(d) is calculated by subtracting fuel, O&M, environmental emissions cost, and on-going and CAI capital revenue requirement cost from revenue similar to a merchant plant valuation. The revenue is derived using forward price curves from Structure and Pricing's model runs at the \$19 CO2 price scenario.

Key Assumptions

Pricing

1. Forward flat price curves for the \$19/ton CO2 price scenario, as of 12/31/2010, were provided through the end of the study period.
2. Fuel pricing was provided through 2020 from the 2011 10-year plan; prices were escalated at the corporate escalation rate thereafter.
3. Forward price curves do not include the market effects of plant closure(s).

Revenues

1. The analysis period for calculating capital payback is assumed to begin in 2011.
2. Dispatch is based on annual capacity factors derived from the current 2011 10-year plan capacity factors.
3. Potential extrinsic optionality value in dispatch is not included.

Capital / O&M

1. CAI capital dollars are taken from the approved 2011 10-year plan.
2. The 10-year plan contains multiple CAI projects that go into service in different years.
3. Capital placed in service prior to 1/1/2011 is considered a "sunk cost" and is not included in the analysis. Capital for the FGD projects at Naughton units 1 and 2 is also considered a "sunk cost" because construction of the facilities is nearing completion.
4. On-going capital and O&M costs from the 10-year plan have been included. Capital and O&M beyond the 10-year plan are based on the company's average spend during the current 10-year plan period.
5. Plant/Unit decommissioning costs of \$40 per installed kW (corporate assumption, 2009 dollars) are included in the year of closure, adjusted at corporate escalation rates.

Other

1. The capacity factors for the both CO2 scenario are from the 10-year plan GRID run, the IRP low/high scenario is further refined to dispatch only when in the money.
2. Discount rate is 7.15%.
3. Analysis life is assumed to be from 2011 through the Utah Commission stipulated book depreciation lives.
4. Full regulatory recovery of all existing and future costs is assumed.
5. SO2 allowance costs are included based upon corporate emission forward price forecasts.

Significant CAI Capital Included

Table 1: Major pollution control equipment costs by year for PacifiCorp owned coal-fueled units included in economic analyses.					
Pollutant/Equipment	SO _x		PM	NO _x	
Unit	Phase 1 ¹	Phase 2 ²	Baghouse ³	LNB	SCR ⁴
Hunter 1	2014		2014	2014	
Hunter 2	2011		2011	2011	2023
Hunter 3					2024
Huntington 1	2010		2010	2010	2023
Jim Bridger 1	2010	2030			2022
Jim Bridger 2	2009	2029			2021
Jim Bridger 3	2011	2027			2015
Jim Bridger 4	2008	2028			2016
Naughton 1	2012			2012	
Naughton 2	2011			2011	
Naughton 3	2014		2014		2014
Wyodak	2011		2011	2011	

Notes

- 1 Phase 1 implies baseline scrubber upgrades across the fleet.
- 2 Phase 2 implies new technology and/or equipment installation to achieve 95% sulfur dioxide removal rate on the Jim Bridger units.
- 3 Baghouse and scrubber installations also reduce mercury emissions and support anticipated HAPs MACT compliance as a co-benefit.
- 4 The company has included these SCRs in the economic analyses to add conservatism to the PVR(d) results presented. The SCRs at Jim Bridger and Naughton are required; however, no company commitments or agency actions have been taken that require installation of the other SCRs listed.

