



Commission Staff has recomputed avoided cost rates using the approved SAR methodology and the Council's most recent gas price forecast. Staff provided Idaho Power, Avista and PacifiCorp with worksheets on March 9, 2010, for review and comment showing the computation of the revised avoided cost rates. Idaho Power, Avista and PacifiCorp by letter filings accept Staff's avoided cost calculations as accurately incorporating the Council's March 8, 2010, revised natural gas price forecast and as consistent with the Commission's approved SAR methodology. A copy of the revised rates for all three utilities is attached. Attachments 2-4.

### **COMMISSION FINDINGS**

Presented in this case for Commission approval are revised published avoided cost rates incorporating the Council's March 8, 2010 medium natural gas price forecast. The methodology for calculation of avoided cost rates was established in Case No. GNR-E-02-01, Order No. 29124. We find that the method for revising the fuel cost adjustment to published avoided cost rates is a simple arithmetic calculation. We find that the Council's new natural gas price forecast was approved on March 2, 2010, and posted on the Council's website on March 8, 2010. Sixth Power Plan, Appendix A. We find that the change in avoided cost rates depicted in Attachments 2-4 to this Order accurately incorporate the Council's revised natural gas price forecast and are consistent with the Commission-approved SAR methodology. We find it reasonable to issue an Order implementing new published avoided cost rates without further notice or procedure.

### **CONCLUSIONS OF LAW**

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, PacifiCorp dba Rocky Mountain Power and Avista Corporation dba Avista Utilities, electric utilities, pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA).

The Commission has authority under PURPA Sections 201 and 210 and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

## ORDER


In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission hereby approves the revised published avoided cost rates set forth in Attachments 2, 3, and 4 to this Order for new PURPA contracts executed on and after this date for Avista Corporation, Idaho Power, and PacifiCorp.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

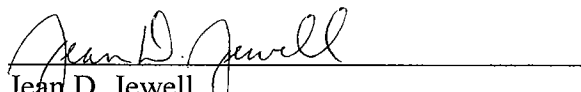
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15<sup>th</sup> day of March 2010.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

bls/O:GNR-E-10-01\_sw

# Appendix A1: Medium Case Fuel Price Forecast Tables

**Table A1-1: Natural Gas Prices at Key Hubs and Northwest Generators  
2006\$/MMBtu  
Medium Case**

Year	Henry Hub Natural Gas Price	AECO Price	Sumas Price	West-Side Delivered	East-Side Delivered
2005	7.95	6.98	7.08	7.70	7.58
2006	6.72	5.84	5.95	6.56	6.42
2007	6.53	5.67	5.78	6.38	6.24
2008	8.12	7.08	7.72	8.41	7.68
2009	3.95	3.35	3.94	4.59	3.91
2010	4.62	3.95	4.54	5.28	4.56
2011	4.90	4.20	4.80	5.61	4.86
2012	5.20	4.47	5.07	5.90	5.19
2013	5.52	4.76	5.36	6.20	5.48
2014	5.86	5.06	5.67	6.52	5.79
2015	6.22	5.38	6.00	6.85	6.11
2016	6.32	5.48	6.09	6.96	6.22
2017	6.43	5.57	6.19	7.06	6.32
2018	6.54	5.67	6.29	7.16	6.44
2019	6.65	5.77	6.39	7.27	6.54
2020	6.77	5.87	6.50	7.38	6.64
2021	6.93	6.02	6.64	7.53	6.79
2022	7.09	6.16	6.79	7.68	6.94
2023	7.25	6.31	6.94	7.83	7.09
2024	7.42	6.46	7.09	7.99	7.25
2025	7.60	6.62	7.25	8.16	7.41
2026	7.70	6.71	7.35	8.26	7.51
2027	7.81	6.81	7.45	8.36	7.61
2028	7.92	6.91	7.55	8.47	7.71
2029	8.03	7.01	7.65	8.57	7.82
2030	8.15	7.11	7.75	8.68	7.92

