

January 26, 2017

***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 84114

Re: Notice of Non-Competitive Procurement with Vestas-American Wind Technology, Inc.

Commissioners:

In accordance with PacifiCorp's Procurement Policy, the Company must report to the Commission purchases of goods or services exceeding \$1,000,000 that are not competitively bid. This letter hereby serves as notice that, on December 29, 2016, PacifiCorp entered into a non-competitively bid contract with Vestas-American Wind Technology, Inc. (Vestas) that exceeds \$1,000,000. The contract is for the purchase of power generation equipment and related services to retrofit several of PacifiCorp's wind energy projects (Retrofit Projects) and has a value of \$25,700,000.

Pursuant to PacifiCorp's Procurement Policy, a supplier may be awarded a contract on a non-competitive basis under certain circumstances, such as when competitive bidding is impossible or impractical, or when otherwise a non-competitive procurement has been demonstrated to be in the best interest of the Company. The contract entered into by PacifiCorp with Vestas was justified as it is in the best interest of the Company based on the following: the Retrofit Projects will benefit customers by providing additional energy from the repowered wind turbine generators (WTGs) while also re-qualifying the repowered facilities for 100 percent of the production tax credits (PTCs) available under federal legislation. Additionally, the new WTGs will be installed on existing Vestas towers and will be integrated into the Vestas proprietary supervisory control and data acquisition (SCADA) system and Vestas is the only known supplier for this application that can also provide the compatible equipment within the Company's timeframe.

If you have any questions, please feel free to contact Bob Lively at 801-220-4052.

Sincerely,



Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Office of Consumer Services