

June 8, 2015

***VIA ELECTRONIC FILING***

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

Attn: Filing Center

**RE: UE 296 - 2016 Transition Adjustment Mechanism  
Pacific Power's List of Corrections or Omissions**

PacifiCorp d/b/a Pacific Power (Company) provides for filing a summary of all identified corrections or omissions to net power costs since the Company's April 1, 2015, initial filing in this docket. This submission complies with Section B(4) of the Transition Adjustment Mechanism (TAM) Guidelines, adopted by the Commission in Order No. 09-274. As a courtesy, the Company is also providing a list of currently known updates under Section B(3) of the TAM Guidelines.

**Corrections:**

- Demand-Side Management (DSM) Cool Keeper reserve – The reserves associated with the Company's Cool Keeper interruptible load program were mistakenly excluded. Correcting the contract prices decreases Oregon allocated net power costs approximately \$25,000.
- Regulation Reserve Requirement – The regulation reserve requirement associated with incremental wind generation was overstated. Correcting this input decreases Oregon allocated net power costs approximately \$120,000.
- Utah Red Hills Qualifying Facility (QF) Contract Price – The Utah Red Hills QF is expected to achieve commercial operation as defined in the contract on December 1, 2016. Pricing for the month of December has been corrected to reflect the contract price, rather than the market-based index applicable prior to commercial operation. This correction increases Oregon allocated net power costs \$45,000.
- Energy Imbalance Market (EIM) costs – A minor change to EIM costs will be made to correct the tax component of the revenue requirement calculation. This correction was identified in the Company's response to Staff data request 21(b) and will increase the TAM request \$210 on an Oregon allocated basis.

**Updates:**

- New QF Contracts – The Company has executed QF contracts for the output of five new solar projects: Granite Mountain East, Granite Mountain West, Iron Springs, Pavant II, and Ewauna. The Company has also executed a QF contract for the output of BYU Idaho's new cogeneration facility, and executed two QF contracts for the output of Yakima Tieton's

existing hydro facilities. This update increases Oregon allocated net power costs \$1.2 million.

- Eagle Mountain – The Company’s acquisition of the assets and service territory from the City of Eagle Mountain included assumption of Eagle Mountain’s existing power purchase agreements. Only the fair market value of the power purchase agreements as of the date of closing is included in net power cost, with the remainder included in the acquisition expense. This update increases Oregon allocated net power costs \$13,000.
- QF Contract Status – The Company has terminated the Champlin Blue Mountain Wind contract effective May 14, 2015 due to failure to provide default security. The Pioneer Wind facility has a force majeure claim due to an ongoing legal proceeding and is not expected to meet its scheduled commercial operation date. Both contracts have been removed from the forecast period. This update decreases Oregon allocated net power costs \$1.1 million.
- Pipeline Expenses – Pursuant to its tariff, Questar Gas Company recently began applying a demand charge for Lake Side 1’s gas supply. Northwest Pipeline provided an updated cost-of-service calculation for the Chehalis Pipeline Lateral, with a new monthly payment effective April 2015. These updates increase Oregon allocated net power costs \$389,000.
- Biomass One QF Non-generation Agreement – The Company has executed a non-generation agreement with Biomass One QF May and June and 2016. This update decreases Oregon allocated net power costs \$1,000.
- Douglas Public Utility District Pro-forma – This update incorporates the fiscal year September 1, 2014 – August 31, 2015 preliminary pro-forma published by the Douglas Public Utility District on May 1, 2015. This update decreases net power costs by approximately \$19,000 on an Oregon allocated basis.
- Black Hills Sale Fixed and Variable Charges – This update reflects the annual update of the fixed and variable charges for the sales contract with Black Hills Corporation. This update decreases net power costs by approximately \$84,000 on an Oregon allocated basis.
- Portland General Electric Company (PGE) Cove Annual Cost – The annual purchase power expense for PGE Cove has been updated to reflect the latest projection by PGE. This update decreases net power costs approximately \$20,000 on an Oregon allocated basis.
- Open Access Transmission Tariff Rates – Idaho Power Company, Arizona Public Service and Platte River Power Authority have filed updated tariff rates effective during the forecast period. This update increases Oregon allocated net power costs \$361,000.
- Goodnoe Hills Wheeling Interconnection Credit – The Company entered an agreement to receive BPA wheeling credits associated with the Goodnoe Hills interconnection costs. This update reduces Oregon allocated net power costs approximately \$138,000.
- Old Mill Oregon Solar Capacity Standard Contract – The Company has entered a contract to purchase the output of the five megawatt Old Mill solar project for the purposes of meeting its obligations under the Oregon Solar Capacity Standard. The associated costs and benefits are situs assigned to Oregon customers, similar to the treatment of the Black Cap solar project. This update increases net power costs approximately \$545,000 on an Oregon allocated basis.

In addition, the Company has updated the forecasted Other Revenue to reflect an amendment to the Eugene Water and Electric Board’s Foote Creek I exchange agreement as well as the impact

Public Utility Commission of Oregon

June 8, 2015

Page 3

of a recent update to PacifiCorp Transmission's updated Open Access Transmission Tariff rates. This update reduces the TAM request approximately \$12,000 on an Oregon allocated basis.

The total impact of the above identified corrections and updates is an increase of approximately \$1.0 million to the filed Oregon allocated net power costs. The Company plans to include these corrections and updates in the Rebuttal Update scheduled for August 3, 2015.

Please direct informal correspondence and questions regarding this filing to Erin Apperson, Manager, Oregon State Regulatory Affairs, at (503) 813-6642.

A copy of this filing has been served on all parties to this proceeding, as indicated on the attached certificate of service.

Sincerely,

Handwritten signature of R. Bryce Dalley in black ink, with the initials 'RBD' and a date '6/8/15' written in the upper right corner of the signature.

R. Bryce Dalley

Vice President, Regulation

cc: UE 296 Service List