



201 South Main, Suite 2300
Salt Lake City, Utah 84111

June 29, 2012

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

Gary Widerburg
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 General Electric

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with General Electric. The estimated value of the contract is \$7,000,000.

PacifiCorp has scheduled a turbine upgrade for Jim Bridger Unit 2 to be completed by May 6, 2013. The turbine upgrade is a new MD&A/Hitachi turbine which has different rational dynamics than the current turbine. The transmission system that the Bridger plant is connected to utilizes series capacitors to increase the ability to transmit electricity and minimize line loss. These series capacitors introduce electrical sub-synchronous resonance (SRR) that interferes with the mechanical resonant frequencies of the turbine and can cause damage to the turbine and the generator. GE originally performed studies and designed the current interconnection and has performed five studies on the interactions of the new turbine and the transmission system. Based on this analysis GE recommends the installation of a blocking filter at the Bridger plant would provide the lowest costs and least risk solution. General Electric is uniquely qualified to design and construct the blocking filter. They have designed and installed both of the only two blocking filters that are currently operational.

This sole source procurement contract was authorized on March 8, 2012 by Geoff Matthews, Vice President, Sourcing and Procurement.

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

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation & Government Affairs

cc: Division of Public Utilities
Office of Consumer Services