

May 24, 2016

***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 84114

Re: Notice of Non-Competitive Procurement with East Mountain Energy LLC

Commissioners:

In accordance with PacifiCorp's Procurement Policy, the Company must report to the Commission purchases of goods or services exceeding \$500,000 that are not competitively bid. This letter hereby serves as notice that, on March 14, 2016, PacifiCorp entered into a non-competitively bid change order extending performance time with East Mountain Energy LLC that exceeds \$500,000. The change order has a projected value of \$4.3 million.

Pursuant to PacifiCorp's Procurement Policy, a supplier may be awarded a contract on a non-competitive basis under certain circumstances, such as when competitive bidding is impossible or impractical, or when otherwise a non-competitive procurement has been demonstrated to be in the best interest of the Company. Accordingly, the change order entered into by PacifiCorp with East Mountain Energy LLC was justified. East Mountain Energy was originally awarded the contract to decommission the Deer Creek mine. The contract is being extended because of delays in the mine closure plan approval related to jurisdictional issues. The jurisdiction issue has been resolved and a revised closure plan was submitted to the Utah Department of Natural Resources for approval. Extending the period of performance and associated costs to December 31, 2016 is necessary to ensure implementation of the mine closure plan and is therefore in the best interest of the Company.

If you have any questions, please feel free to contact Bob Lively at 801-220-4052.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Office of Consumer Services