

January 12, 2012

***VIA ELECTRONIC FILING
AND HAND 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 Alstom Power, Inc. at Naughton Unit One

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into two sole source contracts with Alstom Power, Inc. for engineering and equipment associated with the 2012 overhaul at Naughton Unit One. The estimated costs of the project are \$698,500 for engineering and \$1,064,202 for equipment.

Naughton plant requires replacement of the Unit One upper deflection arch tubing during the 2012 overhaul. Alstom Power is the boiler original equipment manufacturer and is the only entity to possess the manufacturing drawings or the critical bend measurements of the tubing for the deflection arch assemblies. Other boiler manufacturers would have to reverse engineer each of the 120 bend assemblies. Reverse engineering would be cost prohibitive, would require an additional outage at the plant, and could not be completed within the time frame to complete the scheduled overhauls on schedule.

These sole source procurement contracts were authorized on September 9, 2011, and October 4, 2011, respectively, by Dana Ralston, Vice President, PacifiCorp.

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