

August 25, 2011

***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 Extension with OSISoft, Inc**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a three year extension of a sole source contract with OSISoft, Inc., which exceeds \$500,000. The contract is for software maintenance and support and has an annual cost of \$665,000.

PacifiCorp currently has an installed base software system for real-time infrastructure data, called the PI System. The PI software is used to capture, process, and store data relating to operations. The data is collected from automated control systems, its applications monitor and used to analyze operations. PI allows the view of data real-time as well as data from years ago. OSISoft provides software maintenance and support for the PI System under a master agreement with MEC, MEHC, and PacifiCorp.

OSISoft is the only provider of support and maintenance for the copyright protected – proprietary software system source code – there are no alternative suppliers for the software support services. The only alternative would be to replace the entire system with another real-time data infrastructure software solution which would be a multi-million dollar investment in capital and expense funding.

The sole source contract extension was authorized in April 2011, by Nancy Kent, Managing Director, Applications and Corporate Security, PacifiCorp.

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  
Office of Consumer Services