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DEPARTMENT OF
WATER RESOURCES

February 21, 2012

Monica Van Bussum
Idaho Water Resource Board
322 East Front Street
Boise, ID 83720-0098

RE: Application to Sell or Lease a Water Right to the Water Supply Bank
Water right number 21-12914

Dear Ms. Van Bussum,

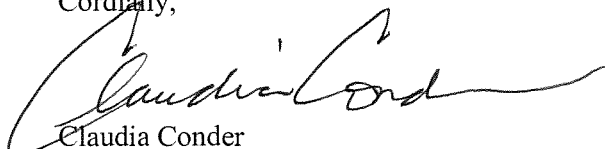
Please find enclosed an application to sell or lease water as referenced above. Also enclosed is a check in the amount of \$250.00 for the application fee. PacifiCorp desires to lease its non-consumptive water right associated with its St. Anthony hydroelectric plant in St. Anthony to the water supply bank. The period of time requested to lease the water to the bank is five (5) years beginning July 1, 2012. The right is currently protected from forfeiture by an approved application to avoid forfeiture granted in 2007.

PacifiCorp last operated the St. Anthony plant on June 25, 2002 and discontinued operation due to an equipment failure. Since that time, PacifiCorp has been engaged in studies and alternative analyses, including decommissioning, repair, or sale. PacifiCorp has initiated a sale process this month. This sale process will culminate in either the purchase of the project by a new owner (who we anticipate will repair and resume operation) or decommissioning by PacifiCorp. Leasing the water right to the water supply bank will allow PacifiCorp time to complete either the sale or decommissioning without concern of forfeiture. If a sale occurs, it will allow the new owner sufficient time to make the necessary repairs and resume use of the water right. If decommissioning is the outcome, PacifiCorp will then need to determine if it will sell or otherwise dispose of the water right.

Please consider this letter to be part of the application as further explanatory to our intent. PacifiCorp desires that the right remain in the bank and not made available for rent. When a final determination has been made as to the sale or decommissioning, PacifiCorp will contact you. I understand that, if a new owner intends to resume use of the water, PacifiCorp and/or the new owner can request the bank to release the water right and that can be accomplished in approximately 30 days.

Thank you for your consideration in this matter. If you have any questions, please contact me at 801-220-2252 or by e-mail at Claudia.Conder@PacifiCorp.com

Cordially,


Claudia Conder
Water Rights Administrator