

April 15, 2013

Robert Millsap
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Delivered via email to bobmillsap@renewable-energy-advisors.com

Re: Response to Indicative Pricing Request

Dear Bob:

Attached please find indicative pricing for the proposed South Mountain Wind project (“Project”). The attached pricing is consistent with Utah Public Service Commission orders in Docket No. 03-035-14 and Docket No. 12-035-100.

The indicative pricing that accompanies this letter is provided pursuant to Rocky Mountain Power Utah Schedule 38 (“Schedule 38”). Indicative prices, as noted in Schedule 38 “are merely indicative and are not final and binding. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and approved by the Commission.” Pursuant to Schedule 38 and the Commission order in Docket No. 12-035-100, the Company “will update its pricing proposals at appropriate intervals to accommodate any changes to its avoided cost calculations, among other reasons.”¹ The indicative pricing contained herein is based on certain assumptions (including, but not limited to, the availability of certain transmission services). The assumptions used to determine the avoided cost pricing are subject to change, which in turn may modify the provided indicative avoided cost pricing.

The indicative pricing has been provided for illustrative purposes in annual on peak (“HLH”) and off peak (“LLH”) values and as annual 7x24 flat (all hours) values. The pricing has also been provided in monthly HLH and LLH values. Should you choose to move forward with a power purchase agreement, the monthly HLH and LLH values will be used in the power purchase agreement. You may also be required to provide a wind study to verify the 12x24 matrix you provided.

HLH is defined as Monday through Saturday, 7:00 AM MST to 11:00 PM MST, excluding NERC holidays. LLH is defined as all hours that are not on peak.

Schedule 38 also indicates it is the responsibility of the QF developer to make necessary interconnection arrangements with PacifiCorp Transmission. As noted in Schedule 38, “[t]he

¹ December 20, 2012 Order in Docket No. 12-035-100, page 17.

Company's obligation to make purchases from a QF is conditioned upon all necessary interconnection arrangements being consummated." The process of making the interconnection arrangements may result in the identification of additional costs (including, but not limited to, potential improvements to the distribution and/or transmission system) or timing considerations to accomplish necessary interconnection upgrades that are the responsibility of the qualifying facility developer.

A copy of Schedule 38 can be obtained on the website for Rocky Mountain Power (<http://www.rockymountainpower.net/about/rar/wri.html>). Nothing in this letter should be construed as creating a power purchase agreement or other legally enforceable obligation between PacifiCorp and Project. Nothing in this indicative pricing request response should be construed as an offer on the part of PacifiCorp to enter a power purchase agreement with Project. The Project may only obtain a final power purchase agreement through full compliance with the procedures for such as detailed in Schedule 38. If you have any questions or require additional information, please feel free to contact me.

Regards,



Paul Clements
Power Marketer, PacifiCorp

This communication is preliminary and is intended to serve as a basis for further discussion and negotiations between the parties. This does not contain all matters upon which agreement must be reached in order for a transaction to be completed. The matters set forth herein are not intended to and do not constitute a binding agreement or establish any obligation by any party, and this communication may not be relied upon as the basis for a contract by estoppel or otherwise. A binding agreement will arise only upon the negotiation, execution and delivery of mutually satisfactory definitive agreements and the satisfaction of the conditions set forth therein, including completion of due diligence and the approval of such agreements by the respective governing bodies and management of each party, which approval shall be in the sole subjective discretion of the respective governing bodies and management. Any actions taken by a party in reliance on the non-binding terms expressed herein or on statements made during negotiations of the transactions contemplated hereby shall be at that party's own risk. In addition, our proposed terms are based on current market conditions and PacifiCorp may update our proposed terms/conditions based on changing market conditions until such time as the parties have executed a definitive agreement.

Indicative Pricing for South Mountain Wind

April 15, 2013

ILLUSTRATIVE ANNUAL PRICING

Year	Energy Payment (\$/MWh)		Est Total \$/MWh at 34.0% CF (1)
	HLH	LLH	
2015	\$58.25	\$45.46	\$52.30
2016	\$59.30	\$46.33	\$53.28
2017	\$60.50	\$47.27	\$54.33
2018	\$61.68	\$48.21	\$55.42
2019	\$62.94	\$49.10	\$56.50
2020	\$64.12	\$50.05	\$57.57
2021	\$65.31	\$51.01	\$58.68
2022	\$66.47	\$51.92	\$59.71
2023	\$67.73	\$52.92	\$60.82
2024	\$69.07	\$53.89	\$62.01
2025	\$70.34	\$54.94	\$63.18
2026	\$71.65	\$55.99	\$64.38
2027	\$73.07	\$57.05	\$65.60
2028	\$74.54	\$58.17	\$66.93
2029	\$75.99	\$59.36	\$68.27
2030	\$77.49	\$60.54	\$69.62
2031	\$79.07	\$61.76	\$71.00
2032	\$80.69	\$62.96	\$72.44
2033	\$82.18	\$64.19	\$73.82
2034	\$83.71	\$65.40	\$75.21

