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REPORT NAME: Net Power Cost Indicative Update for 2015

COMPANY NAME: PacifiCorp d/b/a Pacific Power

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? [ ] No [X] Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: [X]RE (Electric) [ ]RG (Gas) [ ]RW (Water) [ ]RO (Other)

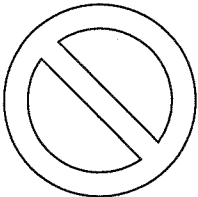
Report is required by: [ ]OAR
[ ]Statute
[X]Order 14-331
[ ]Other

Is this report associated with a specific docket/case? [ ]No [X]Yes

If yes, enter docket number: UE 287

List applicable Key Words for this report to facilitate electronic search:
Net Power Cost Indicative Update for 2015, Transition Adjustment Mechanism, TAM

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• OUS or RSPF Surcharge form or surcharge remittance or
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• Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

November 10, 2014

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon  
3930 Fairview Industrial Dr. S.E.  
Salem, OR 97302-1166

RE: Docket UE 287—2015 Transition Adjustment Mechanism  
**Net Power Cost Indicative Update for 2015**

Enclosed for filing by PacifiCorp d/b/a Pacific Power is the updated 2015 net power cost forecast for posting indicative transition adjustments. This filing shows the 2015 net power cost forecast at \$1,483.1 million, total company. Based on this indicative forecast, Oregon-allocated net power costs are \$366.6 million after reflecting various updates and Commission-ordered adjustments. This is an approximate \$3.0 million (Oregon-allocated) decrease from the July Update.

In support of this filing, the following exhibits are attached:

- Exhibit A – Summary of the updates since the July Update filing and impacts on net power costs.
- Exhibit B – Description of the updates.
- Exhibit C – Attestation of Stefan A. Bird, in accordance with paragraph 13 of the Stipulation adopted by Order No. 10-363 (Docket UE 216) and paragraph 15 of the Stipulation adopted by Order No. 14-331 (Docket UE 287).
- Exhibit D – Update of the Oregon allocation of net power costs.
- Exhibit E – Copy of the indicative transition adjustments and Schedule 201 rates posted on the Company's website November 10, 2014.

Attached are CDs with the net power cost GRID project, report, and workpapers supporting this filing, as required by the TAM Guidelines. The confidential material is provided subject to the protective order issued in this proceeding.

If you have any questions, please contact Natasha Siores, Director, Regulatory Affairs & Revenue Requirement, at (503) 813-6583.

Sincerely,

  
R. Bryce Dalley  
Vice President, Regulation

Enclosure

cc: UE 287 Service List

## CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's NPC Indicative Update on the parties listed below via electronic mail and/or US mail in compliance with OAR 860-001-0180.

### SERVICE LIST

UE 287

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Jorge Ordonez (C)(W)

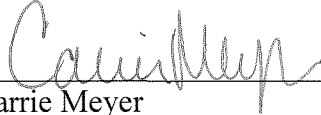
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Dated this 10<sup>th</sup> of November 2014.

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\_\_\_\_\_  
Carrie Meyer  
Supervisor, Regulatory Operations

# EXHIBIT A

<b>Oregon TAM 2015 (February 2014 Filing)</b>	\$ NPC = \$	1,529,835,581
	\$/MWh = \$	25.53

<b>Oregon TAM 2015 (July 2014 Filing with Settlement)</b>	\$ NPC = \$	1,496,892,826
	\$/MWh = \$	24.98

