

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 Contract with Alstom Power, Inc. at Naughton Units 1 & 2

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with Alstom Power, Inc. for boiler replacement engineering associated with the 2011 and 2012 overhauls at Naughton Units 1 & 2. The estimated cost of the project is \$1,680,000.

During the next ten years PacifiCorp will be required, by code, to reinforce existing coal-fired boilers due to environmental control retrofits. Alstom Power previously performed reinforcement studies for the Dave Johnston, Huntington, Hunter, Jim Bridger, and Naughton plants. This contract is for the final engineering work, engineered material, and field service engineer construction support for the 2011 and 2012 overhauls at Naughton Units 1 and 2.

In addition to performing previous boiler reinforcement engineering work, Alstom is the only entity to possess the original structural design drawings and calculations. Reverse engineering would be cost prohibitive and could not be completed within the time frame to complete the scheduled overhauls on schedule.

This sole source procurement contract was authorized on June 27, 2011, by Chad Teply, 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