**AVISTA**  
**AVOIDED COST RATES FOR NON-FUELED PROJECTS**  
**SMALLER THAN TEN MEGAWATTS**  
**March 15, 2010**  
\$/MWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2010	2011	2012	2013	2014	2015		
1	56.94	60.32	64.06	67.60	71.41	75.50	2010	56.94
2	58.56	62.11	65.76	69.43	73.37	76.63	2011	60.32
3	60.25	63.80	67.49	71.29	74.74	77.71	2012	64.06
4	61.87	65.47	69.25	72.73	75.94	78.80	2013	67.60
5	63.47	67.16	70.70	73.98	77.07	79.87	2014	71.41
6	65.09	68.60	71.97	75.15	78.16	80.93	2015	75.50
7	66.50	69.87	73.15	76.26	79.21	82.01	2016	77.85
8	67.76	71.05	74.26	77.31	80.27	83.10	2017	80.16
9	68.92	72.16	75.31	78.36	81.34	84.20	2018	82.68
10	70.02	73.20	76.35	79.40	82.40	85.30	2019	85.15
11	71.05	74.22	77.37	80.44	83.46	86.40	2020	87.71
12	72.05	75.23	78.38	81.47	84.51	87.45	2021	90.73
13	73.03	76.21	79.37	82.48	85.52	88.47	2022	93.88
14	73.99	77.18	80.36	83.46	86.50	89.46	2023	97.15
15	74.93	78.13	81.30	84.40	87.45	90.42	2024	100.55
16	75.84	79.04	82.21	85.31	88.37	91.35	2025	104.08
17	76.72	79.92	83.09	86.20	89.26	92.29	2026	107.09
18	77.57	80.76	83.94	87.05	90.16	93.21	2027	110.18
19	78.39	81.58	84.76	87.91	91.04	94.11	2028	113.37
20	79.17	82.37	85.58	88.75	91.89	94.99	2029	116.67
							2030	120.06
							2031	124.62
							2032	128.62
							2033	132.76
							2034	137.04
							2035	141.48

Note: The rates shown in this table have been computed using the Northwest Power and Conservation Council's Fuel Price Forecast contained in its Sixth Power Plan approved on February 10, 2010. See page A1-19, East-Side Delivered prices. (Reference Order No. 30480).

**AVISTA**  
**AVOIDED COST RATES FOR FUELED PROJECTS**  
**SMALLER THAN TEN MEGAWATTS**  
**March 15, 2010**  
\$/MWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2010	2011	2012	2013	2014	2015		
1	21.93	22.26	22.60	22.94	23.28	23.63	2010	21.93
2	22.09	22.42	22.76	23.10	23.45	23.80	2011	22.26
3	22.24	22.58	22.92	23.26	23.61	23.97	2012	22.60
4	22.40	22.73	23.07	23.42	23.77	24.13	2013	22.94
5	22.55	22.88	23.23	23.58	23.93	24.29	2014	23.28
6	22.69	23.03	23.38	23.73	24.09	24.45	2015	23.63
7	22.83	23.18	23.53	23.88	24.24	24.61	2016	23.99
8	22.97	23.32	23.67	24.03	24.39	24.76	2017	24.35
9	23.11	23.46	23.81	24.17	24.53	24.90	2018	24.71
10	23.24	23.59	23.95	24.31	24.67	25.05	2019	25.09
11	23.37	23.72	24.08	24.44	24.81	25.19	2020	25.46
12	23.50	23.85	24.21	24.58	24.95	25.32	2021	25.85
13	23.62	23.98	24.34	24.70	25.08	25.46	2022	26.24
14	23.74	24.10	24.46	24.83	25.20	25.58	2023	26.63
15	23.86	24.22	24.58	24.95	25.33	25.71	2024	27.04
16	23.97	24.33	24.70	25.07	25.45	25.83	2025	27.45
17	24.08	24.44	24.81	25.19	25.56	25.95	2026	27.86
18	24.19	24.55	24.92	25.30	25.68	26.07	2027	28.28
19	24.29	24.66	25.03	25.40	25.79	26.18	2028	28.71
20	24.39	24.76	25.13	25.51	25.89	26.28	2029	29.14
							2030	29.58
							2031	30.03
							2032	30.49
							2033	30.95
							2034	31.42
							2035	31.89

EFFECTIVE DATE	ADJUSTABLE COMPONENT
3/15/2010	35.01

The total avoided cost rate in each year is the sum of the adjustable component and the fixed component from either of the tables above.