**Oregon TAM 2015 (Nov 2014 Initial Filing):**

<b>Corrections - one-off studies from the July 2014 Filing</b>	<b>NPC (\$)</b>	<b>Impact (\$) from July Filing</b>
C01 NovInd ORTAM 2015 - NPC study (Small QFs)	1,494,306,668	(2,586,157)
<b>Subtotal - Corrections</b>		(2,586,157)
<b>Updates - one-off studies from the July 2014 Filing</b>		
U01 NovInd ORTAM 2015 - NPC study (FCIII QF)	1,496,774,879	(117,947)
U02 NovInd ORTAM 2015 - NPC study (Gem State)	1,496,873,026	(19,800)
U03 NovInd ORTAM 2015 - NPC study (Tri-state)	1,496,872,588	(20,238)
U04 NovInd ORTAM 2015 - NPC study (MidC contracts)	1,499,112,077	2,219,252
U05 NovInd ORTAM 2015 - NPC study (Small QFs Update)	1,496,126,037	(766,789)
U06 NovInd ORTAM 2015 - NPC study (Remove 2 Wind QFs)	1,496,891,960	(865)
U07 NovInd ORTAM 2015 - NPC study (OFPC and STF)	1,485,432,059	(11,460,767)
U08 NovInd ORTAM 2015 - NPC study (Chevron Wind QF ext)	1,496,577,614	(315,212)
<b>Subtotal - Updates</b>		(10,482,365)
<b>Total Corrections and Updates from July Filed NPC =</b>		(13,068,523)
System balancing impact of all adjustments		(583,803)
<b>Oregon TAM 2014 with updates, corrections =</b>	1,483,240,500	(13,652,326)
\$/MWh =	24.75	

## EXHIBIT B

**November 2014**  
**Oregon Transition Adjustment Mechanism (TAM) Indicative Update**  
**Update Explanations**

**Correction 1—Small Qualifying Facility (QF) Pricing**

The Company incorrectly calculated the contracts prices for several small QF contracts. Correcting the contract prices decreases total-company net power costs by approximately \$2.6 million.

**Update 1—Foote Creek III Wind QF**

The Company signed a new QF contract with Foote Creek III, LLC to purchase the energy from a wind QF located in Carbon County, Wyoming, starting August 1, 2014. This update decreases total-company net power costs by approximately \$0.1 million.

*Supporting document: Foote Creek III 7-30-14 QF PPA WY SCH 38 CONF*

**Update 2—Gem State Power Cost**

Idaho Falls provided the Gem State operating budget on July 29, 2014, for the fiscal year beginning October 1, 2014. The impact of this update decreases total-company net power costs by approximately \$20,000.

*Supporting document: Idaho Falls 9-17-14 FINAL Operating Budget Fiscal 2014-2015 for Gem State*

**Update 3—Tri-State Purchase Contract Energy and Capacity Prices**

This update reflects new capacity and energy rates for the Tri-State Generation and Transmission contract, per communication from Tri-State dated October 17, 2014. The impact of this contract decreases net power costs by approximately \$20,000 on a total-company basis.

*Supporting document: Tri-State Corr - 2015 Capacity and Energy Rates plus 2015 Budget CONF.pdf*

**Update 4—Mid Columbia Contracts Proforma Updates**

Douglas PUD provided a final budget for the Douglas Wells project costs on September 5, 2014. Grant PUD provided its preliminary estimate for the 2015 Priest Rapids project cost on September 9, 2014. The Company's Grant Reasonable revenues have been updated to reflect the outcome of the Grant PUD power auction which occurred on November 4, 2014. The impact of the update is to increase total-company net power costs by approximately \$2.2 million.

*Supporting documents: Grant PUD Corr - Prelim 2015 Priest Rapids-Wanapum Proforma dtd 9-9-14 CONF.pdf, Douglas PUD 10-28-14 Wells Pro-Forma Statement + Capital Budget for Fiscal Year 2014-2015 CONF.pdf*

**Update 5—Small Qualified Facilities**

This update incorporates several changes to QF contracts, including:

- Stahlbush Island Farms has signed a new QF contract with the Company which changes the pricing from fixed to indexed on September 25, 2014.



## Exhibit B

*Supporting document: Stahlbush Island Farms 9-25-14 QF PPA OR SCH 37 NON CONF*

- Commercial operation dates for several QF contracts were updated:
  - Fiddler's Canyon 1 and 2 changed from May 30, 2015, to August 28, 2015
  - Manderfield South Solar changed from May 30, 2015, to September 15, 2015
  - Milford 2 Solar changed from October 15, 2015, to November 30, 2015
  - South Milford Solar changed from January 15, 2015, to September 15, 2015
- Output from the Roseburg Weed QFs is reduced for four months due to a fire that damaged the generator on September 15, 2014.

The impact of the new and revised QF contracts decreases net power costs by approximately \$0.8 million on a total-company basis.

### **Update 6—Remove Wind QFs**

Two Oregon wind QFs gave notice to the Company postponing their expected commercial operating date from December 31, 2015, to July 1, 2017. The impact of this update decreases total-company net power costs by approximately \$865.

