

July 2, 2010

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

Julie P. Orchard
Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84145

Re: **Sole Source change Modification Contract with Black and Veatch Company to Provide Engineering Consulting Services for the Mona-Oquirrh 500kV Transmission Line Project**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that Rocky Mountain Power, a Division of PacifiCorp, has entered into a sole source contract with Black and Veatch Corporation to serve as the Owner's Engineers for the Clover 345/138kV Substation Project. The estimated amount of this purchase is \$1,400,000.

Currently Black and Veatch is engaged by Rocky Mountain Power to perform line siting and permitting as well as tower design and testing for the Mona – Oquirrh Transmission Project. The project is expected to take approximately 18 months to construct and will consist of the following new or expanded facilities:

- A 60 mile 500/345kV transmission line from the new Mona Annex Substation (now referred to as Clover Substation) to the future Limber Substation
- Siting two new 500/345kV substations (Clover and Limber).
- Two 345 kV line positions in the existing Mona, Oquirrh and Terminal Substations.
- Construction and operation of new or improved roads to each structure along the 500/345kV transmission line.
- A 5 mile double circuit 345 kV transmission line from the Mona Substation to the Clover Substation.
- A 30 mile double circuit 345 kV transmission line from Limber Substation to Oquirrh Substation.
- Permitting a 45 mile double circuit 345 kV transmission line from Limber Substation to Terminal Substation.
- Temporary work areas associated with construction activities.

Black and Veatch has prepared an engineering, procurement, and construction Request for Proposal package for the Mona – Oquirrh Transmission Project with an in-service date of June 2013 which was issued to bid in July 2009 with anticipated award in October 2010. Local electrical load in the Mona, Utah, area did not require that this request for proposal include the construction of the Clover (formerly Mona Annex) Substation. However, recently it has been determined that the Clover Substation will now need to be constructed by December 2012 in order to meet revised local load requirements for customers in the area

Due to the Mona-Oquirrh Transmission Project Request for Proposal being in the final stages of review and approval, and the in-service date of Clover Substation being 6 months earlier than the June 2013 in service date of the Mona-Oquirrh Transmission Project, a separate engineer, procure, and construct request for proposal will be developed for the Clover Substation. Black & Veatch are uniquely qualified to assist in the role as Owner's Engineers for the Clover Substation project due to their extensive familiarity with the preliminary engineering they have completed for the project as part of the Mona-Oquirrh environmental impact statement; the projects schedule constraints, and distinct design considerations. Key tasks they are expected to perform include:

- Engineering and design services to support the permitting process (including close coordination with the environmental consultant assisting the Bureau of Land Management in its preparation of an Environmental Impact Statement)
- Engineering and design services to support the substation design
- Preparation of engineering, procurement, and construction Request for Proposal packages
- Preparation of project cost estimates
- Participation in the evaluation of the engineering, procurement, and construction Proposals
- Project administration activities.

Black and Veatch Corporation is an employee-owned company and recognized leader in providing engineering, consulting, and construction services. They have a proven record of providing high-quality, reliable, and comprehensive support services for transmission line and substation projects throughout the world. They are especially proficient in providing services from preliminary concept to project realization.

Rocky Mountain Power will realize savings in both cost and time by supplementing Black and Veatch's present scope of services to include the development of the Clover Substation Request for Proposal, including:

- Minimization of Rocky Mountain Power staff to coordinate among multiple engineering consultants with different degrees of project knowledge.
- Black and Veatch's extensive familiarity with the Clover Substation as a result of supporting the Environmental Impact Statement for the Mona-Oquirrh Project will ensure that critical design criteria and risks will be continuously considered and integrated through all phases for the life of the project.
- Recent rapid expansion in energy development has resulted in a scarcity of capable engineering firms of Black and Veatch's caliber. By supplementing Black and Veatch's current scope of services, Rocky Mountain Power will be assured of receiving immediate

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support for the project and will eliminate the risk of an indeterminate delay in the project schedule.

This sole source procurement contract was authorized by Richard Walje, Rocky Mountain Power. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Larsen". To the right of the signature, there is a small, less legible handwritten mark that appears to be "JKL".

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Committee of Consumer Services