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Salt Lake City, Utah 84116

March 11, 2016

***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.Q4 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 December 2, 2015.

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

1. 15 Year Contract Term. – In Docket No. 15-035-53 the Commission granted in part the Company's request to limit contract terms. The Commission limited the QF contract duration to not more than 15 years.
2. Load Forecast – Updated to long term load forecast dated December 2015.
3. Official Forward Price Curve – Update to the curve dated December 31, 2015 (“1512 OFPC”).

4. Routine GRID Update – Update the GRID model to include inputs assumptions based on information available as of January 8, 2016.
5. QF Queue – Update the QF queue to reflect current signed and potential QFs. The QF queue was 2,323 MW nameplate in the 2015.Q3 filing and was revised to 1,250 MW nameplate in this filing.

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 2016 through 2027 the proxy will be third quarter heavy load hour only front office transactions. Starting January 2028 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. Reducing the maximum contract term from 20 to 15 years reduced avoided costs by \$4.59/MWh on a nominal levelized basis, while other updates increased avoided costs by \$1.20/MWh on a 15-year nominal levelized basis. The updates reflect a total decrease of approximately \$3.39/MWh. 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 and partial displacement adjusted for solar degradation
- Front Office Trade partial displacement

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

By E-Mail (preferred): datarequest@pacificorp.com

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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)