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201 South Main, Suite 2300
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IDAHO PUBLIC
UTILITIES COMMISSION

February 4, 2009

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

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

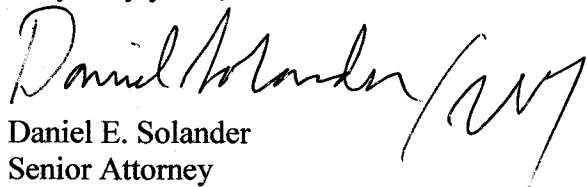
RE: Rocky Mountain Power's Comments in Case No. GNR-E-08-04

Dear Ms. Jewell:

Pursuant to the Commission's notice of inquiry on the Energy Independence and Security Act of 2007 (EISA of 2007), Rocky Mountain Power ("RMP" or the "Company") hereby submits for filing an original and seven (7) copies of the Company's comments.

The Company's comments are responsive to the directives contained in Order No. 30705 issued December 16, 2008 by the Commission for consideration and are limited to the four amendments to section 111 of the Public Utility Regulatory Policies Act of 1978 (PURPA) contained in the Energy Independence and Security Act of 2007.

Very truly yours,



Daniel E. Solander
Senior Attorney

Enclosures

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE COMMISSION'S) CASE NO. GNR-E-08-04
CONSIDERATION OF FOUR AMENDMENTS)
TO SECTION 111 OF THE PUBLIC UTILITY) ROCKY MOUNTAIN
REGULATORY POLICIES ACT OF 1978) POWER'S RESPONSE
(PURPA) CONTAINED IN THE ENERGY)
INDEPENDENCE AND SECURITY ACT)
OF 2007.)**

COMES NOW PacifiCorp, dba Rocky Mountain Power (“the Company” or “RMP”), by and through its attorney, provides responses to the directives contained in Order No. 30705 issued December 16, 2008. RMP submits the following Response detailing its consideration or implementation of the four federal standards added to the Public Utility Regulatory Policies Act of 1978 (“PURPA”) by the Energy Independence and Security Act of 2007 (“EISA”).

I. Integrated Resource Planning

Regarding integrated resource planning, Section 532 of EISA of 2007 states that “each electric utility shall integrate energy efficiency resources into utility, State and regional plans.” The Company has been conducting integrated resource planning for nearly two decades in part guided by the Resource Management Requirements of the Commission. The Company files an integrated resource plan with the Commission on a biennial basis pursuant to Commission Orders and normally files an update to the

biennial plan between plans. Energy efficiency resources are a significant resource considered by the Company in its integrated resource planning process. In the Company's 2007 Integrated Resource Plan Update ("2007 IRP Update") (June 2008), energy efficiency resources accounted for approximately 4.6 million megawatt-hours within the preferred portfolio, up from 2.2 million megawatt-hours identified in the 2007 Integrated Resource Plan ("2007 IRP") (May 2007). In May 2008 the Company received approval from the Idaho Public Utilities Commission to expand funding to its Rate Schedule 191 to approximately \$5 million or 3.72 percent for the DSM programs approved in Idaho in 2006, as well as to add the Energy FinAnswer program, a comprehensive energy efficiency incentive program for business customers, to the Company's DSM program portfolio. Also in 2008, the Company worked with irrigators and regulators to expand the irrigation load management program from approximately 80 MW in 2007 to over 200 MW in 2008. The increased funding, program set, and irrigation load management program work were all identified as actions necessary in the pursuit of Idaho's resource contributions in support of the 2007 IRP Update.

The increase in energy efficiency and load management targets included in the 2007 IRP Update was made possible by preliminary work from the completion of a comprehensive system-wide demand-side resource market assessment (June 2008). The Company has incorporated information from this study, resources identified in the 2007 IRP and plan update, and another year experience running DSM programs into the planning assumptions and forecasts for the 2008 IRP scheduled to be filed by March 31, 2009.

