

December 31, 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 Vehicle**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that Bridger Coal Company, a subsidiary of PacifiCorp, has entered into a sole source contract with Sandvik Mining and Construction USA to supply one LS 175 Load-Haul-Dump vehicle, to be used by the Bridger Mine. The amount of this purchase is \$513,430.

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 United States underground mines. The LHD is used for material handling, construction project support and longwall move support in the mine. Energy West Mining Company contracted with Sandvik for a 30 -day machine trial at the Deer Creek Mine during July and August 2008. In addition, a successful one-day trial of the equipment was conducted at the Bridger Mine. 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 Bridger Mine.

This sole source procurement contract was authorized by Carl Pollastro, Director, Technical Services & Project Development, Interwest Mining Company.

If you have any questions, please feel free to contact Dave Taylor at 801-220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Committee of Consumer Services