### **Update 7—November 3, 2014 Official Forward Price Curve and November 3, 2013 Short-Term Firm Transactions**

This update incorporates the Company's official forward price curves as of November 3, 2013, and new wholesale short term firm transactions for electricity and natural gas, both physical and financial transactions, through October 31, 2014. The impact of this update decreases net power costs by approximately \$11.5 million on a total-company basis.

*Supporting document: ORTAM15 New Short term transactions NOV14 CONF.xlsx.*

### **Update 8—Chevron Wind QF Extension**

Chevron Wind QF signed a new contract to extend the current contract for six months from December 2014 through May 2015. The impact of this update decreases total-company net power costs by approximately \$315,000.

*Supporting document: Chevron Casper Wind 10.23.14 QF PPA Amend 1 - Extends Term to 5.31.15 WY CONF.pdf*

### **System Balancing Impact of All Adjustments**

This update recalculates net power costs based on the inclusion of the correction and updates 1 through 8, along with the screening of gas-fired units. The combined impact of all updates increases net power costs by approximately \$13.7 million on a total-company basis.

# EXHIBIT C

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 287**

In the Matter of  
PACIFICORP d/b/a PACIFIC POWER,  
2015 Transition Adjustment Mechanism.

ATTESTATION OF  
STEFAN A. BIRD

1 STATE OF OREGON            )  
2    ) ss  
3 County of Multnomah        )

4           I, STEFAN A. BIRD, being first duly sworn on oath, depose and say:

5           1.     My full name is Stefan A. Bird. I am employed by PacifiCorp. My present  
6                    position is Senior Vice President, Commercial and Trading, for PacifiCorp  
7                    Energy.

8           2.     I am making this attestation in compliance with Paragraph 13 of the  
9                    stipulation adopted by the Public Utility Commission of Oregon in Order  
10                   No. 10-363 in docket UE 216 on September 16, 2010, and Paragraph 15 of the  
11                   stipulation adopted by the Commission in Order No. 14-331 on October 1,  
12                   2014.

13          3.     I understand that this attestation will be filed concurrently with the Indicative  
14                   Filing of the Company's net power costs (NPC) on November 10, 2014.

15          4.     I attest that all NPC contracts executed before the contract lockdown date of  
16                   October 31, 2014, are included in the Indicative Filing.

17          5.     I attest that for the executed power purchase agreements with new QFs  
18                   included in the 2015 TAM, PacifiCorp has a commercially reasonable good

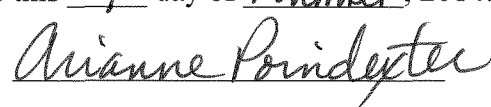
1 faith belief that these QFs will reach commercial operation during the rate  
2 effective period based on the information known to PacifiCorp as of the  
3 contract lockdown date of October 31, 2014.

4 I declare under penalty of perjury under the laws of the state of Oregon that the  
5 foregoing is true and correct based on my information and belief as of the date of this  
6 attestation.

7 SIGNED this: 7<sup>th</sup> day of November, 2014, at Portland, Oregon

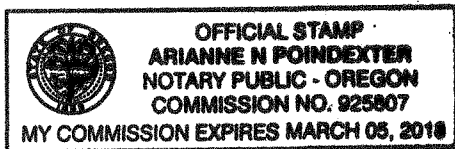
8 Signed: 

9 SUBSCRIBED AND SWORN to before me this 7 day of November, 2014.

10 

11 Notary Public, State of Oregon

12 My Commission expires: March 5, 2018



## EXHIBIT D



# EXHIBIT E

PACIFIC POWER  
STATE OF OREGON

One-Year Option - Transition Adjustments (cents/kWh)  
November 2014 Indicative Transition Adjustments

