



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

November 21, 2008

***VIA ELECTRONIC FILING  
AND FIRST CLASS MAIL***

Oregon Public Utility Commission  
550 Capitol Street NE, Suite 215  
Salem, OR 97310-2551

Attn: Vikie Bailey-Goggins, Administrator  
Regulatory and Technical Support

RE: **Docket UE 199** – Net Power Cost Update for PacifiCorp's 2009 TAM

Enclosed for filing by PacifiCorp dba Pacific Power is the updated 2009 net power cost forecast for posting indicative transition adjustments. This filing shows net power costs for 2009 forecasted at \$1,139.8 million total Company. This is less than the \$1,189.8 million included in the Company's July 2008 net power cost update. A summary of the updates is provided as Attachment A and a description of the updates is provided as Attachment B. The indicative adjustments for Schedule 294 will be posted on the Company's website today.

Attached is a CD with the net power cost report and workpapers. The attached CD is confidential and subject to the protective order issued in Docket UE 199.

On December 2, 2008, PacifiCorp will file its final 2009 net power costs. That filing will include (1) a revised Exhibit A to the UE 199 Stipulation, which shows the Oregon-allocated 2009 net power costs, (2) Transition Adjustment Schedules 294 and 295, and (3) Cost-Based Supply Service Schedule 200. The tariff schedules will have an effective date of January 1, 2009.

If you have any questions, please contact Joelle Steward, Regulatory Manager, at (503) 813-5542.

Very truly yours,

Andrea L. Kelly  
Vice President, Regulation

Enclosure

cc: UE 199 Service List

## CERTIFICATE OF SERVICE

I hereby certify that on this 21<sup>st</sup> day of November, 2008, I caused to be served, via E-Mail and Overnight Delivery (to those parties who have not waived paper service), a true and correct copy of the foregoing document on the following named person(s) at his or her last-known address(es) indicated below.

### SERVICE LIST

UE-199

OPUC Dockets (W)  
Citizens' Utility Board of Oregon  
610 Broadway, Suite 308  
Portland, OR 97205  
[dockets@oregoncub.org](mailto:dockets@oregoncub.org)

Robert Jenks (C)(W)  
Citizens' Utility Board of Oregon  
610 Broadway, Suite 308  
Portland, OR 97205  
[bob@oregoncub.org](mailto:bob@oregoncub.org)

Irion A. Sanger (C)  
Davison Van Cleve PC  
333 SW Taylor, Suite 400  
Portland, OR 97204  
[ias@dvclaw.com](mailto:ias@dvclaw.com)

Jason W. Jones (C)  
Department of Justice  
Regulated Utility & Business Section  
1162 Court St, NE  
Salem, OR 97301-4096  
[Jason.w.jones@state.or.us](mailto:Jason.w.jones@state.or.us)

Kevin Higgins (W) (C)  
Energy Strategies LLC  
215 State Street, Suite 200  
Salt Lake City, UT 84111-2322  
[khiggins@energystrat.com](mailto:khiggins@energystrat.com)

Katherine A. McDowell (W) (C)  
McDowell & Rackner PC  
520 SW Sixth Ave, Suite 830  
Portland, OR 97204  
[Katherine@mcd-law.com](mailto:Katherine@mcd-law.com)

Ryan Flynn (W) (C)  
PacifiCorp  
825 NE Multnomah, Suite 1800  
Portland, OR 97232  
[Ryan.flynn@pacificorp.com](mailto:Ryan.flynn@pacificorp.com)

Oregon Dockets (W)  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232  
[oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

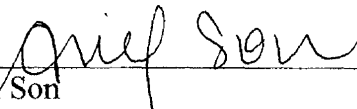
Kelcey Brown (C)  
Public Utility Commission of Oregon  
PO Box 2148  
Salem, OR 97301  
[Kelcey.brown@state.or.us](mailto:Kelcey.brown@state.or.us)

Randall J. Falkenberg (C)  
PMB 362  
8343 Roswell Road  
Sandy Springs, GA 30350  
[consultrfi@aol.com](mailto:consultrfi@aol.com)

Peter J. Richardson (W) (C)  
Richardson & O'leary  
PO Box 7218  
Boise, ID 83707  
[peter@richardsonandoleary.com](mailto:peter@richardsonandoleary.com)

Greg Bass (W)  
Sempra Energy Solutions LLC  
101 Ash Street HQ09  
San Diego, CA 92101  
[gbass@semprasolutions.com](mailto:gbass@semprasolutions.com)

Alvin Pak (W)  
Sempra Energy Solutions LLC  
101 Ash Street HQ09  
San Diego, CA 92101  
[apak@sempraglobal.com](mailto:apak@sempraglobal.com)

