



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

November 21, 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 UPS Turbine Services, LLC

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source change order in a contract with UPS Turbine Services, LLC. The estimated value of the contract is estimated to be \$633,000.

On February 2, 2012, UPS Turbine Services, LLC was awarded a competitive bid contract to perform the steam turbine generator B inspection at the Chehalis plant. Subsequent to the competitive bid award it was determined that it is necessary to replace the intermediate pressure (IP) shims and partial blades (R 1, 2, and 3) in the steam turbine IP rotor section. Replacement of the original equipment manufacturer designed and manufactured blades and shims by UPS and their subcontractors imposes the least performance and schedule risk to complete this work in the limited work space in and around the steam turbine equipment. In addition, the change order price of \$633,000 is less than budgetary quotes received from other qualified contractors.

This sole source procurement contract was authorized on September 21, 2012 by Dana Ralston, Vice President, Generation.

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