

September 22, 2010

***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: Notice of Sole Source Contract with Cate Drilling

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with Cate Drilling which has exceeded \$500,000 for calendar year 2010. Year to date costs for this contract are \$632,379 as of July 31, 2010.

Cate Drilling provides original equipment manufacturer (OEM) parts for drilling equipment at the surface mine location of Bridger Coal Company. No other vendor is available to provide the needed OEM parts.

This sole source procurement contract was authorized by Cindy Crane, Vice President, Interwest Mining and Fuels.

If you have any questions, please feel free to contact Dave Taylor at 801-220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Committee of Consumer Services