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Salt Lake City, Utah 84111

July 6, 2010

***VIA ELECTRONIC FILING
AND HAND 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: Docket 10-035-T07 – Supplemental Filing
Schedule 37 – Avoided Cost Purchases from Qualifying Facilities (QF)**

On June 7, 2010, Rocky Mountain Power filed to “update the avoided cost pricing in Schedule No. 37. On June 29, 2010, the Division of Public Utilities filed comments recommending that “the Commission direct the Company to either redo the avoided cost calculations or verify that the discount rate and the payment factors used in the filing are correct.” On July 1, 2010, the Company discussed the DPU recommendations with the Commission staff and was encouraged to supplement the filing and address those recommendations. This filing addresses recommendations of both the Commission staff and the DPU.

As recommended, the attached tariff sheets and supporting work papers have been revised to reflect different payment factors for the combined cycle (8.26%) and the simple cycle (8.31%) combustion turbines. The 7.17% discount rate employed in the calculations is the Company’s official March 2010 discount rate and has not been changed from the June 7, 2010 filing. Rocky Mountain Power has verified that both the discount and the payment factors are consistent with those used in the 2008 IRP Update filed March 31, 2010.

Enclosed for filing are an original and two copies of proposed tariff sheets associated with Tariff P.S.C.U No. 47 of PacifiCorp, d.b.a Rocky Mountain Power, applicable to electric service in the State of Utah. 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.

First 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

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Tariff Sheets 37.3 and 37.4 are being filed with updated prices and reflect the revisions discussed above.

Included with this filing is Appendix 1 with Tables 1 through Tables 9 that provides the support calculations for these filed avoided costs. These tables also reflect the revisions discussed above.

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

By E-mail (preferred)

datarequest@pacificorp.com

dave.taylor@pacificorp.com

By Regular Mail

Data Request Response Center

PacifiCorp

825 NE Multnomah, Suite 2000

Portland, OR 97232

Informal inquiries may be directed to Dave Taylor at (801) 220-2923 or Laren Hale at (503) 813-6054.

Very truly yours,

Jeffrey K. Larsen

Vice President, Regulation

Enclosures