

July 31, 2008

Julie Orchard
Public Service Commission
Heber Wells Building, 4th Floor
Salt Lake City, Utah 84111

Re: Reply to Responses to Proposed Schedule in Docket No. 08-35-38

Dear Julie:

In reply to the parties' responses to Rocky Mountain Power's (Company) proposed schedule, circulated July 29, 2008, the Company agrees with various parties that the Commission should define the scope of the motions due on August 18, 2008 so that all parties are on notice as to the procedural requirements of this case. The Company also agrees that R746-100-4D sets the standard, broadly requiring that *all* motions directed at the Company's application be filed within 30 days, consistent with the August 18, 2008 motion deadline in the proposed schedule. Finally, the Company agrees with DPU and UAE that any request for a test period determination should be filed on or before August 18, 2008; and disagrees with UIEC that test period issues may be decided only after other procedural issues are resolved in this case.

The Company agrees with the DPU's proposal that all parties be allowed to file rebuttal, surrebuttal and sur-surrebuttal testimony, as necessary and appropriate. The Company objects to UAE's proposal to eliminate pre-filed sur-surrebuttal testimony. In the 2007 general rate case, despite the parties' agreement in the scheduling conference that the Company could present live sur-surrebuttal testimony, CCS objected to such testimony at the hearing and the Commission sustained the objection. This ruling severely limited the Company's ability to respond to 100+ pages of surrebuttal and hampered the proper development of the record in the case. This experience demonstrates the need to set a clear date for pre-filed sur-surrebuttal in this case. This notwithstanding, if the Commission clarifies in its scheduling order that the Company will be allowed to offer live sur-surrebuttal testimony, then the Company would withdraw its request to set a date for pre-filed sur-surrebuttal testimony.

The Company agrees with the DPU's suggestion that the sur-surrebuttal testimony be limited to the issues raised in surrebuttal. This suggestion also effectively responds to UIEC's objection to sur-surrebuttal on the basis that the Company might raise new theories or arguments. The Company proposes a similar limitation on the surrebuttal testimony, so that it addresses only the issues raised in rebuttal testimony. The Company

does not agree with UIEC's suggestions regarding new limitations on the scope of the Company's rebuttal testimony, especially because the parties in this case will have surrebuttal testimony to respond to any issues raised by the Company.

The Company objects to UAE's proposal, supported by CCS, to stagger the cost of service testimony to the extent that it eliminates the Company's ability to present surrebuttal testimony.

The DPU has proposed requiring compliance filings in the current case to respond to the final orders in the 2007 case. The Company does not object to reviewing its current filing to respond to orders in the 2007 case, but disagrees with any suggestion that any update would constitute a new rate case filing or otherwise restart the 240-day time clock for a decision in this case. This position is inconsistent with the 2007 case, where the Company updated its filing to respond to the test year order without any impact on the pre-existing schedule.

The Company disagrees with the contention of Utah Ratepayer's Association that the 240-day clock in this case did not commence until Mr. Ball received a copy of the Company's application on July 30, 2008. The statute is clear that the 240-day period begins from the date the application is filed, not from the date of service of notice of the application on interested parties. If that were the standard, the Company would have had to serve the application or notice thereof to every ratepayer in the state, not just Mr. Ball. The Company filed its application consistent with accepted traditional practice before the Commission. In any event, notice of the Company's filing was given on July 17, 2008 through a summary served on Mr. Ball and other parties to the 2007 rate case.

Feel free to call our office at (801) 220-4050 if you have any questions regarding this matter.

Best regards,

Yvonne R. Hogle