



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Water Rights

KENT L. JONES
State Engineer/Division Director

April 14, 2010

Connelly Baldwin, Hydrologist
Rocky Mountain Power
1407 West North Temple
Salt Lake City UT 84116

Re: Santa Clara River – Power Company Canals

Dear Connelly,

As you are aware, at the public meeting held on February 17, 2010, there were expressed both concerns about the water losses in the power company canals and a desire that the power company continue operation.

The comments we have received since the meeting have not contradicted the concerns over the water losses.

As you will also recall, at the meeting, Ron Thompson, general manager for the Washington County Water Conservancy District (WCWCD), offered to assist in identifying funding that might be used to help pipe the canals and reduce the water losses.

At this point, it appears there are a number of options Pacificorp may use to bring the operation of the hydropower system canals within the limits of its non-consumptive water rights and maintain losses within the parameters for reasonable loss (15% or less) that have been discussed in our correspondence since the early 1990s. It also appears there are those willing to work with and assist the power company to achieve a successful resolution to the problem.

The Division of Water Rights would be willing to participate in a meeting between Pacificorp and WCWCD to explore the opportunities for resolving the problem.

We are certainly open to any suggestions or avenues for reducing the water losses in the power company's canal system.

However, if Pacificorp fails to develop a plan for resolving the problem and/or fails to make consistent progress towards implementation of the solution, the State Engineer believes he will have no other option than to require the regulation and distribution of water strictly by water right priority. In the event of such a requirement, the power company would be severely restricted in its ability to divert water for hydropower generation.

I would request that Pacificorp notify us of its proposed plan for resolving the problem or its proposed plan for developing a solution. If we do not receive a



Page 2

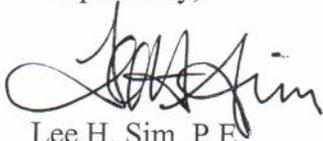
April 13, 2010

Subject: Santa Clara River – Power Company Canals

response by May 1, 2010, we will assume the company does not intend to address the problem and we will instruct the Santa Clara Water Commissioner to distribute water strictly according to water right priority date.

If you have any questions concerning this letter, please contact me by phone at 801-538-7380 or by e-mail at LeeSim@utah.gov.

Respectfully,

A handwritten signature in black ink, appearing to read "Lee H. Sim". The signature is fluid and cursive, with a large initial "L" and "S".

Lee H. Sim, P.E.

Assistant State Engineer for Field Services

cc: Kurt Vest, Regional Engineer
Jay Leavitt, Water Commissioner