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August 10, 2010

***VIA ELECTRONIC FILING
AND HAND DELIVERY***

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

Attn: Julie Orchard
Commission Secretary

**RE: Docket No. 09-2035-01
PacifiCorp's Power Generation, Geothermal Resource Study**

Dear Ms. Orchard:

In its April 1, 2010 Order acknowledging PacifiCorp's 2008 Integrated Resource Plan the Public Service Commission of Utah (the "Commission") directed the Company to file a geothermal resource study within 60 days of the date of the acknowledgment order. On April 29, 2010, the Commission granted the Company's request to extend the filing date of the geothermal resource study to August 10, 2010.

Please find enclosed an original and five (5) copies of PacifiCorp's Power Generation, Geothermal Resource Study. A copy of this report has been provided to the participants in the IRP. Copies of the report are also available electronically and will be posted on PacifiCorp's website, at www.pacificorp.com.

On July 16, 2010, a draft of the report was circulated to participants in the IRP. Two parties, the Division of Public Utilities (DPU) and the Utah State Energy Program (USEP) provided comments and suggested edits to the report. Many of those comments and proposed edits have been incorporated into the final report that is provided with this filing. The company has also responded by letter to both the DPU and USEP detailing how their comments and edits were used in the final report.

In addition to other comments and edits, the DPU made the following recommendation in their comments on the draft report:

Finally, the Division recommends that when the Company files the BVG report with the Commission, it include a thorough explanation of how the findings from the report will be modeled and/or used in the 2011 IRP. The filing should also include a description of how the levelized cost of electricity identified in the BVG report compares to the total resource cost modeled in the current IRP.

PacifiCorp proposes a two-stage approach for incorporating the geothermal report in its 2011 IRP. For the Blundell expansion resource, the Company will develop a project risk and demonstration cost estimate to supplement the resource cost data in the geothermal potential report and prior Company project analyses. The end result is a risk-adjusted cost reflecting the investment needed to prove the resource. Such a risk-adjusted cost will better align Blundell with other supply-side resources that lack such development risks. The Blundell resource, with its risk-adjusted cost, will be included as a resource option in all portfolios modeled for the 2011 IRP. As part of the Blundell cost analysis, the Black & Veatch costs will also be analyzed for comparability with IRP resource costs, and adjusted as necessary, to create a total resource cost (i.e., levelized cost of energy) estimate for reporting in the 2011 IRP supply-side resource characterization data tables.

The focus of the second stage will be the other geothermal resources identified as top candidates in the geothermal potential report. PacifiCorp will task the Black & Veatch team or another contractor with developing a cost range reflecting resource development and acquisition risks similar to what was done for Blundell. As part of the acquisition path analysis conducted after selection of a preferred portfolio, PacifiCorp will run its System Optimizer model with these resources and associated cost ranges. This portfolio scenario analysis will support geothermal resource evaluation and planning initiatives as outlined in Action Item 1 of the IRP Action Plan.

It is respectfully requested that all formal correspondence and Staff requests 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

If there are informal inquiries concerning the filing, please contact Pete Warnken, Manager Integrated Resource Planning at (503) 813-5518 or Dave Taylor, Utah Regulatory Affairs Manager at (801) 220-2923.

Sincerely,


Jeffrey K. Larsen
Vice President, Regulation

Enclosures