

Appendix A

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

GRID Project Name

Avoided Costs – 2008 07 July

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 June 2008 official forward price forecast (0608).

Short-Term Firm (STF) Transactions

STF transactions have been updated to include executed STF contracts as of July 2, 2008; Extract 346.

Inflation Rates

The Company updated inflation rates consistent with the Company's most recent inflation rate study dated June 2008.

Market Capacity

No updates were made to Market Capacity.

Load Forecast (Retail)

No updates were made to the load forecast. The Company continues to use the 20-year load forecast dated November 2007.

Fuel Prices (Coal)

No updates were made to coal prices. Prices used were:

Jan through Dec 2008	forecast dated March 26, 2008
Jan through Dec 2009	forecast dated May 21, 2008
2010 through 2017	10-year plan dated October 31, 2007, and
After 2017	IRP Coal Forecast dated April 2006.

Proxy Resource (Next Deferrable Resource)

The proxy resource is identical to the proxy resource used in the last filing

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)

The partially displaced resource is identical to the partially displaced resource used in the last 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	32 MW	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	100 MW	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	20
Partial Displacement			779

IRP Partial Displacements (last filing)

The partially displaced resource is identical to the partially displaced resource used in the last filing

Size of the Avoided Cost Resource

The avoided cost resource is assumed to be a 100 MW 85% CF thermal resource. The size of the avoided cost resource has not been changed.

Transmission (Firm Transmission Rights)

No updates were made to transmission (firm transmission rights).

Non Firm Transmission

No updates were made to non-firm transmission.

Thermal Resources

No updates were made to thermal resources.

Long-Term Contracts

Long-term contracts which have prices that are indexed to market were updated to be consistent with the June 2008 Official Price Forecast (0608). No other updates were made to long-term contracts.

Discount Rate

The Company continues to use 7.4% which is consistent with the Company's most recent discount rate dated March 2008.