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September 28, 2009

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, Utah 84111

Attention: Julie P. Orchard  
Commission Secretary

RE: Docket No. 00-035-T01 - Amendment to Rocky Mountain Power's 2008 Annual Report of Blue Sky Program

In its letter dated July 16, 2009, in which Rocky Mountain Power's Annual Report of the Blue Sky program for calendar year 2008 was acknowledged, the Commission directed the Company to amend the Blue Sky Annual Report for 2008, which was filed on March 31, 2009, with a report on the status of the \$900,000 in Blue Sky funds which are designated for the purchase of renewable energy certificates (RECs) from the Spanish Fork Wind Park located at the mouth of Spanish Fork canyon. Pursuant to the Commission's direction, the Company provides herewith a report on the status of these funds.

As of December 31, 2008, \$37,309 had been expended for the procurement of 7,876 RECs from the Spanish Fork Wind Park, leaving a remaining balance of \$862,691 in funds committed to purchasing RECs from this facility.<sup>1</sup> During 2009 through the end of July, 30,009 RECs have been procured at a cost of \$133,174. The remaining committed funds balance as of July 2009 is \$729,517.<sup>2</sup>

Additionally, in their memorandums to the Commission regarding Rocky Mountain Power's 2008 Blue Sky Annual Report, the Division of Public Utilities and the Office of Consumer Services recommended to the Commission that the Company be directed to provide an explanation of how it was determined by the Company the purchase of RECs from the Spanish Fork Wind Park using Blue Sky available funds was the best use of these funds.

In the early years of the Blue Sky program, concern was raised by Blue Sky stakeholders in Utah that most of the RECs purchased by the Blue Sky program were originated outside of the state of

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<sup>1</sup> The 2008 \$ figures provided in this amendment can be found on page 3 of the 2008 Blue Sky Annual Report.

<sup>2</sup> Note that for 2008 and 2009 the cost per REC for these periods individually do not equal \$4.50, the contract price for RECs from the Spanish Fork Wind Park. In 2008, the Company was inadvertently billed a higher price per REC, for which a credit was received in 2009. Combined, the 2008 and 2009 data produce the \$4.50 per REC contract price.

Utah. MEHC merger commitment U 18<sup>3</sup>, which required the Company to issue a Utah-specific request for proposal (RFP) for RECs for the Blue Sky program, was established to address this issue. As a result of the Company's RFP, Rocky Mountain Power entered into an agreement to purchase RECs generated by the Spanish Fork Wind Park. The Company believes the purchase of RECs from the Spanish Fork Wind Park is a prudent investment as it contributes to addressing stakeholders' concerns regarding the sourcing of RECs purchased by the Blue Sky program and gives Utah customers the opportunity to support locally generated renewable energy through the Blue Sky program. Additionally, the purchase of RECs from the Spanish Fork Wind Park further demonstrates the demand for the development of renewable energy, which demonstration is a key objective of the Blue Sky program.

The Company also believes that the Spanish Fork REC purchase commitment has proven to be prudent from a cost perspective. For the Blue Sky program year 2008, RECs purchased from the Spanish Fork Wind Park were \$0.79 less per REC than the average cost of those acquired elsewhere. Rocky Mountain Power purchases RECs from the Spanish Fork Wind Park at a contractual rate of \$4.50 per REC; the average cost of non-Spanish Fork RECs acquired by the Blue Sky program in 2008 was \$5.29.<sup>4</sup>

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

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

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

Informal inquires regarding this filing should be directed to Dave Taylor at 801-220-2923.

Sincerely,

Jeffrey K. Larsen  
Vice President, Regulation

Cc: Dennis Miller/DPU  
Cheryl Murray/OCS

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<sup>3</sup> See Docket No. 05-035-54.

<sup>4</sup> As reported on page 1 of the 2008 Blue Sky Annual Report.