

September 22, 2010

***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 Contract with Bucyrus International at Deer Creek Mine**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with Bucyrus International which has exceeded \$500,000 for calendar year 2010. This contract is for original equipment manufacturer (OEM) parts for continuous miners, long wall monorail systems, and other equipment at the Deer Creek Mine. Year to date costs for this contract are \$643,760 as of July 31, 2010.

Bucyrus American, Inc, a major manufacturer of mining equipment, was selected for this contract because there are currently no aftermarket suppliers of these parts located in the western United States. Bucyrus American is located in Huntington, Utah, which reduces the amount of inventory that must be carried at the company's operating warehouses. Previous experience with Bucyrus, its service, and its equipment has been excellent.

This sole source procurement contract was authorized by Cindy Crane, Vice President, Interwest Mining and Fuels.

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