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March 27, 2007

**VIA ELECTRONIC FILING
AND OVERNIGHT 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: Advice No. 07-13 Blue Sky Program Option
Schedule 70 – Renewable Energy Rider – Optional
Schedule 72 – Renewable Energy Rider – Optional – Bulk Purchase Option

Enclosed for filing are an original and two copies of proposed tariff changes associated with Tariff P.S.C.U. No. 47 of Rocky Mountain Power applicable to electric service in the state of Utah. Pursuant to the requirement of Rule R746-405D, Rocky Mountain Power, a division of PacifiCorp (the Company), states that the proposed tariff sheets do not constitute a violation of state law or commission rule. The Company will provide an electronic version of this filing to tbehr@utah.gov. The Company is requesting an effective date of May 1, 2007 for these tariff changes.

First Revision of Sheet No. B	Index Sheet	
First Revision of Sheet No. 70.1	Schedule 70	Renewable Energy Rider - Optional
First Revision of Sheet No. 70.2	Schedule 70	Renewable Energy Rider - Optional
Original Sheet No. 70.3	Schedule 70	Renewable Energy Rider - Optional
Original Sheet No. 70.4	Schedule 70	Renewable Energy Rider - Optional
First Revision of Sheet No. 72.1	Schedule 72	Renewable Energy Rider - Optional Bulk Purchase Option
First Revision of Sheet No. 72.2	Schedule 72	Renewable Energy Rider - Optional Bulk Purchase Option
Original Sheet No. 72.3	Schedule 72	Renewable Energy Rider - Optional Bulk Purchase Option
Original Sheet No. 72.2	Schedule 72	Renewable Energy Rider - Optional Bulk Purchase Option

The proposed revisions reflect the commitment, General Commitment 23, that was made by the Company as part of the acquisition of PacifiCorp by MidAmerican Energy Holdings Company in Docket No. 05-035-54. General Commitment 23 provides as follows:

PacifiCorp will continue a Blue Sky tariff in all states. PacifiCorp will continue to support this offering through innovative marketing, by modifying the tariff to reflect the developing green power market and by monitoring national certification standards.

The Company is not making changes to the pricing structure of the schedules.

Background

The Company administers schedules similar to Schedules 70 and 72 in all six of its jurisdictions and the program is commonly referred to and known as Blue Sky. The Company's standard Blue Sky option program was launched in the states of Oregon, Utah, Washington, and Wyoming in 2000, and expanded to include Idaho in 2003 and California in 2004. The standard Blue Sky option was to provide customers the opportunity to purchase newly developed wind, geothermal, and solar power energy at a premium of \$4.75 per 100 kilowatt-hour block. A revised schedule was filed in 2001 reducing the price per block to \$2.95; and a revised schedule was filed in 2003, reducing the price per block to \$1.95, which is the current price per block.

In 2004 a second option, a bulk purchase option, was added to allow large-usage customers the option to purchase renewable energy at a less-expensive bulk rate. This option requires a minimum annual purchase of 121.2 megawatt-hours. Under both options, the purchases that are made are in addition to the customer's energy bill and the renewable purchases resulting from the program are in addition to those the Company makes under its integrated resource plan.

Since the programs were launched in Utah for residential and non-residential customers, customer participation has steadily increased. From May 2003 to December 2006, the participation in Utah increased 259%, with block sales increasing 373% for the same period.

Administration

Currently, 13% of funds collected from customers are allocated to program administration, 24% to customer education and outreach, and 63% to renewable energy supply (block purchases) or renewable energy projects. Due to the lack of a forward price curve associated with the purchase of renewable energy credits ("RECs"), the price of renewable energy block purchases is highly variable. As a result, there is potential each year that not all dollars collected from participating customers will be spent on block purchases and other program costs. A section entitled "Administration" has been added to the proposed schedules to address utilization of customer funds collected under these schedules. The Company proposes to address surplus funds by providing that surplus dollars may be used to fund qualifying initiatives as explained in more detail below.

Block

Customers with multiple sites within a state or who receive service in more than one state within the Company's six state service territory, have expressed an interest in participating in the bulk purchase option by adding together block purchases from the multiple states to meet the minimum annual purchase requirement. Rocky Mountain Power has revised the "Block"

section of Schedule 72 to explicitly provide that customers can sum their block purchases across the Company's service territories to meet the minimum purchase requirement. The Company believes that allowing this choice for participation will enable some customers to participate in the program that otherwise may not choose to participate, or that may not financially be able to participate, absent this provision.