Section 532 of EISA of 2007 also states that “each electric utility shall adopt policies establishing cost-effective energy efficiency resources as a priority resource.” Modeling of energy efficiency resources in the 2007 integrated resource planning process was done by decrementing the load forecast by the 2.2 million megawatt-hours known to be available at that time, in effect taking these resources ahead of supply-side alternatives. In the 2008 IRP, energy efficiency resources are based on the results of the comprehensive system-wide demand-side resource market assessment study, and the resources will be treated as functionally equivalent to supply-side resources utilizing supply-curves. If the energy efficiency resource compares favorably to other resources in terms of cost effectiveness, customer-rate impact, and the balance between cost and risk exposure, the resource will be selected for inclusion in the preferred portfolio.

II. Rate Design Modifications to Promote Energy Efficiency

The Company currently offers seasonal rates to residential, general service, and large general service customers in Idaho. These rates give customers clear signals about the appropriate cost of energy by season. The Company also offers optional time of use rates to our residential and general service customers. In addition, the Company offers an irrigation load control dispatch program, a renewable energy rider for small and bulk purchases, and net metering service. We believe that these rate designs help to promote energy efficiency while mitigating bill impacts on our customers.

In addition, the Company has filed an Application for an Energy Cost Adjustment Mechanism (ECAM) in Idaho which will give customers more current price signals about the changes in net power costs that occur between general rate cases. We believe that the

ECAM will give customers more current and appropriate price signals about the cost of energy.

The Company has also committed as part of its next general rate case to file a tiered rate design proposal for the Commission's consideration.

III. Smart Grid Investments

The Company does not consider smart grid technology presently to be mature enough to warrant Company investment and customer support of a smart grid program in Idaho. The Company believes that national standards and protocols need to be developed and adopted and that a positive benefit to cost ratio needs to exist before customers are asked to fund such a project. EISA of 2007 provides for the funding of the National Institute of Standards and Technology to coordinate and develop a framework for smart grid technology that includes protocols and standards for information management in order to achieve interoperability of smart grid devices and systems. This funding is provided for fiscal years 2008-2012.

There are several smart grid pilot programs and projects in the developmental stage throughout the country. The largest full scale projects are in California and Texas. In addition, pilot programs are underway in Boulder, Colorado with Xcel Energy and Poudre Valley REA. These pilot projects will add to Rocky Mountain Power's evaluation of the continuing development of smart grid technologies.

The Company believes that moving forward with advanced metering and or smart grid investments at this time, prior to the maturation of technologies and the finalization of protocols and standards, is not in the best interest of the Company or its customers.

IV. Smart Grid Information

As the Company noted above, it does not consider smart grid technology to be presently mature enough to warrant Company investment and customer support of a smart grid program in Idaho.

Currently the Company does not provide information on wholesale electricity prices to its customers. However, the Company does offer an optional time of day rate and an irrigation dispatch program that provides customer incentive to use energy during off-peak hours.

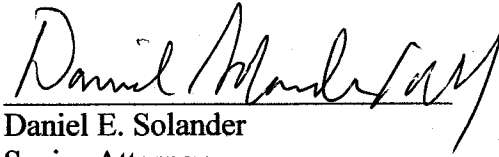
Usage information is included on customer billing statements. Usage information is also available to customers electronically through registered accounts accessed via the Company's website.

Rocky Mountain Power annually provides its customers with a written notice of sources of the power provided by the utility by type of generation as part of its Power Content Label, typically included in customers March billing statement. While greenhouse gas emission by fuel source information is not provided to customers, the Company does track carbon dioxide emissions of its generating resources.

V. Conclusion

Rocky Mountain Power has considered the issues identified by the four new federal standards and has already implemented many of them and is monitoring the development of smart grid technologies. The Company believes the Commission should find that the Company's efforts meet the intent of the standards such that no further action is required in this docket.

Respectfully submitted this 4th day of February 2009.

A handwritten signature in black ink, appearing to read "Daniel E. Solander". The signature is written in a cursive style with a horizontal line underneath the name.

Daniel E. Solander
Senior Attorney
Rocky Mountain Power

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of February, 2009, I caused to be served, via E-mail, a true and correct copy of the foregoing Rocky Mountain Power's Reply Comments in Case No. GNR-E-08-04 to the following:

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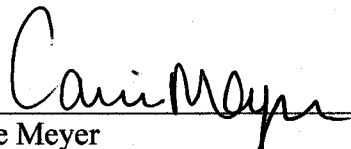
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