

November 11, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Gary Widerburg
Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84145

Re: Sale of Fountain Green Hydroelectric Plant

Commissioners:

This letter is to inform the Commission of PacifiCorp's decision to discontinue operations associated with and to dispose of the Fountain Green hydroelectric power plant located near Fountain Green, Utah (the "Project"). Because the book value of the Project is significantly less than the threshold identified in Commission Rule R746-401-3(B), no Commission action is required or requested on the disposition.

The Project consists of a one-unit generator rated at 160 kilowatts ("kW"). In 2011, there was a partial collapse of the Fountain Green plant powerhouse. Since that time the Company has explored several options for the future of the Project including restoration with continued PacifiCorp operation, decommissioning and removal, or sale of the Project.

A request for proposal sales package was distributed to 23 interested parties. Six parties provided a total of seven offers for the project. Confidential Exhibit RMP-1 provides a summary of those offers. Through subsequent negotiations, it was determined that a transaction to exchange the Project for an easement that will be required for a portion of the Terminal-Oquirrh 345kV transmission line planned for construction in Salt Lake County, Utah, represented the best cost risk balance for customers in lieu of decommissioning. This resulted in the execution of an Agreement of Purchase and Sale included as Confidential Exhibit RMP-3 with this filing. Also see Confidential Exhibit RMP-2 for an analysis comparing the transaction alternative to the restoration alternative and in lieu of the decommissioning alternative.

Disposition of the Project by Rocky Mountain Power will not adversely affect retail or wholesale customers. The discontinuation of the Project's generation capacity will have no material effect on Rocky Mountain Power's generation capacity, which is comprised of approximately 10,579 MW. Rocky Mountain is unaware of any adverse impact to another utility or customers that would result from the transaction to transfer the Project

While no action is required by the Public Service Commission of Utah, the transaction must be approved by the Oregon Public Utility Commission and the Public Service Commission of Wyoming. If the transaction is approved by those commissions, the disposition of the Project will be accounted for by transferring the value of the transaction (which includes the Fountain Green

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development book value, transaction expenses, estimated closing costs, and cash granted to the buyer to offset administrative costs of the easement acquired by Rocky Mountain Power) to the new Terminal-Oquirrh easement asset, resulting in a net zero book loss. If the transaction is not approved by those commissions, the Company will review the more costly and higher risk decommissioning alternative.

If you have any questions, please feel free to contact Dave Taylor at 801-220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Office of Consumer Services