

ORDER NO. 11 341

ENTERED SEP 06 2011

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 235

In the Matter of

PACIFICORP, dba PACIFIC POWER

ORDER

Revises Schedule 37, Avoided  
Cost Purchases from Qualifying Facilities  
(QF) of 10,000 kW or Less

**DISPOSITION: TARIFF SHEETS SUSPENDED**

On June 27, 2011, PacifiCorp, dba Pacific Power (Pacific Power), filed Advice No. 11-011 and requested a revision to Schedule 37, Avoided Cost Purchases from Qualifying Facilities of 10,000 kW or Less. Pacific Power seeks revisions to address situations where additional third party transmission is required to move some portion of a Qualifying Facility's (QF) output to the company's load. Pacific Power explains that additional third party transmission may be needed when a QF locates in an isolated segment of its system. These "load pocket" situations can result when local generation exceeds local load and third party transmission is needed to deliver the full output of the QF to load elsewhere in Pacific Power's system.

The Commission considered Advice Filing 11-011 at three public meetings. First, at a July 26, 2011 Public Meeting, the Commission concluded that the filing should be investigated, but postponed any action on the filing in order to obtain information about how the results of the investigation should be applied to purchased power agreements (PPAs) that are requested or executed during the investigation.

At a second Public Meeting on August 3, 2011, the Commission asked Pacific Power and developers of the proposed Butter Creek Projects to explore a mutually agreeable solution as to how the outcome of the investigation would apply to identified QF projects.

Finally, at a third Public Meeting on August 18, 2011, the Commission accepted a recommendation proposed by Pacific Power and the QF developers. The parties indicated that they have worked diligently to settle the dispute, but asked for more time to negotiate. They proposed, and the Commission adopted, that: (1) Advice No. 11-011 be suspended effective August 18, 2011, for a six-month investigation; (2) the outcome of the investigation will apply to any PPA first requested on or after August 18, 2011; and (3) the Commission will defer any decision until September 20, 2011, regarding whether

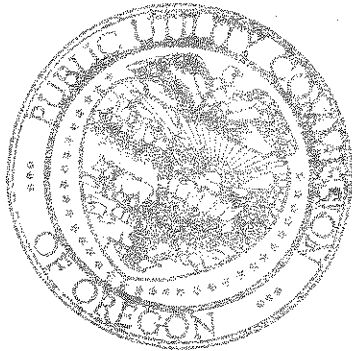
to apply the outcome of the investigation to any PPA requested before August 18, 2011, and executed during the investigation.

ORDER

IT IS ORDERED that Advice No. 11-011 filed by PacifiCorp, dba Pacific Power, is suspended for a period of time not to exceed six months from August 18, 2011, subject to the conditions set forth above.

Made, entered, and effective SEP 06 2011

BY THE COMMISSION:



*Becky L. Beier*  
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**Becky L. Beier**  
Commission Secretary

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.