

October 20, 2008

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Julie P. Orchard
Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84145

Re: **Sole Source Contract with Tetra Tech EC to complete the balance of the plant projects at Seven Mile Hill II**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp Energy, a Division of PacifiCorp, has entered into a sole source balance of plant contract with Tetra Tech EC for the Seven Mile Hill II wind project. The estimated amount of this purchase is \$9,755,750.

The Seven Mile Hill II wind project is a 19.5 MW wind energy generation facility constructed on leased land located approximately three miles northwest of Medicine Bow in Carbon County, Wyoming. The Seven Mile Hill II project is under construction and is targeted to be in service by December 31, 2008. Remaining work on the project includes procurement of balance of plant (such as cable and pad-mount transformers), construction, testing and commissioning.

Tetra Tech EC is currently performing work on site and has the permits necessary to complete the remaining project work to bring the project on line. Contracting with Tetra Tech to complete the remaining project work at the site will lower mobilization costs and eliminate the need to engage dual contractors, which in turn would exceed the man power levels allowed by the Seven Mile Hill II construction permit. Additionally re-permitting to allow two contractors at the site would cause schedule delays and place at risk the federal production tax credit which expires December 31, 2008.

This sole source procurement contract was authorized by Nick Rahn, Vice President, Resource Development and Construction, PacifiCorp Energy. If you have any questions, please feel free to contact me.

Utah Public Service Commission

October 20, 2008

Page 2

Sincerely,

Jeffrey K. Larsen

Vice President, Regulation

cc: Division of Public Utilities
Committee of Consumer Services