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2009 JUN 16 AM 11:29
IDAHO PUBLIC
UTILITIES COMMISSION

Chas. F. McDevitt
Dean J. (Joe) Miller

June 16, 2009

Via Hand Delivery

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, Idaho 83720

Re: Sagebrush Energy LLC and Idaho Forest Group LLC
Case No. AVU-E-09-04

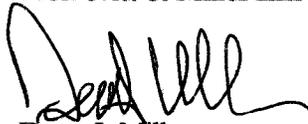
Dear Ms. Jewell:

Enclosed for filing in the above matter, please find an original and seven copies of a Reply to Rocky Mountain Power Comments of Sagebrush Energy LLC and Idaho Forest Group LLC.

Kindly return a file stamped copy to me.

Very Truly Yours,

McDevitt & Miller LLP



Dean J. Miller

DJM/hh
Enclosures

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UTILITIES COMMISSION

Attorney for *Sagebrush Energy LLC and Idaho Forest Group LLC*

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF A PETITION
FILED BY AVISTA CORPORATION
FOR AN ORDER DETERMINING THE
OWNERSHIP OF THE
ENVIRONMENTAL ATTRIBUTES
("RECS") ASSOCIATED WITH A
QUALIFYING FACILITY UPON
PURCHASE BY A UTILITY OF THE
ENERGY PRODUCED BY A
QUALIFYING FACILITY

CASE NO. AVU-E-09-04

**REPLY TO ROCKY MOUNTAIN
POWER COMMENTS**

Sagebrush Energy LLC and Idaho Forest Group LLC (Sagebrush—IFG) respectfully submit the following Reply to Rocky Mountain Power's Comments, (Comments) filed on June 16, 2009. (According to email records of counsel for Sagebrush—IFG, the Comments were not received by counsel until June 16, 2009 at 9:19 am. Pursuant to the Commission's Notice, the Comments were due to be filed June 15, 2009.

Given the short amount of time available for reply, Sagebrush—IFG reserve the right to make further oral responses at oral argument scheduled for June 17, 2009. In this written Reply, Sagebrush—IFG address only one topic: Rocky Mountain's claim that it

is receiving a large number of requests/inquiries for PURPA contracts following the entry of Order No. 30744.

Without providing any detail, Rocky Mountain asserts generally that it is receiving a large number of requests for PURPA contracts, implying that the large number of requests demonstrates that the rates set by Order No. 30744 are too high and a stay should be entered.

Even assuming Rocky Mountain is correct with regard to the number of requests and equally plausible explanation is this: Order No. 30744 was preceded by a long period of regulatory uncertainty in which potential project developers, of necessity, waited to bring forward projects until the uncertainty was resolved. Order No. 30744 unlocked "pent up demand" for PURPA Projects.

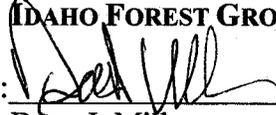
This illustrates the problem with moratoriums and stays: they create a bust and boom cycle of PURPA development. In contrast, a steady, predictable policy of PURPA implementation would bring on projects in a more measured pace.

Granting a stay in this case would only repeat again the bust and boom cycle of development. When a stay, if granted, eventually expires, the Commission and interested parties would again be in the same circumstance they find themselves today.

The Commission should not cause the erratic cycle of development to be repeated. Rather, it should stay the course set by Order No. 30744 and deny the request for stay.

Respectfully Submitted, this 16 day of June, 2009.

SAGEBRUSH ENERGY LLC
IDAHO FOREST GROUP LLC

By: 

Dean J. Miller

*Attorney for Sagebrush Energy LLC and
Idaho Forest Group*

CERTIFICATE OF SERVICE

I hereby certify that on the 10th day of June, 2009, I caused to be served, via the method(s) indicated below, true and correct copies of the foregoing document, upon:

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BY: Heather Hull
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