

October 17, 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 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 Mona-Oquirrh 500 kV Transmission Line Project. The estimated amount of this purchase is \$6,293,308.

The Mona-Oquirrh project will be approximately 140 miles long, of which 33 miles are on public land administered by the Bureau of Land Management. The in-service date for the project is June 2012. 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 Substation (Mona Annex) to the Limber Substation (constructed at 500kV but initially operated at 345kV).
- Siting two new 500/345kV substations (Mona Annex 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 Mona Annex 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.

Presently, Black and Veatch is engaged by Rocky Mountain Power to perform line siting and permitting as well as tower design and testing for the project. As a result, they are uniquely qualified to assist in the role as Owner's Engineers due to their extensive familiarity with the project, its engineering constraints, and distinct design considerations. Additional tasks they would be 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 right-of-way acquisition activities; preparation of engineering, procurement, and construction Request for Proposal packages; preparation of project cost estimates; and 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 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 for multiple reasons, including the minimization of Rocky Mountain Power staff to coordinate among multiple engineering consultants with different degrees of project knowledge. In addition, Black and Veatch's extensive familiarity with the project will ensure that critical design criteria and risks will be continuously considered and integrated through all phases for the life of the project. Finally, the 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 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,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Committee of Consumer Services