

July 19, 2013

***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: Gary Widerburg  
Commission Secretary

Re: **Docket No. 03-035-14 – Quarterly Compliance Filing – 2013.Q2 Avoided Cost Input Changes**

Commission Orders dated October 31, 2005, and February 2, 2006, in Docket No. 03-035-14 require the Company 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 2013.Q1 quarterly compliance filing dated April 12, 2013. Various inputs and assumptions relied on for the 2013.Q2 compliance filing may be impacted by the Commission's final order in Docket No. 12-035-100 and are subject to change.

PacifiCorp (dba Rocky Mountain Power) hereby respectfully submits an original and five copies of this 2012.Q4 quarterly compliance filing. An electronic copy of this filing will be provided to [psc@utah.gov](mailto:psc@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 PDDRR avoided cost methodology is consistent with the Company's 2013 Integrated Resource Plan (IRP) filed with the Commission on April 30, 2013. During the period 2014 through 2023 the proxy will be third quarter heavy load hour only front office transactions. Starting January 2024 the proxy will be a 423 MW combined cycle combustion turbine (CCCT).

**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 total increase of approximately \$1.99/MWh on a 20-year nominal levelized basis. Avoided costs

presented in **Appendix B** were 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. The major changes since the 2013.Q1 study were: updating to the June 2013 load forecast, updating to the March 2013 official forward price curve, modeling resources consistent with the 2013 IRP, and reducing the number of QFs in the QF queue resulting in the transition of the deferrable resource to the 423 MW CCCT starting in 2024. Also provided in **Appendix C** is the incremental impact of each change from the prior step.

**5. Proxy Wind Resource**

As a result of the Commission Order dated December 20, 2012, in Docket No. 12-035-100, the Company is using Dunlap I as the proxy wind resource. The proxy wind resource is unchanged from the Company's 2009.Q4 Compliance Filing dated March 9, 2010.

**6. Integration Costs**

Provided as **Appendix D** is the integration cost of intermittent resources. The Company calculated this value based on the reserve requirements developed in the 2012 Wind Integration Study and using a similar integration methodology as used in Docket No. 11-035-200. The study is updated to reflect the 2013 IRP preferred portfolio and the 2013.Q2 Compliance filing.

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 Dave Taylor at (801) 220-2923 or Brian Dickman at (503) 813-6484.

Very truly yours,

Jeffrey K. Larsen  
Vice President, Regulation

cc: Service List (Docket No. 03-035-14)