Example 1. A 20-year levelized contract with a 2010 on-line date would receive the following rates:

Years	Rate
1	24.39 + 35.01
2-20	24.39 + Adjustable component in each year

Example 2. A 4-year non-levelized contract with a 2010 on-line date would receive the following rates:

Years	Rate
1	21.93 + 35.01
2	22.26 + Adjustable component in year 2011
3	22.60 + Adjustable component in year 2012
4	22.94 + Adjustable component in year 2013

Note: The rates shown in this table have been computed using the Northwest Power and Conservation Council's Fuel Price Forecast contained in its Sixth Power Plan approved on February 10, 2010. See page A1-19, East-Side Delivered prices. (Reference Order No. 30480).

**IDAHO POWER COMPANY**  
**AVOIDED COST RATES FOR NON-FUELED PROJECTS**  
**SMALLER THAN TEN MEGAWATTS**  
**March 15, 2010**  
**\$/MWh**

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2010	2011	2012	2013	2014	2015		
1	56.67	60.06	63.78	67.32	71.13	75.21	2010	56.67
2	58.30	61.85	65.48	69.15	73.09	76.34	2011	60.06
3	59.99	63.53	67.22	71.01	74.46	77.43	2012	63.78
4	61.61	65.21	68.99	72.46	75.66	78.52	2013	67.32
5	63.23	66.91	70.44	73.72	76.80	79.60	2014	71.13
6	64.85	68.36	71.72	74.90	77.89	80.66	2015	75.21
7	66.27	69.64	72.91	76.01	78.95	81.75	2016	77.56
8	67.54	70.83	74.03	77.07	80.03	82.85	2017	79.87
9	68.72	71.94	75.09	78.13	81.10	83.96	2018	82.38
10	69.82	73.00	76.14	79.19	82.18	85.07	2019	84.85
11	70.87	74.04	77.18	80.24	83.25	86.19	2020	87.40
12	71.89	75.06	78.20	81.28	84.32	87.26	2021	90.42
13	72.89	76.06	79.21	82.31	85.35	88.30	2022	93.57
14	73.86	77.04	80.21	83.31	86.35	89.31	2023	96.83
15	74.82	78.01	81.18	84.27	87.32	90.29	2024	100.23
16	75.76	78.95	82.11	85.21	88.26	91.24	2025	103.76
17	76.66	79.85	83.01	86.11	89.18	92.20	2026	106.75
18	77.53	80.72	83.88	87.00	90.10	93.15	2027	109.85
19	78.37	81.56	84.73	87.88	91.00	94.08	2028	113.03
20	79.19	82.38	85.58	88.74	91.89	94.99	2029	116.32
							2030	119.71
							2031	124.27
							2032	128.26
							2033	132.39
							2034	136.67
							2035	141.10

Note: The rates shown in this table have been computed using the Northwest Power and Conservation Council's Fuel Price Forecast contained in its Sixth Power Plan approved on February 10, 2010. See page A1-19, East-Side Delivered prices. (Reference Order No. 30480). These rates also reflect a change in Idaho Power's weighted cost of capital as a result of Order No. 30722 in the Company's 2008 general rate case.

