

December 31, 2015

VIA ELECTRONIC FILING

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: Advice 15-07—Schedule 37—Avoided Cost Purchases from Cogeneration and Small Power Purchases

Pacific Power & Light Company (Pacific Power or Company), a division of PacifiCorp, submits proposed tariffs applicable to Pacific Power's electric service in the state of Washington in compliance with RCW 80.28.050, WAC 480-107-095, and the Washington Utilities and Transportation Commission's (Commission) Rules and Regulations. The Company respectfully requests an effective date of February 15, 2016.

Fifth Revision of Sheet No. 37.2 Schedule 37 Avoided Cost Purchases from Cogeneration and Small Power Production

The Company's current avoided cost prices and Schedule 37 became effective December 15, 2015, in compliance with Order 04 in Docket UE-144160. In that order, the Commission stated: "We encourage the Company to engage, at least with Staff, in discussing how the different perspectives on avoided cost theory and methodology that are evident in this case can be reconciled with an eye to bringing forward proposed avoided costs that will not lead to protracted litigation." The Commission also ordered that the Company collaborate with Staff in workshops during 2016 to fully develop an acceptable method to determine Schedule 37 avoided costs.

The current filing updates the Company's estimated avoided cost prices and Schedule 37 using updated inputs to the Generation and Regulation Initiative Decision (GRID) model. Given the time constraints, this filing includes avoided cost prices that include a separate capacity payment based on one-fourth the cost of a simple cycle combustion turbine (SCCT) in accordance with the Company's previously used methodology and direction from Order 04. Recognizing the Commission's desire for parties to resolve issues related to capacity payments in avoided costs without protracted litigation, the Company and Staff have agreed to this approach for the current Schedule 37 filing. Both Staff and the Company anticipate participating in workshops to provide greater clarity on avoided cost calculation methodologies in 2016.

In the event that Order 04 intended for this filing to use a market premium methodology, the Company, with the support of Staff, respectfully requests a waiver under WAC 480-107-002(3).

As discussed above, the Company is committed to working with Staff and stakeholders on avoided cost calculation methodologies with “an eye to bringing forward a proposed avoided cost that will not lead to protracted litigation.”¹ Requiring PacifiCorp to work with Staff and stakeholders and address these complicated issues and develop an agreed-upon methodology before the end of 2015 is impracticable. A waiver, if necessary, would provide the parties with sufficient time to work through complicated issues outside the context of administrative litigation and is therefore in the public interest.

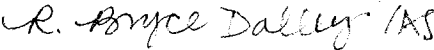
It is respectfully requested that all formal correspondence and Staff requests regarding this filing be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon, 97232

Please direct informal questions to Ariel Son, Regulatory Projects Manager, at (503) 813-5410.

Sincerely,


R. Bryce Dalley
Vice President, Regulation

Enclosures

Attachments and Exhibits

Attachment A: Summary of the Company’s avoided cost calculation methodology
Attachment B: Summary Page of Tariffs
Attachment C: Proposed Tariff Schedule 37

¹ Order No. 04 at ¶ 30.