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Salt Lake City, Utah 84116

December 2, 2015

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attn: Gary Widerburg
Commission Secretary

Re: **Docket No. 03-035-14 – Quarterly Compliance Filing – 2015.Q3 Avoided Cost Input Changes**
Docket No. 15-035-56 – 2015 Avoided Cost Input Changes Quarterly Compliance Filing

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. The Commission order dated June 9, 2015 in Docket No. 14-035-140 requires the Company to identify routine and non-routine updates or modeling changes. Non-routine updates will become effective in three weeks if the update is unchallenged by any party or upon resolution by settlement or Commission action if challenged by any party.

No comments were filed challenging the Company's previous compliance filing, which was submitted on August 10, 2015.

The Company identifies six routine updates to its avoided cost inputs since the previous filing:

1. Terminate QF Contracts – In prior studies, QF contracts were assumed to renew at the end of their contracts. In the current study, QF contracts are assumed to terminate and not renew at the end of their contracts.
2. Update Coal Forecast – Update the long term coal forecast to the 10-year forecast dated August 2015. Coal burn expense reflects incremental coal costs and coal take or pay minimum burn levels.

3. Official Forward Price Curve – Update to the curve dated September 30, 2015 (“1509 OFPC”).
4. Routine GRID Update – Update the GRID model to include inputs assumptions based on information available as of October 9, 2015.
5. QF Queue – Update the QF queue to reflect current signed and potential QFs consistent with the June 9, 2015 Commission Order in Docket No. 14-035-140. The QF queue was 4,431 MW nameplate in the 2015.Q2 filing and was revised to 2,323 MW nameplate in this filing.
6. Transmission Rights – Revise transmission rights consistent with the Joint Ownership and Operating Agreement, and Joint Purchase and Sale Agreement both dated October 24, 2014 between Idaho Power Company and PacifiCorp. Notice of this transaction was provided to the Commission in Docket No. 14-035-150. The transaction closed on October 30, 2015, and operational changes commenced on November 4, 2015.

The Company has not identified any non-routine updates in this filing.

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 2015 IRP filed with the Commission on March 31, 2015. During the period 2015 through 2029 the proxy will be third quarter heavy load hour only front office transactions. Starting January 2030 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 \$0.48/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 routine updates from the prior study. Also provided in **Appendix C** is the incremental impact of each change from the prior step.

The Company has also provided calculations with additional details on the following:

- Current QF queue
- Partial displacement adjusted for solar degradation
- Front Office Trade partial displacement

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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 Dan MacNeil at (503) 813-5523.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation

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