

Via Hand Delivery and Electronic Mail

August 18, 2011

Commissioner Susan Ackerman
Commissioner John Savage
Public Utility Commission of Oregon
550 Capitol St. NE
Salem, Oregon 97301-2551

RE: PacifiCorp Advice No. 11-011

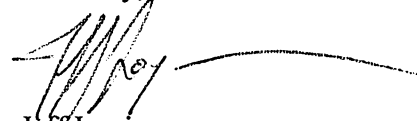
Dear Commissioners:

PacifiCorp and the developers of the proposed Butter Creek Projects—Oregon Wind Farms and TERNA Energy USA—have worked diligently since August 4 in an attempt to settle their dispute regarding the projects. The parties have not reached agreement but have made significant progress and believe it may be possible to settle their dispute within the next three to four weeks.

The parties recommend that the Commission: (1) suspend Advice No. 11-011 effective August 18, 2011; (2) initiate a six-month investigation beginning August 18, 2011; (3) state that the outcome of the investigation will apply to all Schedule 37 power purchase agreements (PPAs) first requested on or after August 18, 2011; and (4) defer any decision until September 20, 2011, regarding whether to apply the outcome of the investigation to PPAs requested before August 18 and executed during the investigation.

The parties expressly reserve their right to argue for or against application of the outcome of the investigation to PPAs requested before August 18 and executed during the investigation. If the parties are able to conclude a settlement by September 20 the question will become moot. If they cannot reach settlement, Oregon Wind Farms and TERNA Energy USA can argue that the outcome of Advice No. 11-011 should not apply to their projects and PacifiCorp can argue that it should. Peter Richardson, counsel for Oregon Wind Farms and TERNA Energy USA, has reviewed this letter and approved its content.

Sincerely,



Jeff Lovinger
Lovinger Kaufmann LLP
Of Attorneys for PacifiCorp

cc (via email): Maury Galbraith
Ed Durrenberger
Peter Richardson