



November 23, 2007

**VIA OVERNIGHT DELIVERY**

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

**Re: Additional Comments of Rocky Mountain Power in Case No. IPC-E-07-15**

Dear Ms. Jewell:

Rocky Mountain Power, ("RMP" or the "Company"), hereby submits for filing an original and seven copies of Additional Comments of Rocky Mountain Power in Case No. IPC-E-07-15.

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

Jordan A. White  
Rocky Mountain Power  
201 South Main, Suite 2300  
Salt Lake City, Utah 84111  
[jordan.white@pacificorp.com](mailto:jordan.white@pacificorp.com)

Brian Dickman  
Rocky Mountain Power  
201 South Main Street, Suite 2300  
Salt Lake City, UT 84111  
[Brian.Dickman@PacifiCorp.com](mailto: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](mailto: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  
Cc: Bart Kline  
Lisa Nordstrom

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

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UTILITIES COMMISSION

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*Attorney for Rocky Mountain Power*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER'S</b>	)	
<b>PETITION TO MODIFY THE METHODOLOGY</b>	)	<b>CASE NO. IPC-E-07-15</b>
<b>FOR DETERMINING FUEL COSTS USED</b>	)	
<b>TO ESTABLISH PUBLISHED RATES FOR</b>	)	<b>ADDITIONAL COMMENTS OF</b>
<b>PURPA QUALIFYING FACILITIES</b>	)	<b>ROCKY MOUNTAIN POWER</b>
	)	
	)	
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In response to the Commission's Notice of Additional Comment Period issued November 9, 2007, Rocky Mountain Power ("Rocky Mountain Power" or the "Company") respectfully submits the following additional comments in the above referenced matter.

**Additional Comments**

The initial comments filed by the Company, Avista Corporation (Avista) and the Commission Staff (Staff) propose modifying the current fuel cost calculation to incorporate the natural gas price forecast on a year-by-year basis as provided by the Northwest Power and Conservation Council (NWPCC). The efficacy of this methodology is evidenced by the fact that four of the states in which Rocky Mountain Power files avoided cost tariffs (Oregon, Washington, Utah, and Wyoming) utilize a year-by-year gas forecast. This methodology has never been contested in those jurisdictions.

The petition at hand is necessitated by a view of forecasted natural gas prices that is fundamentally different than those existing at the time the current methodology was implemented. For example, the recently-released NWPCC gas price forecast exhibits a near-term downward trend in fuel prices — causing the current methodology calculation forecast to significantly overstate the cost of fuel as a component of the overall avoided cost calculation.

Rocky Mountain Power agrees with Staff that any change in methodology approved by the Commission in this case should apply to all three Idaho investor-owned utilities. The Company also agrees with comments previously filed by Idaho Power, Avista and Staff, stressing the importance of an accurately modeled fuel cost calculation. This component comprises the single largest component of the overall cost of the SAR.

Finally, the Company concurs with the Reply Comments of Idaho Power regarding the Commission's ability to consider this issue and believes resolution can be reached in this matter without reopening all aspects of the avoided cost calculation. Based on the above, Rocky Mountain Power supports the continued use of Modified Procedure in this case and does not believe further technical proceedings are necessary.

Respectfully submitted this 23<sup>rd</sup> day of November 2007.

ROCKY MOUNTAIN POWER

  
JORDAN A. WHITE  
Attorney for Rocky Mountain Power