

Appendix A

PacifiCorp Avoided Cost (GRID and Differential Revenue Requirement) Model Updates from December 2007 through June 2008 Case No. 03-035-14

GRID Project Name

Avoided Costs – 2008 05 June

GRID Scenario Study Period

January 1, 2008 through December 31, 2027 (20-year study)

Official Market Price Forecast (Gas and Market Prices)

Updated to PacifiCorp's March 2008 official forward price curve (0308).

Market Capacity

The market capacity data series has been updated since the last filing to include the most current information available.

Load Forecast (Retail)

Updated to a blended 20-year load forecast dated November 2007. The forecast is essentially identical to the load forecast used in the last filing.

Fuel Prices (Coal)

Updated to reflect coal prices for (1) calendar year 2008 coal forecast dated March 2008, (2) 2009 coal forecast dated May 2008, (3) 2010 through 2017 – from 10-year plan dated October 31, 2007, and (4) thereafter IRP Coal Forecast dated April 2006.

Proxy Resource (Next Deferrable Resource)

2010 - Four Corners front office trade (FOT)

2011 and thereafter - West Side 602 MW CCCT (Wet "F" 2x1) gas-fired resource located in Oregon or Washington

IRP Partial Displacements (this filing)

Thermal and Market Purchase Resources

Base Case - prior to the inclusion of the avoided cost resource, Four Corners FOT is partially displaced by 192 MW in 2010, and the proxy resource is partially displaced by 192 MW starting in 2011. The potential qualifying facility (QF) resources included in the Base Case are DG Lakeview, Hampton Forest Products, Holly Refinery, US Mag – Con Energy and Kennecott.

Queue	Thermal Resource	Capacity	Energy
1	DG Lakeview	13 MW	93%
2	Hampton Forest Products	12 MW	93%
3	Holly Refinery	99 MW	85%
4	US Mag – Con Energy	36 MW	85%
5	Kennecott	<u>32 MW</u>	85%
Displacement in Base Case MW		192 MW	

Displacement in Base Case - 192 MW				
Year	Displaced Resource	2007 IRP	Displacement	Remaining MW
2010	Market FOT – Four Corners	393	192	201
2011	Proxy Resource	602	192	410

Avoided Cost Case – a 100 MW 85% capacity factor (CF) avoided cost resource is added to the thermal resource queue. The increase is partially offset so the Four Corners FOT is partially displaced by 292 MW in 2010, and the proxy resource is partially displaced by 292 MW starting in 2011.

Queue	Thermal Resource	Capacity	Energy
1	DG Lakeview	13 MW	93%
2	Hampton Forest Products	12 MW	93%
3	Holly Refinery	99 MW	85%
4	US Mag – Con Energy	36 MW	85%
5	Kennecott	32 MW	85%
6	Avoided Cost Resource	<u>100 MW</u>	85%
Displacement in Avoided Cost Case MW		292 MW	

Displacement in Avoided Cost Case – 292 MW				
Year	Displaced Resource	2007 IRP	Displacement	Remaining MW
2010	Market FOT – Four Corners	393	292	101
2011	Proxy Resource	602	292	310

Wind Resources

A total of 1,600 MW of wind is included in the 2007 IRP by 2013. IRP wind resources are partially displaced by 779 MW, and assumes the inclusion of Glenrock Wind, Glenrock III Wind, Goodnoe, High Plains, Marengo, Marengo Expansion, Rolling Hills, Seven Mile Wind, Seven Mile II Wind and Chevron QF potential and existing QF wind projects.

Queue	Wind Resource Queue (MW)	Date	MW
1	Glenrock Wind	2008 Dec	99
2	Glenrock III Wind	2008 Dec	39
3	Goodnoe Wind	2008 July	94
4	High Plains Wind	2009 June	99
5	Marengo	2007 Aug	140
6	Marengo Expansion	2008 Aug	70
7	Rolling Hills Wind	2008 Dec	99
8	Seven Mile Wind	2008 Dec	99
9	Seven Mile II Wind	2008 Dec	20
10	QF Chevron	2010 Sept	<u>20</u>
Partial Displacement			779

IRP Partial Displacements (last filing)

The last filing was also based on the Company's 2007 IRP.

Thermal Resources

Base Case - prior to the inclusion of the avoided cost resource, Four Corners FOT is partially displaced by 124 MW in 2010, and the proxy resource is partially displaced by 124 MW starting 2011. The potential qualifying facility (QF) resources included in the Base Case are DG Lakeview, Hampton Forest Products, and Holly Refinery.

Queue	Thermal Resource	Capacity	Energy
1	DG Lakeview	13 MW	93%
2	Hampton Forest Products	12 MW	93%
3	Holly Refinery	<u>99 MW</u>	85%
Displacement in Base Case MW		124 MW	

Displacement in Base Case - 124 MW				
Year	Displaced Resource	2007 IRP	Displacement	Delta
2010	Market FOT – Four Corners	393	124	269
2011	Proxy Resource	602	124	478

Avoided Cost Case – a 100 MW 100% CF avoided cost resource is added to the thermal resource queue. The impact of this study is that Four Corners FOT is partially displaced by 224 MW in 2010, and the proxy resource is partially displaced by 224 MW starting in 2011.

