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October 23, 2006

Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South, Fourth Floor
Salt Lake City, Utah 84111

Re: Docket No. 04-035-04, Notice of Desert Power's filing for bankruptcy protection

Dear Commissioners:

This letter is to inform you that Desert Power filed for Chapter 11 bankruptcy protection this morning in Reno, Nevada. Desert Power and its associated entities were organized under the laws of the state of Nevada. Unfortunately, following discussions with PacifiCorp this past Saturday, Desert Power concluded that bankruptcy was the only option left to try to preserve the September 24, 2004 Power Purchase Agreement approved by the Commission. It became clear during those discussions that PacifiCorp could simply give Desert Power notice of termination of the contract, and though PacifiCorp did not issue that notice, Desert Power could not accept the risk of that occurring. Desert Power is still working to secure financing to complete the project and I will keep you informed as there are more developments in this matter.

Sincerely,

Callister Nebeker & McCullough

Stephen F. Mecham

cc: Parties in Docket No. 04-035-04