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September 13, 2010

Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84110

Attn: Ms. Julie Orchard
Commission Secretary

Re: Notice Pursuant to *Utah Code Ann. §54-17-502(2)(e)*

Dear Commissioners:

The purpose of this letter is to reply to the letter from Julie Orchard dated August 16, 2010. In the letter, the Commission requested that PacifiCorp inform the Commission whether, assuming PacifiCorp proceeds with acquiring the solar resource described in PacifiCorp's notice to the Commission pursuant to a letter dated July 20, 2010, it will proceed under the bid solicitation process set forth under *Utah Code Ann. §54-17-502(2)*, or whether it will proceed under Subsection (6).

For the solar resource, PacifiCorp intends to go through a competitive solicitation process and, therefore, intends to proceed under *Utah Code Ann. §54-17-502(2)*. Accordingly, PacifiCorp will comply with Utah Code Ann. § 54-17-502(2)(c) and (d). However, PacifiCorp is not required to utilize a formal request for proposal (RFP) process under Oregon Public Utility Commission (OPUC) rules and guidelines. Since PacifiCorp will not be utilizing a formal RFP process, the OPUC staff is not required to and probably will not retain an independent evaluator to oversee the competitive bid process for the solar resource.

For the Slide Creek hydro upgrade, PacifiCorp intends to proceed under *Utah Code Ann. §54-17-502(6)*. Slide Creek is a 18 megawatt hydro-electric plant that was placed in service in 1951. This plant is located on the North Umpqua River in Oregon. The purpose of the overhaul is to replace the turbine runner and upgrade the major electrical and mechanical components of the unit. The new runner will be more efficient and, as a result, it is expected annual energy production will increase.

PacifiCorp notes that the allocation of costs for the solar resource may be affected by any multi state protocol agreement that may arise from the ongoing discussions in that docket. For

example, under the currently proposed agreement, all costs associated with the solar resource would be paid by ratepayers from the state of Oregon. However, the agreement has not been finalized. PacifiCorp intends to file its application for approval of an agreement September 15, 2010.

Feel free to contact me at 801.220.4050 if you have any questions regarding this matter.

Sincerely,

Yvonne R. Hogle

cc: Dave Taylor
Mark Tallman
Stacey Kusters