



RECEIVED

201 South Main, Suite 2300
Salt Lake City, Utah 84111

November 8, 2006

2006 NOV -9 AM 10: 07

Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

IDAHO PUBLIC
UTILITIES COMMISSION

Attention: Jean D. Jewell
Commission Secretary

Re: Reply Comments of PacifiCorp in Case No. IPC-E-06-21

PacifiCorp (d.b.a. Rocky Mountain Power) hereby submits for filing an original and eight (8) copies of its Reply Comments in Case No. IPC-E-06-21, Cassia Gulch Wind Park, LLC and Cassia Wind Farm, LLC.

Service of pleadings, exhibits, orders and other documents relating to this proceeding should be served on the following:

Dean Brockbank
Senior Attorney
Rocky Mountain Power
One Utah Center, Suite 2200
201 South Main
Salt Lake City, UT 84111
dean.brockbank@pacificorp.com

Brian Dickman
Manager, Idaho Regulatory Affairs
Rocky Mountain Power
One Utah Center, Suite 2300
201 South Main
Salt Lake City, UT 84111
brian.dickman@pacificorp.com

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon, 97232

By fax: (503) 813-6060

Sincerely,

D. Douglas Larson
Vice President, Regulation
Enclosures

cc: Service List in Docket No. IPC-E-06-21

Dean Brockbank
PacifiCorp
201 S. Main Street, Suite 2200
Salt Lake City, UT 84111
Telephone: (801) 220-4568
Fax: (801) 220-3299
E-mail: dean.brockbank@pacificorp.com

RECEIVED
2006 NOV -9 AM 10: 08
IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for PacifiCorp

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

| | | |
|--|---|-----------------------------|
| CASSIA GULCH WIND PARK, LLC AND |) | |
| CASSIA WIND FARM, LLC, |) | CASE NO. IPC-E-06-21 |
| |) | |
| COMPLAINANTS, |) | |
| |) | REPLY COMMENTS OF |
| v. |) | PACIFICORP |
| |) | |
| IDAHO POWER COMPANY, |) | |
| |) | |
| RESPONDENT. |) | |
| _____ |) | |

COMES NOW PacifiCorp dba Rocky Mountain Power (“PacifiCorp” or the “Company”), by and through its attorney of record, and respectfully submits the following reply comments in the above referenced matter.

REPLY COMMENTS

As noted in the Answer and Comments of Idaho Power filed with the Idaho Public Utilities Commission (“Commission”) on October 27, 2006, Idaho Power has presented a compromise proposal to Cassia Gulch Wind Park, LLC and Cassia Wind Farm, LLC (“Cassia” or the “Projects”) to address the funding of system upgrades

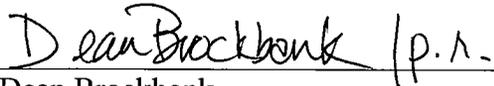
occasioned by the proposed interconnection of the Projects. The Idaho Power proposal includes treating payments by resource developers for transmission upgrades as advances in aid of construction, with the advances to be repaid in full with interest to the developer over a period of time not to exceed the term of the contract between the developer and the utility. PacifiCorp recognizes that the proposal was made in an attempt to arrive at a mutually-agreeable solution to the issue at hand and that such a proposal has not been approved by the Commission. That said, PacifiCorp believes the Idaho Power offer to Cassia is overly generous. By offering to allow Cassia to finance the transmission upgrades and subsequently receive transmission credits, the Idaho Power proposal obligates retail customers to endure rate impacts associated with the new transmission investment over time as credits are returned to Cassia. PacifiCorp believes that if a developer wants the safe harbor of utility avoided costs rates, the developer should be obligated to pay for all the interconnection and integration transmission upgrades required. This is the only way to give incentive for developers to make proper and cost effective generation siting decisions while maintaining ratepayer indifference.

Conversely, if the developer wishes to sell its facility's output at market rates on a competitive basis and comparable to other independent power producers, it should be treated similar to other independent power producers and receive the financial treatment under the current FERC procedures. Developers should not be offered the best of both—to do so would violate the ratepayer neutrality principle.

CONCLUSION

PacifiCorp reiterates its position previously filed with the Commission in its October 27, 2006 comments and respectfully requests that the Commission require QF developers to pay for all interconnection and system upgrade costs associated with their respective projects. All communications regarding these comments should be directed to Brian Dickman at (801) 220-4975.

Respectfully submitted this 8th day of November, 2006.



Dean Brockbank
Attorney for PacifiCorp

PROOF OF SERVICE

I hereby certify that on this 8th day of November 2006 I caused to be served, via E-mail and U.S. mail, a true and correct copy of the foregoing REPLY COMMENTS OF PACIFICORP in Case No. IPC-E-06-21 to the following parties as shown:

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, Idaho 83702
Email: jjewell@puc.state.id.us

Dean J. Miller
McDevitt & Miller, LLP
420 W. Bannock Street
PO Box 2564 (83701)
Boise, ID 83702
Email: joe@mcdevitt-miller.com

Barton L. Kline
Lisa Nordstrom
Idaho Power Company
P.O. Box 70
Boise, ID 83707-0070
Email: bkline@idahopower.com
lnordstrom@idahopower.com

Ronald K. Arrington
Associate Chief Counsel
John Deere Credit
6400 NW 86th Street
Johnston, IA 50131
Email: arringtonronaldk@johndeere.com

David Sikes
Idaho Power Company
P.O. Box 70
Boise, ID 83707-0070
Email: dsikes@idahopower.com

Brian Dickman
Dean Brockbank
PacifiCorp/dba Rocky Mountain Power
201 S. Main St. Suite 2200
Salt Lake City, UT 84111
Email: brian.dickman@pacificorp.com
dean.brockbank@pacificorp.com

David J. Meyer
Vice President, Chief Counsel for
Regulatory and Governmental Affairs
P.O. Box 3727
1411 E. Mission Avenue
Spokane, WA 99220-3727
Email: dmeyer@avistacorp.com

Lawrence R. Lieb
Exergy Development Group of Idaho LLC
910 W. Main Street, Ste. 310
Boise, ID 83702
Telephone: (208) 336-9793
Fax: (208) 336-9431
Email: sbcglobal.net

Peter Richardson
Richardson & O'Leary
515 N. 27th Street
Boise, Idaho 83702
(208) 938-7901
Email: peter@richardsonandoleary.com



Peggy Ryan
Supervisor, Regulatory Administration