	23/723 Secondary		23/723 Primary		28/728 Secondary		28/728 Primary		30/730 Secondary	
	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH
Jan-15	-0.997	-0.416	-1.105	-0.535	-0.893	-0.313	-1.009	-0.379	-1.085	-0.422
Feb-15	-0.961	-0.577	-1.093	-0.731	-0.877	-0.487	-0.993	-0.602	-1.016	-0.608
Mar-15	-0.604	-0.372	-0.728	-0.541	-0.514	-0.280	-0.628	-0.402	-0.640	-0.411
Apr-15	-0.044	0.147	-0.200	0.063	0.030	0.240	-0.090	0.140	-0.103	0.113
May-15	0.312	0.435	0.186	0.275	0.413	0.536	0.317	0.410	0.274	0.399
Jun-15	0.282	0.640	0.118	0.493	0.367	0.736	0.212	0.615	0.227	0.613
Jul-15	-0.940	-0.190	-1.096	-0.342	-0.847	-0.095	-0.977	-0.159	-0.979	-0.198
Aug-15	-1.491	-0.477	-1.638	-0.653	-1.392	-0.393	-1.500	-0.445	-1.520	-0.477
Sep-15	-1.236	-0.378	-1.387	-0.523	-1.132	-0.299	-1.241	-0.397	-1.265	-0.404
Oct-15	-0.749	-0.428	-0.898	-0.548	-0.657	-0.345	-0.775	-0.460	-0.784	-0.479
Nov-15	-0.907	-0.610	-1.045	-0.732	-0.768	-0.522	-0.912	-0.648	-0.940	-0.658
Dec-15	-1.076	-0.818	-1.225	-0.975	-1.007	-0.729	-1.112	-0.834	-1.116	-0.858

	30/730 Primary		41/741 Secondary		41/741 Primary		47/747,48/748 Secondary		47/747,48/748 Primary	
	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH
Jan-15	-1.084	-0.496					-1.007	-0.361	-1.273	-0.639
Feb-15	-1.054	-0.657					-1.038	-0.618	-1.244	-0.824
Mar-15	-0.675	-0.453					-0.661	-0.429	-0.880	-0.616
Apr-15	-0.142	0.076	0.042	0.217	-0.034	0.140	-0.085	0.084	-0.305	-0.104
May-15	0.243	0.362	0.345	0.473	0.268	0.396	0.241	0.374	0.046	0.168
Jun-15	0.155	0.580	0.313	0.682	0.237	0.605	0.183	0.556	-0.013	0.372
Jul-15	-1.017	-0.256	-0.878	-0.052	-0.954	-0.128	-1.000	-0.220	-1.212	-0.375
Aug-15	-1.557	-0.538	-1.411	-0.326	-1.487	-0.403	-1.545	-0.482	-1.744	-0.634
Sep-15	-1.308	-0.458	-1.180	-0.251	-1.256	-0.328	-1.294	-0.414	-1.495	-0.589
Oct-15	-0.830	-0.539	-0.686	-0.366	-0.762	-0.442	-0.825	-0.481	-1.019	-0.682
Nov-15	-0.948	-0.701					-0.978	-0.663	-1.171	-0.854
Dec-15	-1.182	-0.902					-1.143	-0.839	-1.367	-1.066

	47/747,48/748 Transmission		51/751		52/752		53/753		54/754	
	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH
Jan-15	-1.303	-0.733	-0.860	-0.284	-1.553	-0.977	-2.861	-2.286	-2.157	-1.581
Feb-15	-1.274	-0.894	-0.852	-0.454	-1.546	-1.147	-2.854	-2.455	-2.149	-1.751
Mar-15	-0.908	-0.701	-0.486	-0.254	-1.179	-0.947	-2.487	-2.256	-1.782	-1.551
Apr-15	-0.391	-0.198	0.076	0.276	-0.617	-0.417	-1.926	-1.725	-1.221	-1.020
May-15	-0.045	0.074	0.425	0.550	-0.268	-0.143	-1.577	-1.452	-0.872	-0.747
Jun-15	-0.102	0.272	0.369	0.758	-0.324	0.065	-1.632	-1.244	-0.927	-0.539
Jul-15	-1.251	-0.482	-0.812	-0.025	-1.506	-0.718	-2.814	-2.026	-2.109	-1.322
Aug-15	-1.745	-0.749	-1.348	-0.296	-2.042	-0.990	-3.350	-2.298	-2.645	-1.593
Sep-15	-1.512	-0.678	-1.102	-0.219	-1.795	-0.913	-3.103	-2.221	-2.398	-1.516
Oct-15	-1.058	-0.753	-0.629	-0.306	-1.322	-0.999	-2.630	-2.308	-1.925	-1.603
Nov-15	-1.205	-0.914	-0.785	-0.470	-1.479	-1.163	-2.787	-2.472	-2.082	-1.767
Dec-15	-1.400	-1.119	-0.972	-0.690	-1.665	-1.383	-2.973	-2.691	-2.269	-1.987



