



201 South Main, Suite 2300  
Salt Lake City, Utah 84111

November 27, 2012

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

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84111

Attn: Gary Widerburg  
Commission Secretary

Re: **Docket No. 03-035-14 – Quarterly Compliance Filing – 2012.Q3 Avoided Cost Input Changes**

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 Company has routinely submitted quarterly compliance filing to address this requirement; the last compliance filing was dated June 29, 2012. Since the Company's June filing various issues have been raised with the Commission that impact the calculation of avoided costs, including:

- On September 28, 2012, the Company filed a Resource Needs Assessment Update in Docket No. 11-035-73 ("Needs Assessment") and notified the Commission that the Company intended to cancel its All-Source Request for Proposals (RFP) for the 2016 time period. On November 9, 2012, the Commission issued a scheduling order to review this issue.
- On October 9, 2012, the Company filed a request for approval of changes to the renewable avoided cost methodology and a motion to stay the application of the Commission's 2005 order establishing the market proxy method for wind avoided costs; the Commission established Docket No. 12-035-100 to address the Company's request. On November 13, 2012, the Commission issued a scheduling order to review this issue.

Given the status of the above issues, the Company has not prepared an update to the calculation of avoided costs for the third quarter compliance filing. The Company is currently working to incorporate the impact of the Needs Assessment into its calculation of avoided cost, including changes to resource additions and forecast load, as well as other more routine updates for changes to inputs such as forward market prices that have occurred since the June filing. The Company intends to include all of these updates in its next compliance filing (2012.Q4 Compliance Filing).

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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  
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Informal inquiries may be made to Brian Dickman at (503) 813-6484.

Very truly yours,

Jeffrey K. Larsen  
Vice President, Regulation

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