20 Year Nominal Levelized Prices at 7.154% Discount Rate

\$/MWh	\$67.19	\$52.49	\$60.36
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(1) Estimated Total \$/MWh are illustrative and will depend on actual QF generation levels.

Actual avoided cost prices will be provided monthly by HLH / LLH hour class.

MONTHLY PRICING FOR USE IN CONTRACT (\$/MWH)

Month	2015		2016		2017		2018		2019	
	HLH	LLH								
1	\$57.04	\$46.71	\$58.12	\$47.60	\$59.29	\$48.55	\$60.47	\$49.52	\$61.61	\$50.46
2	\$53.80	\$45.45	\$54.82	\$46.31	\$55.93	\$47.24	\$57.04	\$48.18	\$58.12	\$49.10
3	\$51.55	\$43.31	\$52.52	\$44.13	\$53.58	\$45.02	\$54.64	\$45.91	\$55.68	\$46.79
4	\$50.53	\$42.20	\$51.48	\$43.00	\$52.52	\$43.87	\$53.56	\$44.74	\$54.58	\$45.59
5	\$50.57	\$41.09	\$51.53	\$41.86	\$52.56	\$42.71	\$53.61	\$43.56	\$54.63	\$44.38
6	\$54.65	\$42.35	\$55.69	\$43.15	\$56.80	\$44.02	\$57.93	\$44.89	\$59.03	\$45.74
7	\$75.84	\$48.44	\$77.28	\$49.36	\$78.84	\$50.35	\$80.40	\$51.36	\$81.93	\$52.33
8	\$77.28	\$49.90	\$78.75	\$50.85	\$80.33	\$51.87	\$81.93	\$52.90	\$83.48	\$53.90
9	\$60.92	\$45.82	\$62.08	\$46.69	\$63.32	\$47.63	\$64.58	\$48.58	\$65.81	\$49.50
10	\$54.85	\$45.07	\$55.89	\$45.92	\$57.01	\$46.84	\$58.14	\$47.77	\$59.25	\$48.68
11	\$55.68	\$46.44	\$56.74	\$47.32	\$57.88	\$48.27	\$59.03	\$49.23	\$60.15	\$50.16
12	\$61.12	\$48.38	\$62.28	\$49.29	\$63.53	\$50.29	\$64.79	\$51.29	\$66.02	\$52.26
Month	2020		2021		2022		2023		2024	
	HLH	LLH								
1	\$62.79	\$51.42	\$63.98	\$52.40	\$65.13	\$53.34	\$66.37	\$54.36	\$67.63	\$55.38
2	\$59.23	\$50.03	\$60.36	\$50.98	\$61.44	\$51.90	\$62.61	\$52.89	\$63.79	\$53.89
3	\$56.75	\$47.68	\$57.82	\$48.58	\$58.86	\$49.46	\$59.98	\$50.40	\$61.12	\$51.35
4	\$55.62	\$46.46	\$56.68	\$47.34	\$57.69	\$48.19	\$58.80	\$49.11	\$59.91	\$50.04
5	\$55.67	\$45.23	\$56.73	\$46.09	\$57.74	\$46.91	\$58.85	\$47.81	\$59.96	\$48.71
6	\$60.16	\$46.62	\$61.30	\$47.50	\$62.40	\$48.35	\$63.59	\$49.28	\$64.80	\$50.21
7	\$83.50	\$53.33	\$85.08	\$54.34	\$86.60	\$55.31	\$88.26	\$56.37	\$89.93	\$57.44
8	\$85.08	\$54.94	\$86.69	\$55.98	\$88.24	\$56.98	\$89.93	\$58.07	\$91.63	\$59.17
9	\$67.07	\$50.45	\$68.34	\$51.40	\$69.56	\$52.32	\$70.89	\$53.32	\$72.23	\$54.33
10	\$60.38	\$49.61	\$61.52	\$50.55	\$62.63	\$51.46	\$63.82	\$52.44	\$65.03	\$53.43
