

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

April 8, 2008

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 Contract with Utility System Efficiencies, Inc. to provide main transmission grid technical engineering staff

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with Utility System Efficiencies Inc. (USE) to supply main-grid transmission system engineering and technical support. The estimated amount of this purchase is \$985,500.

PacifiCorp's main-grid transmission engineering staff is currently understaffed to meet the demands of the Company's recently announced transmission expansion plans plus the increased workload associated with FERC Order 890 compliance. This contact with USE will be used to provide main-grid professional services support as an extension of the Company's current engineering staff.

Utilities System Efficiencies has unique technical and professional engineering capabilities and skills that are essential for the PacifiCorp transmission unit's continued success in providing essential transmission services to our customers. USE has provided professional services in support of PacifiCorp's transmission system and has hands-on experience with the Company's models, standards, and operational criteria. Their professionals have a unique knowledge of historical system integration and seasonal system performance associated with western interconnected areas. USE is also familiar with the Western Electricity Coordinating Council technical, operation and reliability committees and has established credibility in that agency. In addition, Utility System Efficiencies utilizes several analytical tools that are currently employed by and licensed to PacifiCorp which will facilitate the integration of work teams.

PacifiCorp has recent experience with other professional service organizations which have demonstrated a drain on PacifiCorp's transmission staff to enable the contractors to generate accurate electrical system models, become familiar with Western Electricity Coordinating Council operating processes and to employ PacifiCorp standards and technical protocols. The contract with

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Utility System Efficiencies will provide immediate professional assistance without the need for the inordinate level of detailed oversight that would be necessary with other available professional service organizations.

This sole source procurement contract was authorized by John Cupparo, Vice President Transmission. If you have any questions, please feel free to contact me.

Sincerely,

Jeffrey K. Larsen

cc: Division of Public Utilities
Committee of Consumer Services