Queue	Thermal Resource	Capacity	Energy
1	DG Lakeview	13 MW	93%
2	Hampton Forest Products	12 MW	93%
3	Holly Refinery	99 MW	85%
4	Avoided Cost Resource	<u>100 MW</u>	100%
Displacement in Avoided Cost Case MW		224 MW	

Displacement in Avoided Cost Case – 224 MW				
Year	Displaced Resource	2007 IRP	Displacement	Delta
2010	Market FOT – Four Corners	393	224	169
2011	Proxy Resource	602	224	378

Wind Resources

A total of 1,600 MW of wind is included in the 2007 IRP by 2013. IRP wind resources are partially displaced by 642 MW, and assumes the inclusion of Goodnoe, Marengo, Marengo Expansion, Glenrock, Seven Mile, Bridger Butte and RAAM potential and existing QF wind projects.

Wind Resource Queue (MW)			
Queue	Wind Resource	Date	MW
1	Marengo	2007 Aug	140
2	Marengo Expansion	2008 Aug	70
3	Goodnoe	2008 Jun	94
4	Glenrock	2008 Dec	99
5	RAAM	2008 Dec	60
6	Seven Mile	2008 Dec	99
7	Bridger Butte	2010 Jan	80
Partial Displacement			642

Size of the Avoided Cost Resource

In docket 03-035-14, the docket where the Commission approved the partial displacement revenue requirement method, the size of the avoided cost resource was a 525 MW 100% CF; the size of the next deferrable base load thermal resources.

In the last filing, the avoided cost resource was assumed to be a 100 MW 100% CF thermal resource.

In this filing the avoided cost resource is assumed to be a 100 MW 85% CF thermal resource. The change in capacity factor was made to make the compliance filing more comparable to potential QF resources.

Transfer Capability

Modeling of the following transmission link transfer capabilities have been updated to reflect the most current information available: (1) BPA FPT > Walla Walla, (2) BPA FPT > West Main, (3) Mid Columbia – West Main, (4) Utah North > Path C, and (5) West Main > Mid Columbia.

Modeling of the following transmission link transfer capabilities have been added to reflect the most current information available: (1) Chehalis > Mid Columbia and (2) Chehalis > West Main.

Non Firm Transmission

48 Months ended December 2007
 2004 and 2005 study completed February 2006
 2006 and 2007 study completed May 2008

Provided as Appendix D is the updated non-firm transmission study. As in the previous study the Company only included in modeling those non-firm transmission paths with 1 aMW or higher. 19 non-firm transmission paths were included and 63 paths were excluded at the 1 aMW level. Non-firm transmission has negligible impact on net power costs.

Thermal Resources

The modeling of the following thermal resources have been updated to reflect the most current information available: Cholla 4, Colstrip 3 & 4, Carrant Creek 1, Carrant Creek 1 Duct Firing, Gadsby 1 & 2, Naughton 1-3 and West Valley 1-5. The inception date for Lake Side has been revised to March 18, 2008.

The modeling has been updated to reflect the most current information available for planned outages, heat rate coefficients and EFOR/derates. Gas Sales and Gas Swaps have also been updated.

Long-Term Contracts Added

The following contracts have been included in GRID since the last filing: Chehalis Tolling, Clay Basin Gas Storage, Hurricane Sale, Hurricane Purchase, and Douglas PUD – Lands Energy Share.

Long-Term Contracts Removed

The following contracts have been removed from GRID since the last filing: Clark Storage & Integration, APS @ 4C, BPA Flathead, Blanding, Deseret G&T, Duke, Morgan Stanley, NCPA, SCE Settlement, TransAlta, UBS and Weyerhaeuser.

Long-Term Contract Modeling Updates

All market indexed contracts were updated to reflect March 2008 official forward price curve.

The modeling of the following contracts has been updated to reflect the most current information available: APS Supplemental Purchase Coal, APS Supplemental Purchase Other, BPA Peaking Replacement, BPA South Idaho Exchange, Cowlitz Swift Deliver, Douglas PUD, Monsanto Curtailment, Roseburg Forest Products and SMUD.

The modeling of the following contracts have been added to reflect the most current information available: DSM Irrigation, Grant Meaningful Priority, and UAMPS.

The commercial operational dates for the following wind projects have been updated to reflect the most current information available: Goodnoe, Kennecott, and Schwendiman QF.

The commercial operational dates for the following wind projects have been added to reflect the most current information available: Glenrock III Wind, Glenrock Wind, High

Plains Wind, Rolling Hills Wind, Seven Mile II Wind, Seven Mile Wind and US Mag-Con Energy.

Potential Wind QF Contracts

Chevron Wind QF has been added as a potential wind resource.

Transmission

Minor updates to firm wheeling costs and transfer capabilities.

Short-Term Firm (STF) Transactions

STF transactions have been updated to include executed STF contracts and Electric Swaps as of May 15, 2008 (Extract 323 and 322).

Discount Rate

The discount rate has been updated to 7.4% from 7.3% to be consistent with the Company's most recent discount rate dated March 2008.

Inflation Rates

The inflation rate has been updated to be consistent with the Company's most recent inflation rate study dated March 2008.