

January 30, 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 Osmose Utilities Services, Inc.

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into sole source contract extension with Osmose Utilities Services, Inc. which exceeds \$500,000. The contract has a projected cost of \$6,250,000 for a one year period.

Though a 2009 competitive bid, Osmose Utilities Services for pole test, treat, and inspections services for all PacifiCorp transmission and distribution facilities. The contract has been extended for a one year period with options for two additional one year extensions. The contract will be put out for competitive bid during the third quarter of 2014.

Osmose is the only vendor qualified and available to perform the scope of work required by PacifiCorp. During the last competitive bid four vendors were considered. Since that time two of the bidding vendors have been acquired by Osmose and the remaining two did not have adequate field resources to serve a client the size of PacifiCorp. In addition, upgrades to the data transmission gateway would be needed to facilitate a transition to a new vendor which would require a four to six month transition period.

The sole source procurement contract was authorized August 23, 2013, by Tim Adams, Director Business Transformation.

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

Sincerely,



Jeffrey K. Larsen
Vice President, Regulation and Government Affairs

cc: Division of Public Utilities
Office of Consumer Services