

UE-031311 (P)

825 N.E. Multnomah  
Portland, Oregon 97232  
(503) 464-5000

RECEIVED  
RECORDS MANAGEMENT

03 AUG 15 AM 9:34

STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION



August 14, 2003

Ms. Carole J. Washburn  
Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Filing of Avoided Cost Data  
Compliance with Chapter 480-107 WAC**

Dear Ms. Washburn:

PacifiCorp dba Pacific Power & Light Company ("PacifiCorp") hereby submits and original and three copies of its avoided cost data, in compliance with Chapter 480-107 WAC.<sup>1</sup> To the extent a Request for Proposals is determined to be necessary to comply with WAC 480-107-060, this filing can be considered to be a Request for Proposals with a resource block of zero. *WAC 480-107-040*

In compliance with WAC 480-107-050 and 18 C.F.R. § 292.302(b), PacifiCorp submits the following:

- PacifiCorp's estimate of avoided costs for years 2003 through 2027 (Attachment A);
- Three-page description of the calculation of avoided costs (Attachment B); and
- Tables 1 – 9 supporting the avoided cost calculation (included as part of Attachment B).

As noted in Attachment B, 2003 through 2006 is a period of energy sufficiency for PacifiCorp on a system-wide basis for purposes of calculating avoided costs. For this period – referred to as the "Short Run" – PacifiCorp's avoided costs are based on the marginal production cost of existing resources plus the cost of purchasing summer capacity. Although PacifiCorp is currently seeking

---

<sup>1</sup> Chapter 480-107 WAC represents the Commission's implementation of the Public Utility Regulatory Policies Act of 1978 ("PURPA") in Washington. The regulations promulgated by the Federal Energy Regulatory Commission to implement PURPA, set forth at 18 C.F.R Part 292, require, among other things, that electric utilities periodically file their avoided cost information with state commissions. *18 C.F.R. § 292.302(b)* WAC 480-107-050, in turn, requires that avoided cost schedules and supporting documentation be filed with a Request for Proposals, or RFP, under the Commission's competitive bidding rules.

Ms. Carole J. Washburn  
August 14, 2003  
Page 2


to acquire certain types of resources through specifically-tailored solicitations, it does not propose to issue a Commission-approved RFP in Washington as a means of securing additional resources.<sup>2</sup> Accordingly, this filing can be considered to be an RFP with a resource block of zero. *WAC 480-107-040* In any event, because the obligation to file avoided cost information remains irrespective of the filing of an RFP, the enclosed data is submitted to fulfill that obligation.

The Company's decision not to avail itself of a Commission-approved RFP should not be construed as bearing in any manner on whether or not the additional resources that the Company may acquire through other means are necessary to serve the Company's Washington customers. The Company expressly reserves its rights to seek recovery of prudently acquired resources in Washington rates, to the extent the costs thereof are properly allocable to Washington, irrespective of whether acquired pursuant to a Commission-approved RFP.

Please direct any questions regarding this filing to either the undersigned at (503) 813-6092 or Mark Widmer at (503) 813-5541.

Very truly yours,

**PacifiCorp**

By Christy Omohundro  
Christy Omohundro  
Director, Regulation 

[Sea3192031]

---

<sup>2</sup> The rules do not require a utility to fulfill all its resource acquisition needs through a Commission-approved RFP. Use of a Commission-approved RFP is one means of acquiring resources, but is not the sole means of doing so. *WAC 480-107-001(1)* provides that "[t]hese rules *do not preclude electric utilities from* constructing electric resources, operating conservation programs, purchasing power through negotiated purchase contracts, or otherwise taking action to satisfy their public service obligations." (emphasis added)