

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AN ADJUSTMENT TO)
THE PUBLISHED AVOIDED COST RATES) CASE NO. PAC-E-11-11
OF PACIFICORP TO REFLECT A CHANGE)
IN THE COMPANY'S COST OF CAPITAL) ORDER NO. 32234
 _____)

Pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA) and the implementing regulations of the Federal Energy Regulatory Commission (FERC), the Idaho Public Utilities Commission (Commission) has approved a surrogate avoidable resource (SAR) methodology for calculation of the published avoided cost rates paid to PURPA qualifying cogeneration and small power production facilities (QFs). Avoided cost rates are the purchase price paid to QFs for purchases of QF capacity and energy.

On February 28, 2011, the Commission issued Order No. 32196, the final Order in PacifiCorp's recent general rate case (Case No. PAC-E-10-07). An Order on Reconsideration was issued on April 18, 2011 (Order No. 32224). The conclusion of PacifiCorp's general rate case has triggered computation of new PURPA avoided cost rates. The conclusion of a general rate case affects avoided cost rates because cost of capital figures established in a general rate case are used in avoided cost computations in accordance with the approved methodology. When these new variables are input into the avoided cost model, PacifiCorp's avoided cost rates decrease slightly. Commission Staff has computed the revised avoided cost rates for PacifiCorp using the new cost of capital figures. The revised rates are shown in the attached tables. The effect of PacifiCorp's new cost of capital is a decrease in the avoided cost rates of approximately \$3.83 per megawatt-hour (MWh) for a 20-year levelized contract.

COMMISSION FINDINGS

The Commission has reviewed the methodology for calculating published rates for PURPA QFs, the Commission's Order changing PacifiCorp's cost of capital in Case No. PAC-E-10-07 and Staff's revised avoided cost rates for PacifiCorp using the new cost of capital figures. We find that a change in PacifiCorp's cost of capital triggers an update of the Company's published avoided cost rates. We find Staff's proposed revision to be correct and find it reasonable to approve the revised rate effective April 26, 2011. We further find it reasonable to implement this change without further notice or procedure.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp, an electric utility, 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 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 (QFs) and to implement FERC rules.

ORDER

IT IS HEREBY ORDERED and the Commission does hereby approve modification of PacifiCorp's published avoided cost rates as depicted in the attached tables to reflect the change in the Company's cost of capital approved in Order Nos. 32196 and 32224, Case No. PAC-E-10-07.

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 26th
day of April 2011.



PAUL KJELLANDER, PRESIDENT

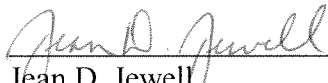


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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PACIFICORP
AVOIDED COST RATES FOR FUELED PROJECTS
SMALLER THAN TEN MEGAWATTS
April 26, 2011
 \$/MWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2011	2012	2013	2014	2015	2016		
1	21.27	21.59	21.92	22.25	22.58	22.93	2011	18.22
2	21.43	21.75	22.08	22.41	22.75	23.09	2012	18.54
3	21.58	21.90	22.23	22.57	22.91	23.25	2013	18.86
4	21.73	22.05	22.39	22.72	23.07	23.41	2014	19.19
5	21.87	22.20	22.54	22.88	23.22	23.57	2015	19.53
6	22.01	22.35	22.68	23.03	23.37	23.73	2016	19.87
7	22.15	22.49	22.83	23.17	23.52	23.88	2017	20.22
8	22.29	22.63	22.97	23.31	23.67	24.02	2018	20.57
9	22.42	22.76	23.11	23.45	23.81	24.17	2019	20.92
10	22.56	22.90	23.24	23.59	23.95	24.31	2020	21.29
11	22.68	23.03	23.37	23.73	24.08	24.45	2021	21.65
12	22.81	23.15	23.50	23.86	24.22	24.58	2022	22.03
13	22.93	23.27	23.63	23.98	24.34	24.71	2023	22.41
14	23.05	23.39	23.75	24.11	24.47	24.84	2024	22.79
15	23.16	23.51	23.87	24.23	24.59	24.96	2025	23.18
16	23.27	23.63	23.98	24.34	24.71	25.09	2026	23.58
17	23.38	23.74	24.09	24.46	24.83	25.20	2027	23.98
18	23.49	23.84	24.20	24.57	24.94	25.32	2028	24.39
19	23.59	23.95	24.31	24.68	25.05	25.43	2029	24.81
20	23.69	24.05	24.41	24.78	25.16	25.54	2030	25.23
							2031	25.66
							2032	26.10
							2033	26.54
							2034	26.99
							2035	27.44
							2036	27.91

EFFECTIVE DATE

ADJUSTABLE COMPONENT

4/26/2011

38.06

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 2011 on-line date would receive the following rates:

Years	Rate
1	23.69 + 38.06
2-20	23.69 + Adjustable component in each year

Example 2. A 4-year non-levelized contract with a 2011 on-line date would receive the following rates:

Years	Rate
1	18.22 + 38.06
2	18.54 + Adjustable component in year 2012
3	18.86 + Adjustable component in year 2013
4	19.19 + Adjustable component in year 2014

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. 32196).

PACIFICORP
AVOIDED COST RATES FOR NON-FUELED PROJECTS
SMALLER THAN TEN MEGAWATTS
April 26, 2011
\$/MWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2011	2012	2013	2014	2015	2016		
1	56.28	59.66	63.38	66.92	70.71	74.79	2011	56.28
2	57.90	61.45	65.08	68.74	72.67	75.92	2012	59.66
3	59.59	63.13	66.81	70.60	74.04	77.00	2013	63.38
4	61.21	64.80	68.57	72.04	75.24	78.09	2014	66.92
5	62.82	66.50	70.03	73.30	76.37	79.16	2015	70.71
6	64.44	67.94	71.30	74.47	77.46	80.22	2016	74.79
7	65.85	69.22	72.48	75.57	78.52	81.30	2017	77.14
8	67.12	70.40	73.59	76.63	79.58	82.40	2018	79.44
9	68.29	71.51	74.65	77.69	80.65	83.51	2019	81.94
10	69.39	72.56	75.69	78.74	81.72	84.61	2020	84.41
11	70.43	73.59	76.73	79.78	82.79	85.72	2021	86.95
12	71.44	74.60	77.74	80.82	83.85	86.78	2022	89.97
13	72.43	75.60	78.75	81.84	84.88	87.82	2023	93.10
14	73.40	76.58	79.74	82.83	85.87	88.82	2024	96.36
15	74.35	77.54	80.70	83.79	86.83	89.79	2025	99.75
16	75.28	78.47	81.62	84.72	87.77	90.74	2026	103.27
17	76.18	79.36	82.52	85.62	88.67	91.69	2027	106.26
18	77.04	80.22	83.38	86.49	89.59	92.63	2028	109.35
19	77.88	81.06	84.22	87.36	90.48	93.55	2029	112.53
20	78.68	81.87	85.06	88.22	91.36	94.45	2030	115.81
							2031	119.20
							2032	123.74
							2033	127.73
							2034	131.85
							2035	136.12
							2036	140.54

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. 32196).