



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

January 16, 2014

***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 Siemens Energy, Inc.**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with Siemens Energy, Inc. which exceeds \$500,000. The contract has an estimated cost of \$2,850,000.

In May 2013, Siemens Energy was engaged by PacifiCorp to perform an inspection and possible repairs on the combustion turbine 12 at the Lakeside plant. As a result of the initial inspection it was determined that, in addition to other repairs, it is necessary to replace a damaged exhaust cylinder with a single piece exhaust (SPEX) cylinder. It is anticipated that the SPEX cylinder will be installed during Unit 12's next scheduled overhaul in 2015.

Siemens is the original equipment manufacturer and is under contract as the long term parts and service provider for the Lakeside plant. Siemens is the only provider that can perform the needed inspection and repairs.

The sole source procurement contract was authorized on November 13, 2013, by Dana Ralston, Vice President Generation.

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

Sincerely,

A handwritten signature in black ink that reads "Jeffrey K. Larsen".

Jeffrey K. Larsen  
Vice President, Regulation & Government Affairs

cc: Division of Public Utilities  
Office of Consumer Services