

20000-266-EP-07/Rocky Mountain Power
March 5, 2007
WIEC 1st Set Data Request 1.6

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Explain why some parts of the SMUD contract are priced at market. Explain why the Company has decided on this treatment. To the extent this rests on precedent, provide citations to pertinent orders.

Response to WIEC Data Request 1.6

Pursuant to the Company's contract with SMUD, they have the right to take up to 219,000 MWh of Provisional Firm Energy per year. If SMUD takes Provisional Firm Energy, they are required to return an equal volume to the Company by December 31 of each year.

For rate-making purposes, the Company has always excluded the Provisional Firm Energy sale and purchase because (1) it is not a fixed obligation like the Firm Energy sale, and (2) the volumes are offset on an annual basis.

A copy of the SMUD contract is provided as Attachment WIEC 1.6 on the enclosed CD.