

August 27, 2013

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

**Re: Response to Indicative Pricing Request**

Dear Robert:

On April 15, 2013, the Company provided indicative pricing for your proposed South Mountain Wind project (“Project”) and stated that the indicative prices are, pursuant to Rocky Mountain Power Utah Schedule No. 38 (“Schedule 38”), “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.”

In the August 16, 2013 Public Service Commission of Utah (“Commission”) order in Phase II of Docket No. 12-035-100, the Commission directed the Company to discontinue use of the market proxy pricing method and to provide indicative avoided cost pricing to wind and solar qualifying facility projects based on the partial displacement differential revenue requirement pricing method. That Commission order also specified capacity contribution levels and integration costs to be applied when calculating indicative avoided costs.

Furthermore, in its December 20, 2012 order in Docket No. 12-035-100, the Commission stated the following on pages 17-18:

*“We acknowledge the possibility the outcome of the Phase Two hearings and the interests of ratepayers may require the application of new avoided cost calculations for all large wind QF projects not in possession of executed power purchase agreements when the Phase Two order is issued.”*

Your project previously received indicative pricing but is not currently in possession of an executed power purchase agreement. Therefore, pursuant to the Commission orders in Docket No. 12-035-100, the previously provided indicative pricing is no longer valid. Should you desire to receive updated indicative pricing, please submit a request pursuant to Schedule 38.

Regards,



Paul Clements  
Power Marketer, PacifiCorp