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May 31, 2013

***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: Gary Widerburg
Commission Secretary

**RE: Advice Filing 13-08 – Schedule 37
Avoided Cost Purchases from Qualifying Facilities (QF)**

In its order February 12, 2009, order in Docket No. 08-035-78 on Net Metering Service, the Utah Commission directed the Company to calculate and file Schedule 37 avoided costs annually in order to establish the value or credit for net excess generation of large commercial customers under the Schedule 135 Net Metering Service. Furthermore, in its November 28, 2012, order in Docket No. 12-035-T10, the Commission directed that future annual filings should be made within 30 days of filing the Company's Integrated Resource Plan ("IRP") or by April 30 of each year, whichever occurs first. Due to the delay in filing the Company's 2013 IRP until April 30, 2013, the Commission ordered¹ that the Company should file proposed Schedule 37 rates consistent with the 2013 IRP by May 31, 2013. This filing is in compliance with the direction in that order.

Enclosed for filing are an original and two copies of proposed tariff sheets associated with Tariff P.S.C.U No. 49 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 psc@utah.gov. PacifiCorp respectfully requests an effective date of July 29, 2013.

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

Tariff Sheets 37.3 and 37.4 are being filed with updated prices.

¹ Docket No. 12-035-T10, March 7, 2013 Order.

Included with this filing is Appendix 1 with Tables 1 through 11 that provide the supporting calculations for the proposed Schedule 37 rates, and Appendix 2 which is a description of the filing. Confidential Appendix 3 is provided in support of load and resource balances calculated in GRID, the Company's production cost model.

The currently effective Schedule 37 rates were originally filed on June 28, 2011, and approved by the Commission on December 14, 2011. The Company filed to update Schedule 37 on June 29, 2012; however, the Commission did not approve the Company's 2012 filing due to questions regarding the timing of the resource deficiency period. As a result the existing prices in Schedule 37 are approximately two years out of date and are no longer an accurate representation of PacifiCorp's avoided costs.

In the last several months the Company has received requests from qualifying facilities eligible for Schedule 37 to contract with the Company under the outdated Schedule 37 prices for a total capacity of approximately 39 megawatts. This volume of requests will cause the Company to exceed the 25 megawatt cap described in the "Applicable" section in Schedule 37. The Company is currently working with individual developers to execute the requested purchase agreements up to the 25 megawatt cap. Consistent with the Commission's Orders establishing the cap in Docket No. 03-035-T10, upon Commission approval of the Company's proposed rates, the 25 megawatt cap will be reset to zero and the Company will continue to work with interested developers requesting purchase agreements under Schedule 37 taking into consideration the new rates and the new cap.

The Company is currently involved in Docket No. 12-035-100, which is an examination of the avoided cost calculations for renewable QF resource exceeding 3 megawatts in size. Several of the methodological issues discussed in that proceeding including peak capacity contribution and integration costs are relevant to standard avoided cost calculations under Schedule 37. In order to expedite the approval process of this tariff, no changes to Schedule 37 have been proposed to reflect these unresolved methodological issues; however, the Company will request that the relevant conclusions reached in Docket No. 12-035-100 be incorporated into Schedule 37 in a future 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
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By Regular Mail

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Informal inquiries may be directed to Dave Taylor at (801) 220-2923 or Brian Dickman at (503) 813-6484.

Very truly yours,

Jeffrey K. Larsen

Vice President, Regulation & Government Affairs

Enclosures