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December 31, 2013

***VIA ELECTRONIC FILING  
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Oregon Public Utility Commission  
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Salem, OR 97302

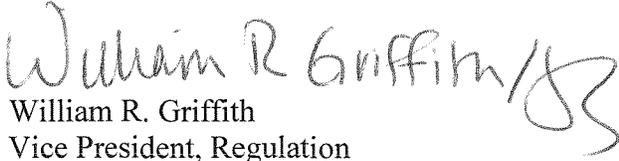
Attn: Filing Center

**RE: UM 1610 – Investigation into Qualifying Facility Contracting and Pricing  
Response to Threemile Canyon Wind’s Motion to Take Official Notice of FERC  
Ruling**

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) encloses for filing in the above-referenced docket PacifiCorp’s Response to Threemile Canyon Wind I, LLC’s Motion to Take Official Notice of FERC Ruling.

Please contact Bryce Dalley, Director of Regulatory Affairs, for questions on this matter.

Sincerely,

  
William R. Griffith  
Vice President, Regulation

Enclosure

Cc: Service List – UM 1610

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1610**

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON

Investigation into Qualifying Facility  
Contracting and Pricing.

PACIFICORP D/B/A PACIFIC POWER'S  
RESPONSE TO THREEMILE CANYON  
WIND I, LLC'S MOTION TO TAKE  
OFFICIAL NOTICE OF FERC RULING

Pursuant to OAR 860-001-0420(5), PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) provides this response to Threemile Canyon Wind I, LLC's (Threemile Canyon) *Motion to Take Official Notice of FERC Ruling* (Motion) filed December 24, 2013. In its Motion, Threemile Canyon requests the Public Utility Commission of Oregon (Commission) take official notice of the Federal Energy Regulatory Commission's (FERC) *Order Granting Petition For Declaratory Order in Part*, FERC Docket No. EL14-1-000 (Dec. 16, 2013) (the Order). Threemile Canyon states in its Motion that the Order is directly relevant to issue 4.B—should the costs and benefits associated with third-party transmission be included in the calculation of avoided cost prices or otherwise accounted for in the standard contract—an issue that the parties to this proceeding agreed would be addressed in Phase I.<sup>1</sup>

PacifiCorp does not object to Threemile Canyon Wind I, LLC's request for the Commission to take official notice of the Order. Indeed, PacifiCorp supports FERC's findings insofar as the Order describes an avoided cost pricing structure that would allow a power purchase agreement to take transmission constraints into account, even in the absence

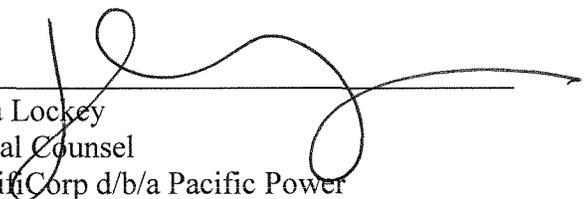
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<sup>1</sup> Following a number of workshops, the parties agreed to an issues list and to address the issues in two phases. See *Chief Administrative Law Judge Michael Grant Ruling* (Dec. 21, 2012).

of any special curtailment provisions.<sup>2</sup> FERC's avoided cost pricing suggestion will be helpful as PacifiCorp continues to work with qualifying facilities (QFs) to negotiate power purchase agreements that are consistent with the Order and in the best interests of PacifiCorp's customers. In this Order, as in recent orders, FERC continues to demonstrate its willingness to allow states the flexibility in avoided cost pricing to ensure that all costs associated with QF power are reflected in avoided cost rates.

For the forgoing reasons, the Company does not object to the Motion of Threemile Canyon.

Respectfully submitted this 31<sup>st</sup> day of December, 2013.



Etta Lockey  
Legal Counsel  
PacifiCorp d/b/a Pacific Power

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<sup>2</sup> See, e.g., *Pioneer Wind Park I, LLC*, 145 FERC ¶ 61,215 at P 41, n.79 (2013) (“The parties could, for example, agree to prices that reflect the new transmission project entering service, and also to alternative prices should the new transmission project not enter service.”).

## CERTIFICATE OF SERVICE

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

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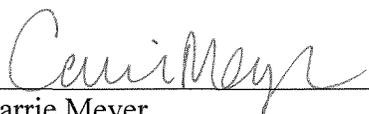
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Dated this 31<sup>st</sup> day of December 2013.

  
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