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March 13, 2006

Chairman Richard Campbell  
Commissioner Ron Allen  
Commissioner Ted Boyer  
Utah Public Service Commission  
Heber M. Wells Building  
160 East 300 South, 4th Floor  
Salt Lake City, UT 84111

**Re: In the Matter of the Application of PacifiCorp for an Order Approving an Amendment to its Power Purchase Agreement with Sunnyside Cogeneration Associates, Docket No. 05-035-046**

Dear Commissioners:

The purpose of this letter is to give notice to the Commission of an opinion in litigation in Delaware pertaining to the Fourth Amendment to the Power Purchase Agreement (“Amendment”) which is the subject of the captioned Docket.

On March 8, 2006, the Delaware Court of Chancery issued an Opinion in Cypress Associates, LLC, v. Sunnyside Cogeneration Associates, et al., C.A. No. 1607-N. The pendency of this litigation is the basis for the Stipulation to Stay Proceeding in the captioned Docket. The Opinion specifically denies Sunnyside’s (and the related defendants’) motion to dismiss certain claims by Cypress that the facility documents governing the ability of Sunnyside to enter into the Amendment require the 80% supermajority approval of the bondholders, which approval has not been obtained because Cypress has not consented to the Amendment. In so holding, the Court found that Cypress’ “position rests on a reasonable reading of the Relevant Instruments” (Op. at 16), and that Sunnyside’s “reading of the Relevant Instruments is arguably not even colorable, and certainly not the only reasonable reading of the Instruments.” Op. at 15.

As a result of the Opinion, the Delaware litigation continues on the issue of whether the Amendment received the requisite approval of the bondholders. Until the issue is resolved in the Court of Chancery, the proceedings in the captioned docket should continue to be stayed as provided in the Stipulation to Stay Proceeding.

A copy of the Opinion is attached.

Very truly yours.

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Counsel for Cypress Associates, LLC

cc: Julie Orchard  
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