



201 South Main, Suite 2300
Salt Lake City, Utah 84111

October 6, 2008

***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 Contract with Sandvik Mining and Construction to provide LS 175 Load-Haul-Dump Vehicles

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that Energy West Mining Company, a subsidiary of PacifiCorp, has entered into a sole source contract with Sandvik Mining and Construction USA to supply two LS 175 Load-Haul-Dump vehicles, to be used by the Deer Creek Mine. The amount of this purchase is \$1,240,000 (\$620,000 each).

The Sandvik LS 175 "Load-Haul-Dump" (LHD) represents the only new manufactured diesel powered permissible loader that is MSHA (Part 36) approved for use in US underground mines. The LHD is used for material handling, construction project support, and longwall move support in the mine. Energy West contracted with Sandvik for 30 day machine trial at the Deer Creek Mine during July and August 2008. Based on the results of that trial it was determined that the LS 175 can be operated safely and will adequately meet the needs of the Deer Creek Mine.

This sole source procurement contract was authorized by Carl Pollastro, Manager of Operations, Interwest Mining Company. If you have any questions, please feel free to contact me.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Committee of Consumer Services