

September 5, 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: Notice of Sole Source Contract with Siemens Energy, Inc.**

Commissioners:

In accordance with the Company's procurement policy, we hereby notify you that PacifiCorp has entered into a sole source contract with Siemens Energy, Inc. which exceeds \$500,000. The contract has an estimated cost of \$9,051,840.

In May 2013, Siemens Energy was engaged by PacifiCorp for inspection and investigation of combustion turbine 11 at the Lakeside plant. The inspection observed an exhaust bearing bore drop and subsequent potential rotor, blade ring, and seal damage. The inspection revealed the cause of the bore drop to be deformation to the #6 tangential strut holding the exhaust bearing concentric with the casing. Additional work was authorized to remove the compressor / turbine rotor to further disposition the compressor / turbine components and exhaust system at an estimated cost of \$1,675,000. As a result of this further disposition, the combustion turbine exhaust cylinder and manifold needed to be replaced and additional rotor, blade, blade ring, and seal damage also needed to be repaired at an estimated additional costs of \$7,376,840 for an estimated total project cost of \$9,051,840.

Siemens is the original equipment manufacturer and is under contract as the long term parts and service provider for the Lakeside plant. Siemens is the only provider that can perform the needed repairs.

The sole source contract and modification were authorized on June 12, 2013, 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