



201 South Main, Suite 2300
Salt Lake City, Utah 84111

June 29, 2012

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Gary Widerburg
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 Lancaster Drilling Inc.

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with Lancaster Drilling. The estimated value of the contract is \$1,675,000 over the next year.

Energy West Mining Company utilizes core sampling to determine vital information about coal seams for future mining operations. Energy West is compelled to use helicopter assisted core drilling in the Wasatch Plateau. Lancaster Drilling is one of the few companies with the expertise and equipment to perform helicopter assisted drilling. Lancaster Drilling has the experience, is familiar with the Wasatch Plateau geology and the Company has a long standing working relationship with Lancaster.

This sole source procurement contract was authorized on April 17, 2012 by Cindy Crane, Vice President of Interwest Mining Company.

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

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation & Government Affairs

cc: Division of Public Utilities
Office of Consumer Services