

September 2, 2009

***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: Notice of Sole Source Contracts with JR Merit Inc.

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with JR Merit Inc. to provide emergency repairs at the Swift hydro facility powerhouse during January 2009. The cost of this contract was estimated to be \$1,450,000 and had a final cost of \$4,060,191.

Beginning early on Tuesday, January 6, 2009 and continuing through January 8, 2009, very heavy rainfall in western Washington combined with warm air temperatures resulted in rapid snowmelt and high runoff causing flooding and a landslide resulting in damage to the Swift hydro facility powerhouse. JR Merit Inc. was engaged to perform emergency and immediate repairs at the facility. JR Merit, Inc. was contracted as the general contractor overseeing all clean up of the Swift 1 powerhouse and surrounding areas resulting from the landslide, repair all damages to the generator, the electrical systems, the rebuilding and clearing of the access roads to the facilities, clearing of temporary access roads to the plant. JR Merit was on site twenty four hours a day, seven days a week performing any and all work needed to safely clean up, repair and get return the facility to operation.

On January 13, 2009 a release, number 3000057369, against JR Merit, Inc.'s competitively bid outline agreement in the amount of \$500,000 was issued to mobilize JR Merit Inc.'s crews and for JR Merit Inc. to begin contacting sub-contractors as the extent of the effort became clearer.

On February 24, 2009, change order number one to the release order was issued in the amount of \$950,000 as more information regarding the extent of the damage became available, bringing the total estimated value to \$1,450,000.

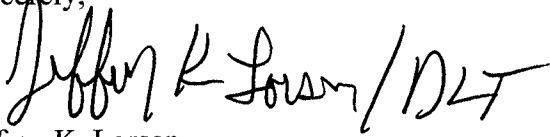
On February 24, 2009, change order number three to the release order was issued (change order number two was an administrative change that added no additional funding to the contract) in the amount of \$2,838,000 as more information regarding the extent of the damage to the generator and the facility became available, bringing the total estimated value to \$4,288,000 of which \$4,060,191 has been invoiced to date.

Utah Public Service Commission
September 2, 2009
Page 2

This sole source procurement contract was authorized by Joseph Moore, Vice President, Generation, PacifiCorp Energy.

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

Sincerely,

A handwritten signature in black ink that reads "Jeffrey K. Larsen / DLT". The signature is written in a cursive, flowing style.

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Committee of Consumer Services