

August 3, 2011

***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 Desert Electric, LLC

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source extension of a contract with Desert Electric, LLC which exceeds \$500,000. The two year contract extension for services associated with the Idaho irrigation load control program has a total cost of \$6,500,000.

In December 2010, the Idaho Public Service Commission issued an order changing the cost recovery treatment of the Idaho irrigation load control program from an Idaho State resource to a system allocated resource. The change in jurisdictional allocation treatment of the program needs to be reviewed and adopted through the multi state process. Until a multi state decision regarding the jurisdictional treatment of the program is reached, the future of the program is uncertain. During this period of uncertainty PacifiCorp will be unable to enter into a long term agreement to deliver a pre-defined program. As such, the Company has extended the existing consulting contract with Desert Electric, LLC for two years.

This sole source procurement contract was authorized by Geoff Matthews, Vice President Supply and Chief Procurement Officer, MEHC, on April 2, 2011.

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
Office of Consumer Services