



**ROCKY MOUNTAIN
POWER**
A DIVISION OF PACIFICORP

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

March 23, 2007

IDAHO PUBLIC
UTILITIES COMMISSION

VIA OVERNIGHT DELIVERY

Ms. Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Re: Comments of Rocky Mountain Power in Case No. IPC-E-07-04

Dear Ms. Jewell:

Rocky Mountain Power, ("RMP" or the "Company"), hereby submits for filing an original and seven copies of Comments of Rocky Mountain Power in Case No. IPC-E-07-04.

Communications relating to this proceeding should be served on the following:

Dean Brockbank
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
Dean.Brockbank@PacifiCorp.com

Brian Dickman
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, UT 84111
Brian.Dickman@PacifiCorp.com

In addition, 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 Fax: (503) 813-6060

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

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

Enclosure

Dean Brockbank
Rocky Mountain Power
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UTILITIES COMMISSION

Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF IDAHO POWER)
COMPANY'S PETITION TO REVISE THE)
PUBLISHED AVOIDED COST RATES TO)
INCLUDE A DAILY LOAD SHAPE; AND)
TO CLARIFY THE RULES GOVERNING)
ENTITLEMENT TO PUBLISHED AVOIDED)
COST RATES)**

CASE NO. IPC-E-07-04

**COMMENTS OF ROCKY
MOUNTAIN POWER**

COMES NOW Rocky Mountain Power, a division of PacifiCorp ("RMP" or the "Company"), by and through its attorney of record, and respectfully submits the following comments in response to the Idaho Public Utilities Commission's ("Commission") Notice of Comment Deadline in the above referenced matter.

BACKGROUND

Idaho Power Company ("Idaho Power") has requested that the Commission issue an order:

- (1) Revising Idaho Power's published avoided cost rates paid to Qualifying Facilities ("QF") to recognize the difference in value between energy delivered by QFs during heavy load hours and energy delivered during light load hours ; and
- (2) Clarifying the rules governing the entitlement to published rates to prevent QF projects capable of delivering more than 10 aMW per month from artificially restructuring into smaller projects in order to qualify for the published avoided cost rates.

The Company files these comments in support of Idaho Power's Petition. In the near future, the Company will seek approval of similar changes, which are necessary to protect its Idaho customers from paying too much for wind QF generation.

COMMENTS

Revising the published rates to include payment differentials for energy delivered during heavy load hours and light load hours.

Rocky Mountain Power agrees with Idaho Power that energy has a different value based on seasonal and time of day deliveries. Currently, both the Company and Idaho Power pay the same price to a QF that delivers entirely during light load hours as a QF that delivers entirely during heavy load hours. This payment is not appropriate as it does not provide proper incentives to QFs, and is neither fair to customers nor to the QF because it could result in either under or overpayments for the value of the power. Recognition of this difference was the basis for the daily shape adjustment that was approved for Avista Corporation in Commission Order No. 30111 issued in Case No. AVU-E-06-4.

Rocky Mountain Power agrees with Idaho Power that the calculation of avoided cost will be unaffected by allowing the payment differential. The differential will only affect the way that avoided costs are paid. Likewise, a QF that delivers energy at a constant delivery rate would not be affected by the payment differential.

Rocky Mountain Power also believes the method of calculating the on-peak/off-peak differential proposed by Idaho power provides a reasonable measurement and should be adopted by the Commission. However, the Commission should also recognize that due to geographic differences among utilities it may be appropriate to use different market hubs or combination of market hubs.

CONCLUSION

Based on the foregoing, Rocky Mountain Power supports the changes requested by Idaho Power and recommends Commission adoption of those changes. The Company respectfully requests that the Commission acknowledge in its order that the type of changes proposed by Idaho Power are applicable to all electric utilities within its jurisdiction. To the extent any company-specific information is necessary, Rocky Mountain Power will provide that information separately.

All communications regarding these comments should be directed to Brian Dickman at (801) 220-4975.

Respectfully submitted this 23rd day of March 2007.

By Dean Brockbank / p. r.
Dean Brockbank
Attorney for Rocky Mountain Power

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the 22nd day of March, 2007, I served a true and correct copy of the foregoing COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

Monica Moen, Attorney II
Barton L. Kline, Senior Attorney
Idaho Power Company
PO Box 70
Boise, ID 83707-0070

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Hand Delivered
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