



1407 W. North Temple, Suite 310  
Salt Lake City, Utah 84116

September 26, 2016

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

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

Attn: Gary Widerburg  
Commission Secretary

Re: **Docket No. 03-035-14 – Quarterly Compliance Filing – 2016.Q2 Avoided Cost Input Changes**  
**Docket No. 16-035-29 – 2016 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](mailto: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 June 29, 2016.

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

1. Load Forecast – Update the load forecast to the forecast dated July 2016.
2. Official Forward Price Curve – Update to the curve dated June 30, 2016 (“1606 OFPC”).
3. Routine GRID Update – Update the GRID model to include input assumptions based on information available as of July 22, 2016.

4. QF Queue – Update the QF queue to reflect current signed and potential QFs. The QF queue was 1,344 MW nameplate in the 2016.Q1 filing and was revised to 2,273 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 Update filed with the Commission on March 31, 2016. 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 635 MW combined cycle combustion turbine (CCCT).

3. **Impact to Avoided Cost Prices (\$/MWh)**

Provided as **Appendix B** is the \$/MWh impact of the above mentioned updates on avoided costs, compared to the last filing. The updates reflect a total decrease of approximately \$1.59/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.

5. **Integration Costs**

Provided as **Appendix D** is the wind integration cost calculation, which is based on the reserve requirements developed in the 2014 Wind Integration Study and using the methodology approved in Docket No. 12-035-100. The study is updated to reflect the assumptions included in this 2016.Q2 Compliance Filing.

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

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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](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 Bob Lively at (801) 220-4052, or Dan MacNeil at (503) 813-5523.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jeffrey K. Larsen".

Jeffrey K. Larsen  
Vice President, Regulation

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