

From: Julie Orchard
To: Livingston, Merilee
Date: 1/7/2008 11:00 AM
Subject: Fwd: Comment on Proposed Rate Increase for Rocky Mtn Power

ML, Will you please print this email, add it to the docket and put a reviewed stamp so all Commissioners review. Thanks. JPO

>>> Steven Glaser <sglaser@yahoo.com> 1/5/2008 4:39 PM >>>
Ms. Orchard,

The following is a comment regarding Rocky Mountain Power's proposed rate increase, Docket Number 07-035-93. You have my permission to add this comment to the docket.

To the extent that the proposed rate increase for electrical service is approved, there should be a corresponding offset in the wind power surcharge, also known as the Blue Sky Program. My reasoning is as follows.

The rationale for the proposed rate increase is stated as follows in Exhibit A of Volume I of the rate increase application:

"Rocky Mountain Power's need for this revenue increase is primarily driven by cost increases in:

1. New generation, transmission and distribution plant investment and
2. Power costs associated with fuel, wholesale market transactions and transmission wheeling."

Given that those in the Blue Sky program are already paying separately for new generation, transmission, and distribution of wind power, they are not responsible for the need to increase the availability of electricity from fossil fuels, nor should they be paying for the increase in cost of these fuels. The rate increase should fall solely on those who are *not* part of the Blue Sky program. Thus, for each \$0.001/kwh increase in the cost of electricity from fossil fuels, the Blue Sky surcharge for a 100 kwh block of wind energy should be reduced by \$0.10.

Sincerely,

Steven L. Glaser