

State of Utah

GARY R. HERBERT Governor

GREG BELL Lieutenant Governor **Public Service Commission**

TED BOYER Chairman

RIC CAMPBELL Commissioner

RON ALLEN Commissioner

September 13, 2010

Ariel Son Data Request Response Center PacifiCorp 825 NE Multnomah St., Suite 2000 Portland, OR 97232

RE: Tariff 10-01 Docket No. 10-035-T01

In the Matter of the Advice Filing 10-01 of PacifiCorp d/b/a Rocky Mountain Power for Schedules No. 70 - Renewable Energy Rider - Optional (Blue Sky Block Program) and No. 72 - Renewable Energy Rider - Optional Bulk Purchase Option (Blue Sky Bulk Program).

Dear Ms. Son:

On July 20, 2010, PacifiCorp, doing business in Utah as Rocky Mountain Power, ("Company"), filed a letter with the Public Service Commission of Utah in Docket No. 10-035-T01, requesting an exemption from certain tariff requirements for a specified project.

The Company explained it had awarded a grant of \$169,000 to Ogden City for a pipeline hydroelectric facility on August 31, 2009, through the Qualifying Initiative funding process contained in Schedules 70 and 72 which govern the Company's optional Blue Sky program. At the time of the award, Schedules 70 and 72 required all hydroelectric resources to be certified by the Low Impact Hydropower Institute ("LIHI") to be eligible for funding through the Blue Sky program.

Subsequently, on May 13, 2010, in Docket No. 10-035-T01, the Commission approved a change to Schedules 70 and 72, removing the requirement that all hydroelectric resources be certified by LIHI ("May Order"). Although the Company represents Ogden City is taking steps to obtain LIHI certification in compliance with the tariff specifications in place at the time the funds were awarded, the Company requests the Commission exempt this project from the requirement to obtain LIHI certification. The Company argues its request is consistent with the Commission's May Order allowing Blue Sky funds to support pipeline and irrigation canal hydroelectric projects without LIHI certification. The Company argues its request is in alignment with the Commission's May Order as the Ogden City project is small and therefore obtaining LIHI

certification can be costly and the incremental environmental impact of the facility is expected to be negligible. An exemption would enable Ogden City to direct a greater portion of the Blue Sky grant to its project.

For the reasons set forth in the Company's request, we approve the requested exemption.

Sincerely,

/s/ Julie Orchard Commission Secretary