

February 24, 2012

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive SW

P.O. Box 47250

Olympia, WA 98504-7250

Attention: David W. Danner

Executive Director and Secretary

RE: **Advice No 11-03, Docket No. UE-112226**

**Schedules of Estimated Avoided Cost and Update to Schedule 37 – Avoided Cost Purchases from Cogeneration and Small Power Purchases**

Dear Mr. Danner:

Pursuant to RCW 80.28.050 and 80.28.060, WAC 480-107-055 and WAC 480-107-095 and the Washington Utilities and Transportation Commission’s (Commission) Rules and Regulations, PacifiCorp, d.b.a. Pacific Power & Light Company, (Company) submits for filing an original and two copies of proposed tariffs applicable to Pacific Power’s electric service in the state of Washington. Based on discussions with Staff, the Company respectfully requests an effective date of April 13, 2012.

First Revision of Sheet No. 37.2 Schedule 37 Avoided Cost Purchases from

Cogeneration and Small Power Production

On December 29, 2011, the Commission approved PacifiCorp’s Market Request for Proposals (Market RFP) in Docket UE-111804 which resulted in the acceptance of a 50 MW, third quarter 2012 power purchase. On December 30, 2011 PacifiCorp filed updated avoided costs with the Commission requesting an effective date of February 29, 2012.

On February 13, 2012, based on discussions with Staff, the Company requested an extension of the proposed tariff effective date in order to allow the Company to update forward price curves and to complete additional analysis requested by Staff. The proposed rates in this filing reflect the update in the forward price curves, the addition of the Market RFP, and the extension of avoided costs from five years to ten years when compared to the Company’s filing of

December 30, 2011.

Also enclosed is the notice to customers, a summary page of tariff changes and the avoided cost calculation exhibit.

It is respectfully requested that all formal correspondence and Staff requests regarding this 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, Suite 2000

Portland, Oregon, 97232

Informal questions should be directed to Carla Bird at (503) 813-5269.

Sincerely,

William R. Griffith

Vice President, Regulation

Enclosures

Attachments and Exhibits

Attachment A: Notice

Attachment B: Summary Page of Tariffs

Attachment C: Proposed Tariff Schedule 37

Exhibit 1: Summary of the Company’s avoided cost calculation methodology

**ATTACHMENT A**

**ATTACHMENT B**

**ATTACHMENT C**

**EXHIBIT 1**

**Pacific Power**

**Avoided Cost Calculation**

WASHINGTON – FEBRUARY 2012