**IDAHO POWER COMPANY**  
**AVOIDED COST RATES FOR FUELED PROJECTS**  
**SMALLER THAN TEN MEGAWATTS**  
**March 15, 2010**  
\$/MWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2010	2011	2012	2013	2014	2015		
1	21.67	21.99	22.32	22.66	23.00	23.35	2010	21.67
2	21.82	22.15	22.48	22.82	23.17	23.51	2011	21.99
3	21.98	22.31	22.64	22.98	23.33	23.68	2012	22.32
4	22.13	22.46	22.80	23.14	23.49	23.84	2013	22.66
5	22.28	22.61	22.95	23.30	23.65	24.00	2014	23.00
6	22.42	22.76	23.10	23.45	23.80	24.16	2015	23.35
7	22.56	22.90	23.25	23.60	23.95	24.31	2016	23.70
8	22.70	23.04	23.39	23.74	24.10	24.47	2017	24.06
9	22.84	23.18	23.53	23.89	24.25	24.61	2018	24.42
10	22.97	23.32	23.67	24.03	24.39	24.76	2019	24.79
11	23.10	23.45	23.80	24.16	24.53	24.90	2020	25.16
12	23.23	23.58	23.93	24.30	24.66	25.03	2021	25.54
13	23.35	23.71	24.06	24.43	24.79	25.17	2022	25.93
14	23.47	23.83	24.19	24.55	24.92	25.30	2023	26.32
15	23.59	23.95	24.31	24.67	25.05	25.43	2024	26.71
16	23.71	24.06	24.43	24.79	25.17	25.55	2025	27.12
17	23.82	24.18	24.54	24.91	25.29	25.67	2026	27.53
18	23.93	24.29	24.65	25.02	25.40	25.79	2027	27.94
19	24.03	24.39	24.76	25.14	25.51	25.90	2028	28.37
20	24.13	24.50	24.87	25.24	25.62	26.01	2029	28.80
							2030	29.23
							2031	29.68
							2032	30.13
							2033	30.58
							2034	31.05
							2035	31.52

EFFECTIVE DATE	ADJUSTABLE COMPONENT
3/15/2010	35.01

The total avoided cost rate in each year is the sum of the adjustable component and the fixed component from either of the tables above.

Example 1. A 20-year levelized contract with a 2010 on-line date would receive the following rates:

<u>Years</u>	<u>Rate</u>
1	24.13 + 35.01
2-20	24.13 + Adjustable component in each year

Example 2. A 4-year non-levelized contract with a 2010 on-line date would receive the following rates:

<u>Years</u>	<u>Rate</u>
1	21.67 + 35.01
2	21.99 + Adjustable component in year 2011
3	22.32 + Adjustable component in year 2012
4	22.66 + Adjustable component in year 2013

Note: The rates shown in this table have been computed using the Northwest Power and Conservation Council's Fuel Price Forecast contained in its Sixth Power Plan approved on February 10, 2010. See page A1-19, East-Side Delivered prices. (Reference Order No. 30480). These rates also reflect a change in Idaho Power's weighted cost of capital as a result of Order No. 30722 in the Company's 2008 general rate case.



**PACIFICORP**  
**AVOIDED COST RATES FOR NON-FUELED PROJECTS**  
**SMALLER THAN TEN MEGAWATTS**  
**March 15, 2010**  
\$/MWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2010	2011	2012	2013	2014	2015		
1	56.85	60.24	63.97	67.51	71.32	75.40	2010	56.85
2	58.48	62.03	65.67	69.34	73.28	76.53	2011	60.24
3	60.17	63.71	67.40	71.20	74.66	77.62	2012	63.97
4	61.79	65.39	69.17	72.65	75.85	78.72	2013	67.51
5	63.40	67.09	70.63	73.91	76.99	79.79	2014	71.32
6	65.03	68.54	71.91	75.08	78.08	80.85	2015	75.40
7	66.44	69.82	73.09	76.19	79.14	81.94	2016	77.76
8	67.71	71.01	74.21	77.25	80.21	83.04	2017	80.07
9	68.89	72.12	75.27	78.31	81.29	84.15	2018	82.58
10	69.99	73.17	76.32	79.37	82.36	85.26	2019	85.05
11	71.04	74.21	77.35	80.42	83.43	86.37	2020	87.61
12	72.05	75.22	78.37	81.45	84.50	87.44	2021	90.63
13	73.05	76.22	79.38	82.48	85.53	88.47	2022	93.78
14	74.02	77.20	80.38	83.48	86.52	89.48	2023	97.05
15	74.97	78.17	81.34	84.44	87.49	90.45	2024	100.44
16	75.91	79.10	82.26	85.37	88.42	91.40	2025	103.98
17	76.80	79.99	83.16	86.27	89.33	92.36	2026	106.98
18	77.67	80.86	84.03	87.14	90.25	93.30	2027	110.07
19	78.51	81.70	84.87	88.02	91.15	94.23	2028	113.26
20	79.31	82.51	85.71	88.88	92.03	95.13	2029	116.56
							2030	119.95
							2031	124.51
							2032	128.50
							2033	132.64
							2034	136.92
							2035	141.35

