



Public Service Commission

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June 27, 2018

Ms. Jana Saba
Rocky Mountain Power
1407 W North Temple, Suite 330
Salt Lake City, UT 84116

Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Re: *Advice Letter No. 18-02, Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities;*
Docket No. 18-035-T02

Dear Ms. Saba:

The Public Service Commission (PSC) reviewed the May 31, 2018 filing, as amended on June 5, 2018, by PacifiCorp, doing business as Rocky Mountain Power (PacifiCorp), proposing changes to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities (Schedule 37). The proposed revisions to Sheet Nos. 37.4 through 37.7 update the standard rates for purchases of power from Utah-located cogeneration qualifying facilities (QFs) with a design capacity of 1,000 kilowatts or less and small power production QFs with a design capacity of 3,000 kilowatts or less. The proposed revision to Sheet No. 37.3 changes the year (i.e., from 2016 to 2018) after which levelized prices for contracts are available upon request. PacifiCorp proposes an effective date of July 1, 2018 for the tariff changes.

The PSC also reviewed the June 20, 2018 comments filed by the Division of Public Utilities (DPU). The DPU concludes PacifiCorp's filing and the associated modeling updates, including the application of wind production tax credits on a nominal rather than levelized basis, are consistent with PacifiCorp's 2017 IRP Update.¹ The DPU also concludes that PacifiCorp's avoided cost calculations are consistent with the PSC's approved method for determining Schedule 37 avoided cost prices. The DPU recommends the PSC approve PacifiCorp's proposed changes to Schedule No. 37. No other party filed comments on PacifiCorp's proposed Schedule 37 updates.

¹ In the January 23, 2018 Order in Docket Nos. 17-035-T07 and 17-035-37 the PSC determined that PTC values used to calculate avoided cost prices should be consistent with PTC values used in PacifiCorp's IRP.

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Based on the PSC's review of PacifiCorp's filing and the recommendations of the DPU, the changes to Schedule 37 Sheet Nos. 37.3 through 37.7 are approved as filed on May 31, 2018 and amended on June 5, 2018, effective July 1, 2018.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#303077