

March 1, 2013

***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: **Sole Source change Modification Contract with SAIC Energy, Environment, and Infrastructure, LLC to Provide Engineering Consulting Services for the Sigurd to Red Butte 345 kilovolt Transmission Line Project**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that Rocky Mountain Power, a Division of PacifiCorp, has entered into a sole source contract with SAIC Energy, Environment, and Infrastructure, LLC to serve as the Owner's Engineers for the Sigurd to Red Butte 345 kilovolt Transmission Project. The estimated amount of this purchase is \$1,600,000.

The Owner's Engineer services for the Project underwent PacifiCorp's competitive bidding process; however, recent rapid expansion in energy development has resulted in a scarcity of capable engineering firms of SAIC's caliber. This resulted in there being no qualified parties available to perform the services. By utilizing SAIC to augment the current engineering staff of Rocky Mountain Power, the Project will be assured of receiving immediate support for the project and will eliminate the risk of an indeterminate delay in the project schedule.

Currently, SAIC is providing similar services to PacifiCorp in support of the Energy Gateway Program such as line siting and permitting; tower design and testing; engineering and design services to support the permitting process; engineering and design services to support right-of-way acquisition activities; preparation of engineering, procurement, and construction Request for Proposal packages; preparation of project cost estimates; and project administration activities.

SAIC will be used to augment PacifiCorp's internal engineering staff to assist in the role as Owner's Engineers for the post engineer, procure, and construct award scope due to their extensive familiarity with the project, its engineering constraints, and distinct design considerations. Key tasks they would be expected to perform include, but are not limited to the following:

- Providing technical oversight of the engineer, procure, and construct contractor's quality assurance / quality control program
- Respond to request for information; review, analyze and recommend change in work requests
- Perform technical review of the engineer, procure, and construct contractor's design documentation / review package submittals
- Review all test data

- Review all permits
- Conduct the final walk-down inspections for the project.

Efficiencies to be gained by SAIC assuming Owner's Engineer services in supporting the Project include:

- Augmentation of internal engineering staff time and effort to provide adequate support among multiple engineering parameters with varying degrees of project knowledge to meet Project milestones. This approach utilizes internal engineer staff to the extent practical while augmenting with SAIC staff in times where more resources are necessary ultimately providing a cost savings to the Project.
- SAIC's extensive familiarity with PacifiCorp's approach for delivery of the project which utilizes the knowledge and fundamentals they have been obtaining and executing in the Energy Gateway Program ensuring that critical design criteria and risks as well as company standards will be continuously considered and integrated through all phases for the life of the Project.
- SAIC's current responsibilities under the Energy Gateway Program will ensure immediate support and mitigate the risk of an indeterminate delay in the Project schedule.

SAIC is a recognized leader in providing engineering, consulting, and construction services. They have a proven record of providing high-quality, reliable, and comprehensive support services for transmission line and substation projects throughout the world. They are especially proficient in providing services from preliminary concept to project realization.

This sole source procurement contract was authorized by Richard Walje, Rocky Mountain Power. If you have any questions, please feel free to contact me.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Office of Consumer Services