Note: (1) The rates shown in this table have been computed using the Northwest Power and Conservation Council's Fuel Price Forecast contained in its Sixth Power Plan approved on February 10, 2010. See page A1-19, East-Side Delivered prices. (Reference Order No. 30480). (2) The rates shown in this table have been computed using the weighted average cost of capital from PacifiCorp's most recent general rate case. (See Order No. 30482).

**PACIFICORP**  
**AVOIDED COST RATES FOR FUELED PROJECTS**  
**SMALLER THAN TEN MEGAWATTS**  
**March 15, 2010**  
\$/MWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2010	2011	2012	2013	2014	2015		
1	21.85	22.17	22.51	22.85	23.19	23.54	2010	21.85
2	22.00	22.33	22.67	23.01	23.36	23.71	2011	22.17
3	22.16	22.49	22.83	23.17	23.52	23.88	2012	22.51
4	22.31	22.65	22.99	23.33	23.68	24.04	2013	22.85
5	22.46	22.80	23.14	23.49	23.84	24.20	2014	23.19
6	22.61	22.95	23.29	23.64	24.00	24.36	2015	23.54
7	22.75	23.09	23.44	23.79	24.15	24.51	2016	23.89
8	22.89	23.23	23.58	23.94	24.30	24.66	2017	24.25
9	23.03	23.37	23.72	24.08	24.44	24.81	2018	24.62
10	23.16	23.51	23.86	24.22	24.59	24.96	2019	24.99
11	23.29	23.64	24.00	24.36	24.73	25.10	2020	25.37
12	23.42	23.77	24.13	24.49	24.86	25.24	2021	25.75
13	23.54	23.90	24.26	24.62	24.99	25.37	2022	26.14
14	23.66	24.02	24.38	24.75	25.12	25.50	2023	26.53
15	23.78	24.14	24.50	24.87	25.25	25.63	2024	26.93
16	23.90	24.26	24.62	24.99	25.37	25.75	2025	27.34
17	24.01	24.37	24.74	25.11	25.49	25.87	2026	27.75
18	24.12	24.48	24.85	25.22	25.60	25.99	2027	28.17
19	24.22	24.59	24.96	25.33	25.72	26.10	2028	28.60
20	24.32	24.69	25.06	25.44	25.82	26.21	2029	29.03
							2030	29.47
							2031	29.92
							2032	30.37
							2033	30.83
							2034	31.30
							2035	31.77

EFFECTIVE DATE

ADJUSTABLE COMPONENT

3/15/2010

35.01

The total avoided cost rate in each year is the sum of the adjustable component and the fixed component from either of the tables above.

Example 1. A 20-year levelized contract with a 2010 on-line date would receive the following rates:

Years	Rate
1	24.32 + 35.01
2-20	24.32 + Adjustable component in each year

Example 2. A 4-year non-levelized contract with a 2010 on-line date would receive the following rates:

Years	Rate
1	21.85 + 35.01
2	22.17 + Adjustable component in year 2011
3	22.51 + Adjustable component in year 2012
4	22.85 + Adjustable component in year 2013

Note: (1) The rates shown in this table have been computed using the Northwest Power and Conservation Council's Fuel Price Forecast contained in its Sixth Power Plan approved on February 10, 2010. See page A1-19, East-Side Delivered prices. (Reference Order No. 30480). (2) The rates shown in this table have been computed using the weighted average cost of capital from PacifiCorp's most recent general rate case. (See Order No. 30482).