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UTAH PUBLIC  
SERVICE COMMISSION

October 4, 2007

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**VIA OVERNIGHT MAIL**

**RECEIVED**

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

**Re: Purchase of Acoustic Monitoring Systems from a Sole Source Provider**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp Energy has entered into a sole source contract with Triple 5 Industries to purchase materials and software for eleven boiler acoustic monitoring systems. The estimated amount of this contract is \$135,000 per system for a total of \$1,485,000. The purchases will occur through the end of 2009.

Boiler acoustic monitor systems consist of sensors and computer hardware and software used by employees to provide early detection of possible boiler tube leaks by monitoring, analyzing, and displaying sound trends. This early detection allows the company to avoid forced outages at inopportune times and schedule outages for off peak periods. Systems are scheduled to be installed on Huntington Unit 1 and Hunter Unit 3 during 2007. Nine additional systems are proposed over the next two years at Hunter Units 1 and 2, Jim Bridger Units 1 through 4, Naughton Unit 4, Dave Johnson Unit 4, and Wyodak.

MidAmerican Energy Corporation uses the Triple 5 acoustic monitoring system on eight of the nine boilers in their coal plants. They have standardized on the Triple 5 system because of its exceptional performance and value. The Triple 5 system was installed on Huntington Unit 2 in 2006. An RFP for the equipment was submitted at that time and the company received and reviewed proposals from three vendors and chose the Triple 5 system. Triple 5 Industries was selected because it provided the lowest installed costs, which was only 39% of the next higher vendor's installed cost. Additionally Triple 5 has installed over 100 boiler acoustic monitoring systems in the United States. One other vendor has less than 10 installations in the United States and the other vendor has none. Installing the same system on the additional eleven boilers will provide additional benefits of standardization across the MEHC fleet.

This sole source procurement contract was authorized by Mark Mansfield, Vice President Thermal Plant Operations, PacifiCorp Energy. If you have any questions, please feel free to contact me.

Sincerely,

  
Jeffrey K. Larsen

Cc: Division of Public Utilities  
Committee of Consumer Services