

February 11, 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 IBM

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into an extension of a sole source contract with IBM Corporation which exceeds \$500,000. The contract for maintenance and support of IT systems has an annual cost of \$1,378,220 and covers the period 2011 through 2013.

The services under this contract were initially competitively bid. Eight resellers participated in the bid, but none of the bidders could provide the maintenance and support services required. These specific services provided under this contract, which include technical assistance with resolving problems, providing software upgrades, and develop patches to fix problems with current IBM software, can only be provided by IBM.

The sole source procurement contract was authorized by Terry Payne, Managing Director, Enterprise Systems.

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