

April 20, 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 Teton Communications for the purchase of mobile radio spectrum

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with Teton Communications to purchase mobile radio frequencies spectrum for \$750,000.

The purchase of this spectrum is associated with PacifiCorp's mobile radio system. PacifiCorp requires a mobile radio system for reliable communications between company personnel for the purpose of ensuring safety, switching, coordination of crews, determining material availability, and providing coverage in areas that do not have cell phone coverage. In 2003, the Federal Communications Commission mandated that existing wideband radio channels below 512 MHz must either be converted to narrowband channels by December 31, 2012, or be decommissioned. To comply with that mandate, PacifiCorp has undertaken The Mobile Radio Replacement Project. The Mobile Radio Replacement Project is intended to preserve comparable mobile communication coverage and capabilities. Securing suitable spectrum is essential for the success of this project as it provides the foundation for each radio system.

PacifiCorp is in the process identifying and purchasing mobile radio spectrum channels that are not currently in use and available for sale. Every effort is being made to find the most cost effective frequencies for the radio system. Prior to this transaction Teton Communications purchased this spectrum at auction from the Federal Communications Commission. Teton Communications is the only holder of this specific spectrum in this specific area.

This sole source procurement contract was authorized by Terry Payne, Managing Director, Infrastructure Systems, PacifiCorp, on December 20, 2010.

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

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Sincerely,

Jeffrey K. Larsen

Vice President, Regulation

cc: Division of Public Utilities
Office of Consumer Services