

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 Bucyrus to Provide Long Wall Conveyor Pan Line

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 Bucyrus American, Inc. to supply a second longwall conveyor pan line for the Bridger Mine. The estimated amount of this contract is \$2,393,086.

The longwall face conveyor is the first subsystem to be removed from an active longwall panel, and the first subsystem to be installed on the next longwall panel. A second pan line will allow for this key element of a move to occur while the longwall continues to mine coal. It is estimated that the second pan line will reduce the move time by four days. Correspondingly, it will also reduce lost production during a longwall move.

The purchase of the second pan line from Bucyrus will match the existing longwall head drive, trail drive and special pan sections that are currently on site at the Bridger Mine. Bucyrus American, Inc. a major manufacturer of mining equipment, is the only manufacturer of this pan line equipment. Previous experience with Bucyrus, its service and its equipment has been excellent.

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