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February 13, 2015

***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: **Docket No. 03-035-14 – Quarterly Compliance Filing – 2014.Q4 Avoided Cost Input Changes**

PacifiCorp (dba Rocky Mountain Power) hereby respectfully submits an original and ten copies of its quarterly Schedule 38 compliance filing. An electronic copy of this filing will be provided to psc@utah.gov.

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 2014.Q3 Quarterly Compliance Filing dated November 4, 2014. Noteworthy changes include updates for the Company's latest official forward price curve and the queue of signed and potential qualifying facilities (QFs),

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 Update (IRP Update) filed with the Commission on March 31, 2014. During the period 2014 through 2029 the proxy will be third quarter heavy load

hour only front office transactions. Starting January 2030 the proxy will be a 368 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 decrease of approximately \$3.15/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 most significant changes since the 2014.Q3 study include the update to the Company's latest official forward price curve, contract changes that include changes in start dates of seven signed QF contracts, termination of the Hermiston purchase contract effective July 2016, and the update to the queue of signed and potential QFs. Also provided in **Appendix C** is the incremental impact of each change from the prior step.

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

By E-Mail (preferred): 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 Bob Lively at (801) 220-4052 or Brian Dickman at (503) 813-6484.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation

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