Renewable Energy

Rocky Mountain Power is proposing to expand, for the purposes of Schedules 70 and 72, its definition of renewable energy. This revision recognizes the developing green power market, allows Rocky Mountain Power's customers an opportunity to support a more expansive list of renewable energy projects, and appeals to a larger demographic of Rocky Mountain Power's customer base. The current schedules allow for wind, solar and geothermal technologies. The additional resource types included in the proposed schedules include certified low impact hydroelectric; hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivation process; wave or tidal action; and low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste, and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include chemically treated wood pieces. The expanded list of renewable energy resources set forth in the schedules is based on the Company's continued monitoring of national certification standards such as the Green-national standard, the Environmental Protection Agency Green Power Program, and the Leadership in Energy and Environmental Design Green Building Rating System.

Additionally, provisions have been added under the renewable energy section of the schedules to define "New Renewable Energy" and define "Renewable Energy Credits." These new provisions commit the Company to purchases that are 100% "new" renewable energy and reflect the Company's desire to purchase regional energy resources. The Company also provides that the renewable energy purchases made to match consumer block purchases are in addition to investments associated with its integrated resource plan and that these blocks will not be included as part of any renewable portfolio standard requirements. These changes are being proposed to demonstrate Rocky Mountain Power's commitment to administer a program with high standards as recognized throughout the renewable community and to demonstrate the Company's recognition and support of locally based resources as available.

Qualifying Initiatives

As referenced above, the Company has added a "Qualifying Initiatives" section to Schedules 70 and 72. The section provides definitions for the initiatives the Company may fund utilizing monies not spent after matching renewable energy purchases to block purchases and covering program education, outreach and administration. Qualifying initiatives include:

- a. *Locally-owned commercial-scale renewable energy projects that produce less than 10 MW of electricity.*

The preference is for small and medium sized community based projects that are locally owned and interconnected to the local transmission system and that

provide strong environmental and economic benefit to local communities and customers under these schedules.

- b. *Research and development projects encouraging renewable market transformation to accelerate marketability of renewable technologies.*

Granting funds may be appropriate when a project sponsor has a promising concept, but lacks the information or resources to determine whether a project is fully viable.

- c. *Investment in the above-market costs associated with the construction of renewable energy facilities or purchase by contract of renewable energy resources to be competitive with cost-effective resources.*

This could include Company owned projects or projects owned by a third-party. Funds would be used to buy down the higher costs typically associated with producing renewable energy. Blue Sky funds will enable greater Company investment in renewable energy to make projects more cost-competitive when compared to traditional sources of generation. Blue Sky funds will be used to pay the higher above-market costs of renewable energy resources and encourage market transformation.

To the extent a project as described in the paragraphs above will generate RECs, the Company may claim a share (“share amount”) of the project’s REC output for subsequent use under these schedules. The share amount is expressed as a percentage of output when comparing the utility’s financial contribution to the overall cost of the project; and the share amount of these RECs will be retired on behalf of program participants across the Company’s service territories. The Company will also be given the opportunity to purchase additional RECs from the project.

In keeping with the spirit of the program—providing customers an opportunity to grow the demand for renewable resources and take advantage of their environmental benefits—the schedules provide that renewable energy from qualifying initiatives is not considered for purposes of any renewable portfolio standard and renewable energy generated in response to any federal or state requirement to construct or contract for the renewable energy is not eligible.

Funds for projects may be awarded to project sponsors of qualifying initiatives selected through a formal application and review process at least once a year. To communicate the availability of these funds to prospective project sponsors, the Company will utilize multiple communications tools including: issuing a press release; making information available on its web site; providing information and an application to a list of potential project sponsors via e-mail, mail or personal delivery by the Company’s customer and community managers, regional managers, and corporate account managers; and publishing information in customer newsletters (*Energy Insights, Energy Connections, and Forecast*) as well as other internal and external communication channels.

No set amount or allocation of funding will be apportioned to each initiative type. Every initiative will be subject to the same screening and selection criteria to ensure that all proposed initiatives are evaluated fairly. Ranking and evaluation criteria for all projects include: site rights and geography; project champion experience, dependability, and financial viability; benefits to the community and program customers; timeframe; fuel source and technology; and REC cost and availability.

Special Conditions

The Company has added a paragraph to the “Special Conditions” section of the Schedules 70 and 72, which addresses the accounting treatment associated with the Schedules on a prospective basis. The Company is proposing to set up a regulatory liability account on the effective date of these schedules to track Blue Sky monies collected and spent.

Housekeeping Changes

Other housekeeping changes have been made to provide clarity and consistency across all states for program administration. Those changes are found in the “Charge” and “Special Conditions” sections of the schedules. The title of the schedules has also been changed from “New Wind, Geothermal and Solar Power” to “Renewable Energy” to reflect to the Company’s support of the developing green power market.

Communications regarding this filing should be addressed to:

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In addition, Rocky Mountain Power requests that all data requests regarding this application be addressed to:

By email (preferred)

datarequest@pacificorp.com

By regular mail

Data Request Response Center
PacifiCorp
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Portland, OR 97232

By facsimile

(503) 813-6060

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation

Enclosures