



Please Reply To:

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Sent via United States Postal Service

October 4, 2010

Lee H. Sim, P.E.  
Assistant State Engineer  
1594 West North Temple, Suite 220  
PO Box 146300  
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**Re:** Santa Clara Hydroelectric Project, FERC No. 9281  
Meeting with the Washington County Water Conservancy District

Dear Mr. Sim:

In response to PacifiCorp's meeting with the Utah Division of Water Rights on June 9, 2010, and previous correspondence between PacifiCorp and the Division during April 2010, PacifiCorp met with the Washington County Water Conservancy District on September 8, 2010, to explore possible options for addressing water losses at the company's Santa Clara project. Please accept this letter as a courtesy update regarding the issues discussed and the outcome of the above-mentioned meeting.

Generally, discussions centered on both PacifiCorp's and the District's interests in Santa Clara River water and options for reducing water loss in the Santa Clara project's canal system. PacifiCorp's current efforts to reduce water loss were discussed, along with potential sources of funding for undertaking additional efforts such as piping the canals. The District indicated that it would be willing to help identify funding sources for water loss reduction efforts. PacifiCorp and the District agreed to work together to evaluate potential options for reducing water loss at the project and agreed to meet in the near future to discuss new developments.

It is PacifiCorp's hope that this letter provides useful information to the Division regarding the steps being taken by PacifiCorp in order to develop a plan to reduce canal leakage at the Santa Clara project. This effort will be ongoing and PacifiCorp will keep the Division apprised of

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Lee H. Sim, P.E., Assistant State Engineer

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progress in this regard. If you have any questions or concerns, please do not hesitate to contact me. Thank you for your consideration.

Very truly yours,

*John Sample jls*

John P. Sample

Assistant General Counsel

JPS: jls

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