



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

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December 14, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

CLAUDIA CONDER
PACIFICORP
1407 W NORTH TEMPLE SUITE 110
SALT LAKE CITY UTAH 84116

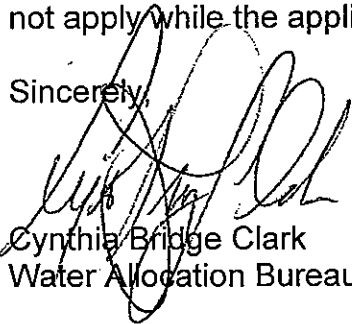
**RE: HOLD OF APPLICATION TO SELL OR LEASE A WATER RIGHT TO
THE WATER SUPPLY BANK. WATER RIGHT NO. 13-962**

Dear Ms. Conder:

The Idaho Department of Water Resources (department) acknowledges receipt of the application to lease the above referenced water right to the Idaho Water Supply Bank (bank). As per your e-mail to me sent December 29, 2005, the application will be held until a determination is made regarding the future of the Cove Hydro Plant and PacifiCorp's interest in leasing the water right is clarified. If the department does not receive notification regarding the status of this application by February 28, 2007, the application will be denied based insufficient information to complete processing. PacifiCorp may reapply to lease the right to the bank in the future.

Please note forfeiture provisions are stayed only if the right is accepted into the bank pursuant to the provisions of Section 42-1764, Idaho Code. These provisions do not apply while the application is held from processing.

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

c: Bill Graham -- IDWR