11	\$61.30	\$51.12	\$62.46	\$52.09	\$63.58	\$53.02	\$64.79	\$54.04	\$66.02	\$55.06
12	\$67.28	\$53.26	\$68.56	\$54.27	\$69.79	\$55.24	\$71.12	\$56.29	\$72.47	\$57.36
Month	2025		2026		2027		2028		2029	
	HLH	LLH								
1	\$68.92	\$56.44	\$70.23	\$57.51	\$71.57	\$58.61	\$72.99	\$59.78	\$74.45	\$60.97
2	\$65.01	\$54.91	\$66.24	\$55.96	\$67.51	\$57.02	\$68.86	\$58.16	\$70.23	\$59.33
3	\$62.28	\$52.33	\$63.46	\$53.32	\$64.67	\$54.34	\$65.96	\$55.43	\$67.28	\$56.54
4	\$61.05	\$50.99	\$62.21	\$51.96	\$63.39	\$52.95	\$64.66	\$54.01	\$65.95	\$55.09
5	\$61.10	\$49.64	\$62.26	\$50.58	\$63.45	\$51.55	\$64.72	\$52.58	\$66.01	\$53.63
6	\$66.03	\$51.16	\$67.28	\$52.14	\$68.57	\$53.13	\$69.94	\$54.19	\$71.33	\$55.28
7	\$91.64	\$58.53	\$93.38	\$59.64	\$95.16	\$60.78	\$97.06	\$61.99	\$99.00	\$63.23
8	\$93.37	\$60.29	\$95.15	\$61.44	\$96.96	\$62.61	\$98.90	\$63.86	\$100.88	\$65.14
9	\$73.61	\$55.36	\$75.00	\$56.42	\$76.44	\$57.49	\$77.96	\$58.64	\$79.52	\$59.81
10	\$66.27	\$54.45	\$67.53	\$55.48	\$68.82	\$56.54	\$70.19	\$57.67	\$71.59	\$58.83
11	\$67.27	\$56.11	\$68.55	\$57.17	\$69.86	\$58.26	\$71.25	\$59.43	\$72.68	\$60.61
12	\$73.84	\$58.45	\$75.25	\$59.56	\$76.68	\$60.70	\$78.21	\$61.91	\$79.78	\$63.15
Month	2030		2031		2032		2033		2034	
	HLH	LLH								
1	\$75.94	\$62.19	\$77.46	\$63.43	\$79.01	\$64.70	\$80.51	\$65.93	\$82.04	\$67.18
2	\$71.63	\$60.51	\$73.07	\$61.72	\$74.53	\$62.96	\$75.95	\$64.15	\$77.39	\$65.37
3	\$68.62	\$57.66	\$70.00	\$58.82	\$71.40	\$59.99	\$72.76	\$61.14	\$74.14	\$62.29
4	\$67.27	\$56.19	\$68.62	\$57.31	\$69.99	\$58.46	\$71.32	\$59.57	\$72.67	\$60.70
5	\$67.32	\$54.70	\$68.68	\$55.80	\$70.05	\$56.91	\$71.38	\$57.99	\$72.73	\$59.09
6	\$72.75	\$56.38	\$74.22	\$57.51	\$75.70	\$58.66	\$77.14	\$59.77	\$78.60	\$60.91
7	\$100.97	\$64.49	\$103.00	\$65.79	\$105.06	\$67.10	\$107.06	\$68.38	\$109.08	\$69.67
8	\$102.88	\$66.43	\$104.95	\$67.77	\$107.05	\$69.12	\$109.08	\$70.44	\$111.15	\$71.77
9	\$81.10	\$61.00	\$82.73	\$62.23	\$84.39	\$63.47	\$85.99	\$64.68	\$87.62	\$65.90
10	\$73.02	\$60.00	\$74.48	\$61.20	\$75.97	\$62.42	\$77.42	\$63.61	\$78.88	\$64.82
11	\$74.13	\$61.82	\$75.62	\$63.06	\$77.13	\$64.32	\$78.59	\$65.55	\$80.08	\$66.79
12	\$81.37	\$64.40	\$83.00	\$65.70	\$84.66	\$67.01	\$86.27	\$68.29	\$87.90	\$69.58