

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 Nexant Inc.**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a one year extension of a sole source contract with Nexant Inc., which exceeds \$500,000. The annual extension of the contract for operation of the Utah Recommissioning program has a cost of \$902,000.

The Utah Recommissioning program, which is currently administered by Nexant, is an on-going program covered by Utah Schedule 126. The program objective is to deliver cost effective electric energy and demand savings in commercial and industrial facilities through the identification of low-cost or no-cost operation and maintenance measures. The future direction of the Recommissioning program is being reviewed which may result in substantial modifications to the program and Schedule 126.

The existing Nexant contract, which was originally established through a competitive bid in 2005, is being extended to allow for a thorough evaluation and redesign of the program. It is anticipated that an RFP for the administration of the redesigned program will be issued by the end of 2012.

The sole source contract extension was authorized on February 28, 2011, by Esther Giezendanner, Manager, DSM Procurement and Compliance.

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