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September 28, 2012

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

RE: In the Matter of the Application of PacifiCorp, by and through its Rocky Mountain Power Division, for Approval of a Solicitation Process for an All-Source Resource for the 2016 Time Period – Docket No. 11-035-73

Dear Mr. Widerburg:

Rocky Mountain Power (the “Company”) hereby notifies the Public Service Commission of Utah (the “Commission”) that the Company will not be pursuing a resource for the 2016 time period under the All-Source Request for Proposals (“All Source RFP”). In addition, the Company submits for filing its Needs Assessment, attached hereto as Attachment 1, as an update to the 2011 Integrated Resource Plan (“2011 IRP”) Update Action Plan (“2011 IRP Update”).

On October 7, 2011, the Company filed an application for approval of a solicitation process to acquire an all source resource with an approximate online date of June 2016. The Company based its decision on a resource need that was identified in both the 2008 and 2011 Integrated Resource Plans. Upon further evaluation through the Needs Assessment, and based on the most current information available, the Company determined that there is no longer a need to acquire such a resource for the 2016 time period. Factors supporting the Company’s position include the following:

- The most current load forecast reflects a significant reduction in forecast customer demand, and has reduced the need for resources in 2016 and beyond.
- Relative to the 2011 IRP Update, the updated load and resource balance reflects a 468 megawatt reduction in resource need in 2016.
- The most current System Optimizer model analysis using updated load and resource inputs indicates that the 2016 resource need can be most economically met with front office transactions, primarily in the west side of the Company’s system, and acquisition of Class 2 demand side management (“DSM”) resources throughout the Company’s service territory.
- The November 2011 WECC Power Supply Assessment, attached hereto as Attachment 2, shows the Northwest Region has surplus resources in the summer through 2020, lending

support for the use of firm market purchases on the west side of the Company's system to satisfy summer peak requirements.

- With the cancellation of the All Source RFP, the Company will continue to pursue low cost resource alternatives for the 2016 timeframe through market requests for proposals and or bilateral commercial opportunities. The Company has recently issued two market requests for proposals which indicate that there are lower costs for summer resources in the east from 2014 through 2017 than the resources received in this RFP.
- Consistent with the Utah hedging collaborative guidelines, the Company's risk policy specifies a 36-month hedge horizon. Longer term hedging transactions must meet a higher standard of analysis and approval process. Proposals that exceed 36 months and are not needed for capacity reliability, but are energy cost hedges, are reviewed with this principle in mind and against other current and future alternatives. No such proposals in this All Source RFP met the threshold of this higher standard.

Based on the foregoing, and in consultation with the IE, the Company has made the decision to cancel the All Source RFP. The Company notified bidders simultaneously herewith. It is evident that circumstances have changed since the need for a 2016 resource was identified, and no longer support pursuing the All Source RFP. The Company plans to continue to monitor the market and customer demand. The Company will issue market solicitations to seek front office transactions, asset-based transactions or both. If conditions change and if the results of the currently in process 2013 Integrated Resource Plan so indicate, the Company will issue a new Request for Proposals at a later date. The Company appreciates the efforts of the Commission, the IE and stakeholders in this process and remains committed to securing viable, cost-effective resources to meet customer needs in a timely manner.

The Company respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
dave.taylor@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Stacey Kusters at 503.813.5351 or Dave Taylor at 801.220.2923.

Sincerely,

Yvonne R. Hogle
Senior Counsel

Enclosures
Cc: Service List (w/ enclosures)

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of September 2012, I caused to be e-mailed a true and correct copy of the foregoing to the following:

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