PACIFIC POWER  
STATE OF OREGON

Three-Year Option - Transition Adjustments (cents/kWh)  
For Customers Electing Option During the November 2014 Window  
November 2014 Indicative Transition Adjustments

**Adjustments for Consumers Electing This Option for 2015-2017**

	30/730 Secondary		30/730 Primary	
	HLH	LLH	HLH	LLH
2015	-0.604	-0.306	-0.651	-0.343
2016	-0.756	-0.403	-0.767	-0.421
2017	-0.963	-0.605	-0.972	-0.606

	47/747, 48/748 Secondary		47/747, 48/748 Primary		47/747, 48/748 Transmission	
	HLH	LLH	HLH	LLH	HLH	LLH
2015	-0.652	-0.297	-0.833	-0.530	-0.897	-0.617
2016	-0.818	-0.397	-1.001	-0.638	-1.045	-0.702
2017	-1.086	-0.634	-1.218	-0.854	-1.240	-0.904

**PACIFIC POWER**  
**STATE OF OREGON**  
**Schedule 201 Rates to be Effective January 1, 2015 through UE 287 TAM**  
**INDICATIVE**

Delivery Service Schedule	Rate Block/ Lamp Type	Schedule 201 Rates		
		Secondary	Primary	Transmission
4	1st Block (≤1,000 kWh)	2.686		per kWh
	2nd Block (>1,000 kWh)	3.669		per kWh
23	1st 3,000 kWh	2.975	2.881	per kWh
	All Addl kWh	2.206	2.138	per kWh
28	1st 20,000 kWh	2.910	2.802	per kWh
	All Addl kWh	2.830	2.726	per kWh
30	1st 20,000 kWh	3.110	3.075	per kWh
	All Addl kWh	2.697	2.659	per kWh
41	Wint 1st 100kWh/kW	4.155	4.024	per kWh
	Wint All Addl kWh	2.831	2.742	per kWh
	Summer kWh	2.831	2.742	per kWh
47/48	On-Peak kWh	2.743	2.544	2.389 per kWh
	Off-Peak kWh	2.693	2.494	2.339 per kWh
15		2.243		
	MV 7,000L	\$1.70		per lamp
	MV 21,000L	\$3.86		per lamp
	MV 55,000L	\$9.24		per lamp
	HPS 5,800L	\$0.70		per lamp
	HPS 22,000L	\$1.91		per lamp
	HPS 50,000L	\$3.95		per lamp
50		1.844		
	MV 7,000L	\$1.40		per lamp
	MV 21,000L	\$3.17		per lamp
	MV 55,000L	\$7.60		per lamp
51		2.910		
	LED 4,000L/100 W(comp)	\$0.55		per lamp
	LED 6,200L/150 W(comp)	\$0.79		per lamp
	LED 13,000L/250 W(comp)	\$1.48		per lamp
	LED 16,800L/400 W(comp)	\$2.01		per lamp
	HPS 5,800L/70W	\$0.90		per lamp
	HPS 9,500L/100W	\$1.28		per lamp
	HPS 16,000L/150W	\$1.86		per lamp
	HPS 22,000L/200W	\$2.47		per lamp
	HPS 27,500L/250W	\$3.35		per lamp
	HPS 50,000L/400W	\$5.12		per lamp
	MH 12,000L/175W	\$1.98		per lamp
	MH 19,500L/250W	\$2.74		per lamp
	52	Dusk to Dawn	2.230	
Dusk to Midn.		2.230		per kWh
53		0.951		
	HPS 5,800L/70W	\$0.29		per lamp
	HPS 9,500L/100W	\$0.42		per lamp
	HPS 16,000L/150W	\$0.61		per lamp
	HPS 22,000L/200W	\$0.81		per lamp
	HPS 27,500L/250W	\$1.09		per lamp
	HPS 50,000L/400W	\$1.67		per lamp
	MH 9,000L/100W	\$0.37		per lamp
	MH 12,000L/175W	\$0.65		per lamp
	MH 19,500L/250W	\$0.89		per lamp
	MH 32,000L/400W	\$1.42		per lamp
	MH 107,800L/1,000W	\$3.37		per lamp
	Non-Listed	0.951		per kWh
	54	All kWh	1.640	