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Salt Lake City, Utah 84111

October 31, 2007

***VIA ELECTRONIC MAIL
AND HAND DELIVERY***

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Attention: Julie P. Orchard
Commission Secretary

RE: Docket 00-035-T01
Annual Report of Blue Sky Program

Enclosed for filing are an original and five (5) copies of Rocky Mountain Power's Annual Report of the Blue Sky Program ("Report") for the period September 2006 through August 2007. Rocky Mountain Power (the "Company") will also provide an electronic version of this filing to mlivingston@utah.gov.

The Order in Docket No. 00-035-T01 directs the Company to provide an annual report accounting for all revenues received, blocks purchased, blocks generated or contracted for and other program costs. The Order in the Company's recent docket (Docket No. 07-035-T13) directs the Company to include in its annual report the ratemaking treatment of the funds received, cost of purchases including RECs, and interest earned on the balance of the funds. The Order further directs the Company to work with the Division, the Committee and other interested parties to address their concerns regarding the Report. The enclosed Report provides the information referenced above as well as that requested by the Division, the Committee, and other interested parties.

Additionally, the Order in Docket No. 00-035-T01 directs the Company to file its annual report by October 31 each year. The Company is requesting the due date of this annual report be changed to March 31 each year to coincide with the Company's change from a fiscal year ending March 31 to a calendar year. In order to make this transition, the Company will file its Blue Sky annual report for the period January 1, 2007 through December 31, 2007 on March 31, 2008 and on March 31 of subsequent years.

The enclosed Report covers the period (September 2006 through August 2007) prior to the effective dates of the new tariff Schedules 70 and 72. Because of the transition from an

accounting method used prior to the August 28, 2007 creation of the regulatory liability account, Rocky Mountain Power provides the following information:

Previous Ratemaking treatment: Previous to August 28, 2007, PacifiCorp made a normalizing adjustment in its Semi Annual Report of Operations to remove the revenues and costs associated with tariff Schedules 70 and 72. In the Company's last general rate case, adjustments were made to the test year revenue and expenses to remove any administrative and other costs associated with these tariff Schedules. Additionally, all revenues associated with these tariff Schedules were removed.

New Ratemaking Treatment: Beginning August 28, 2007, a regulatory liability was created, in *FERC account 254, Other regulatory liabilities*. Interest earned on the regulatory liability balance is accrued on a monthly basis with the first interest posted in September 2007. (A line item for Interest Earned has been included in this template for purposes of creating a Report template that is agreed upon by all parties. However, for this reporting period, there is no interest to report.)

Because the tariff schedules filed in PacifiCorp's other jurisdictions vary, so do the dates of creation of the individual regulatory liability accounts. PacifiCorp maintains the "old" total-company account and all expenses will be applied against that balance until depleted. It is anticipated this balance will be depleted in the first quarter of 2008. Effective August 28, 2007, all Utah revenues are being posted to the Utah regulatory liability account.

It should also be noted that the second page of the Report provides information regarding the balance of funds available after program costs and administrative expenses. Prior to the creation of the regulatory liability accounts for all six of PacifiCorp's jurisdictions, Blue Sky funds were accounted for in one account. Consistent with that accounting treatment, the balance for this reporting period is reflected on a total company basis and Community Based Projects/Qualifying Initiatives covering all states are provided.

Rocky Mountain Power is also very pleased to report that on October 22, 2007, the U.S. Environmental Protection Agency and the U.S. Department of Energy recognized the Company's Blue Sky program as one of two recipients of the 2007 Green Power Program of the Year, one of the nation's highest honors for renewable energy. The award recognized the Company for its commitment to advancing the development of the nation's green power market. The Blue Sky program was placed first among more than 100 nominations in the competition as a result of major customer milestones reached last year.

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

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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

Informal inquires may be directed to Dave Taylor at (801) 220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation
Enclosures

cc: Michele Beck
 Thomas Brill
 Jamie Dalton
 Cheryl Murray
 William Powell
 Phil Powlick
 Sarah Wright