

December 14, 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 Purchase Agreement with Staker & Parson Companies for the purchase of Utah County Emission Reduction Credits**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source agreement with Staker & Parson Companies to purchase Utah County emissions reduction credits for \$2,040,000.

As part of the Company's obligation to provide electrical energy resources to meet customer loads, PacifiCorp has begun preliminary permitting for various new 2x1 combined cycle configurations based on "F" and "G" class combustion turbines adjacent to the existing Currant Creek facility (Currant Creek 2). These configuration options have been selected for bidders to submit Engineer-Procure-Construct (EPC) or Asset Purchase and Sale Agreements (APSA) bids for a resource to be constructed at the Currant Creek site in response to the Company's request for proposals (RFP) for an all-source resource for the 2016 time period.

Although the Currant Creek site is located in Juab County, a county classified as being in "attainment", ambient air modeling has confirmed there will be an impact from a new Currant Creek resource on the National Ambient Air Quality Standards in the adjacent Utah County. As a consequence, Utah County emission reduction credits will be required in order to be issued an Approval Order (air permit) for the construction of Currant Creek 2. In the event a new resource located at Currant Creek is not selected through the Company's RFP, the emissions reduction credits will be held for future use for other resources in Utah County or at Currant Creek.

Staker & Parson Companies has been determined to be the only owner of credits of sufficient quantity needed to fulfill the emission reduction credit requirement needs for an Approval Order for the Currant Creek project. The Company has negotiated with Staker & Parson Companies to minimize the cost of acquiring these emissions credits.

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Authorization for this expenditure was processed and executed on December 13, 2011.

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