

August 25, 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 National Electric Coil

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into two sole source contracts with National Electric Coil both of which exceed \$500,000. The contracts have a projected cost of \$816,700 and \$735,000 for a total of \$1,551,700.

In February 2014 Gadsby unit 5 generator failed while in service due to a generator ground fault. As a result an emergency generator rewind was required. In 2012 an identical repair was required on Gadsby unit 4. Further investigation revealed a manufacture defect requiring a similar repair to Gadsby unit 6 to avoid failure of that unit within one year.

The generator is a unique French design with are only five such generators in the United States and Gadsby has three of them. National Electric Coil (NEC) was selected through a competitive bid to perform the repair on unit 4 at a price 15% less than the next lowest competitive bid. NEC has the experience and the design drawings to perform the repair to units 5 and 6 quickly and efficiently. NEC agreed to repair unit 5 at the 2012 contract price and offered a discount to repair unit 6.

This sole source procurement contract was authorized February 13, 2014, by Dana Ralston, Vice President Generation.

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