  
Ariel Son  
Coordinator, Administrative Services

**Attachment A**  
**Oregon Transition Adjustment Mechanism**  
**November 21, 2008 Update**

**Oregon CY2009 NPC, July 2008 Filing** **\$1,189,876,694**

**Oregon CY2009 NPC, Final Updates**

**Update**

<b>1</b>	Grant Meaningful Priority not elected for 2009	(1,741,537)
<b>2</b>	Douglas County Forest Products QF contract	217,844
<b>3</b>	Tesoro QF 2009 contract	12,234
<b>4</b>	Kennecott QF 2009 contract	137,619
<b>5</b>	Oregon Wind Farms contracts	(665,449)
<b>6</b>	Short Term Firm Transactions through Nov 4 2008	7,958,105
<b>7</b>	Forward price curve / indicative prices (110408)	(54,277,851)
<b>8</b>	Schwendiman QF not expected to be operational	679,742
<b>9</b>	Remove Rolling Hills	18,875,674
<b>10</b>	Set Glenrock capacity factor to 37.4% plus 1%	532,165
<b>11</b>	Update Grant Reasonable cost	(3,316,923)
<b>12</b>	System balancing impact of all adjustments =	(18,434,105)

**Total Adjustments from July Filing = (\$50,022,482)**

**Oregon CY2009 Final NPC = \$1,139,854,212**

## **Attachment B**

### **Oregon Transition Adjustment Mechanism (TAM) November 21, 2008 Update Adjustment Explanations**

#### **Update 1 — Grant Meaningful Priority contract not elected for 2009**

This update reflects the Company's decision to not elect to enter into a contract for the Grant Meaningful Priority in 2009. The impact of this update decreases net power costs by \$1.7 million on a total Company basis.

#### **Update 2 — Douglas County Forest Products QF**

This update incorporates a new contract with Douglas County Forest Products QF for 2009. The impact of this adjustment increases net power costs by \$0.2 million on a total Company basis.

#### **Update 3 — Tesoro QF**

This update incorporates a new contract with Tesoro QF for 2009. The impact of this adjustment increases net power costs by \$0.01 million on a total Company basis. (Please note that while the Tesoro QF agreement has been fully executed, it has not yet been approved by the Utah Public Service Commission.)

#### **Update 4 — Kennecott QF**

This update incorporates a new contract with Kennecott QF for 2009. The impact of this adjustment increases net power costs by \$0.1 million on a total Company basis. (Please note that while the Kennecott QF agreement has been fully executed, it has not yet been approved by the Utah Public Service Commission.)

#### **Update 5 — Oregon Wind Farm QFs**

This update incorporates a set of new contracts, collectively referred to as the Oregon Wind Farm QF for 2009. The impact of this adjustment decreases net power costs by \$0.7 million on a total Company basis.

#### **Update 6 — Short Term Firm Transactions**

This update incorporates short term firm transactions that the Company entered as of November 4, 2008. The impact of this update increases net power costs by \$8.0 million on a total Company basis.

#### **Update 7 — November 4, 2008 Forward Price Curve**

This update incorporates the Company's forward price curves, gas swap transactions, gas physical transactions and electric swap transactions as of November 4, 2008. The impact of this update decreases net power costs by \$54.3 million on a total Company basis.

#### **Update 8 — Exclude Schwendiman QF**

The Schwendiman qualifying facility was removed because it is not currently expected to be in operation. The impact of this update increases net power costs by about \$0.7 million on a total Company basis.

## **Attachment B**

### **Update 9 — Exclude Rolling Hills Wind Project**

Per the Oregon RAC Order, the Rolling Hills Wind Project has been removed from the test period. The impact of this update increases net power costs by about \$18.9 million on a total Company basis.

### **Update 10 — Glenrock Wind Project Carbon at 38.4% Capacity Factor**

Per the Oregon RAC Order, the capacity factor of the Glenrock Wind Project is increased 1% from its current 37.4% to 38.4% to account for degradation caused by the Rolling Hills Wind Project. Since the July Oregon TAM filing assumed an older, average annual capacity factor of 38.6%, this represents a generation decrease. The impact of this update increases net power costs by \$.5 million on a total Company basis.

### **Update 11 — Grant Reasonable**

The value of Grant Reasonable was updated to correspond to the Grant auction recently concluded. The impact of this update decreases net power costs by about \$3.3 million on a total Company basis.

### **Update 12 — System Balancing Impact of All Adjustments**

This update recalculates net power costs based on the inclusion of updates 1 through 11, along with the final screening of Currant Creek and Lake Side units. The impact of this update decreases net power costs by \$18.4 million on a total Company basis.