

Exhibit A
to
Ownership and Management
Agreement

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS THAT UTAH POWER & LIGHT COMPANY, a Utah corporation (the *Seller*), for good and valuable consideration to it paid by DESERET GENERATION & TRANSMISSION CO-OPERATIVE, a Utah co-operative association (the *Purchaser*), receipt of which is hereby acknowledged, does hereby, grant, bargain, sell, transfer and deliver unto the Purchaser, its successors and assigns, all of the Seller's right, title and interest in and to (i) an undivided 39.69% interest in the coal-fired steam electric generating facility known as Hunter Steam Electric Generating Unit No. 2 (*Hunter II*) and (ii) an undivided 19.845% interest in those facilities (the *Common Facilities*) used or useful in connection with the operation of Hunter II and one or more of the other generating units at the Hunter Station, including offices, warehouses, machine shops, road, fences, fuel handling facilities, utility systems for plant use and all other similar or related facilities, appurtenances and structures required for the operation of the Hunter Station, all as more specifically described in the Ownership and Management Agreement, dated the date hereof, and the Plans and Specifications referred to therein, among the Seller and the Purchaser, now or hereafter located on the real property described in Attachment A hereto.

The Seller hereby warrants that it is the lawful owner of Hunter II and the Common Facilities (subject to the rights of Provo City, Utah and Bountiful City, Utah in such Common Facilities under contracts between each such City and UP&L) and has good right to sell the foregoing undivided interests therein and that title to such undivided interests is on the date hereof free and clear of all claims, liens and encumbrances of any nature and that the Seller will defend such title.

Witness the hand of said Seller, this 24th day of October, 1980.

UTAH POWER & LIGHT COMPANY

By _____
Vice President

STATE OF UTAH)
 : ss
COUNTY OF SALT
LAKE)

On the 24th day of October, 1980, personally appeared before me, _____, who, being duly sworn, did say, that he is a Vice President of UTAH POWER & LIGHT COMPANY, and that said instrument was signed on behalf of said corporation by resolution of its board of directors, and said _____ acknowledged to me that said corporation executed the same.

Notary Public

My Commission Expires:

Residing at: _____

Attachment A

Beginning at the southeast corner of Section 16, T. 19 S., R. 8 E., S.L.B. & M. (A Brass Cap), running thence along the south line of said Section 16 S.86°54'49"W. 2588.44 feet to the South 1/4 corner of said Section (A Brass Cap) and N.88°54'45"W. 2799.21 feet to the southwest corner of said Section (A Brass Cap); thence along the west line of said Section N.0°34'11"W. 2662.54 feet to the West 1/4 corner of said Section 16 and N.0°34'11"W. 2662.54 feet to the northwest corner of said Section; thence along the north line of said Section N.89°36'14"E. 2661.15 feet to the north 1/4 corner of said Section and N.89°36'14"E. 2692.38 feet to the northwest corner of Section 15, T.19 S., R.8 E., S.L.B. & M.; thence along the north line of said Section 15 N.89°34'14" E. 2679.67 feet to the north 1/4 corner of said Section and N.89°36'11"E. 671.07 feet; thence S.1°36'24"E. 2650.71 feet to the East-West 1/4 Section line of said Section 15; thence S.1°36'28" E. 1323.59 feet; thence N.89°51'28"E. 1360.81 feet; thence S.1°52'34"E. 1325.56 feet to the north line of Section 22, T.19 S., R.8 E., S.L.B. & M.; thence S.0°09'45"W. 1361.79 feet; thence N.89°48'58"W. 681.37 feet; thence S.0°04'18"W. 1358.80 feet to the East-West 1/4 Section line of said Section 22; thence S.0°04'26"W. 679.28 feet; thence N.89°26'24"W. 1356.28 feet to the North-South 1/4 Section line of said Section; thence N.89°26'14"W. 1355.93 feet; thence N.0°17'29"W. 673.41 feet to the East-West 1/4 Section line of said Section; thence N.0°17'27"W. 2693.48 feet to the south line of Section 15, T.19 S., R.8 E., S.L.B. & M.; thence along said south line N.89°55'19"E. 1366.40 feet to the south 1/4 corner of said Section 15 (A Brass Cap); thence N.1°28'24"W. 1322.62 feet; thence S.89°51'08"W. 2719.53 feet to the east line of Section 16, T.19 S., R.8 E., S.L.B. & M.; thence along said east line S.0°54'01"E. 1319.06 feet to the point of beginning, containing 1261.474 acres more or less.

Exhibit B
to
Ownership and Management
Agreement

EXHIBIT B
Hunter Station Common Facilities

310 LAND & LAND RIGHTS

311 STRUCTURES & IMPROVEMENTS

1. Site Preparation & Improvements
2. Yard Utilities
3. Yard Pipe & Cable Trenches
4. Sewage Treatment Plant
5. Domestic Water System
6. Raw Water Intake Facilities
7. Pipelines
8. Raw Water Basins & Plant Facilities
9. Waste Water Basins, Pipelines, etc.
10. Evaporation Pond
11. Experimental Farm
12. Clarifier Softener
13. Ash Disposal Area & Road
14. Administration Building
15. Other Outlying Buildings
16. Power Building Cranes
17. Power Building Heating
18. Construction Building

312 BOILER PLANT EQUIPMENT

1. Coal Receiving & Reclaim System
2. Coal Haul Road
3. Ash Sluicing & Dewatering System
4. Ash Piping & Pipe Rack
5. Fuel Oil System
6. Boiler Water Treating

314 TURBO-GENERATOR

1. Circulating Water Chemical Treatment

2. Lube Oil System

315 ACCESSORY ELECTRICAL

1. Clarifier Softener Electrical

316 MISCELLANEOUS POWER PLANT EQUIPMENT

1. Air Compressors & Air System

2. Miscellaneous Equipment

3. Communications

4. Air Monitoring

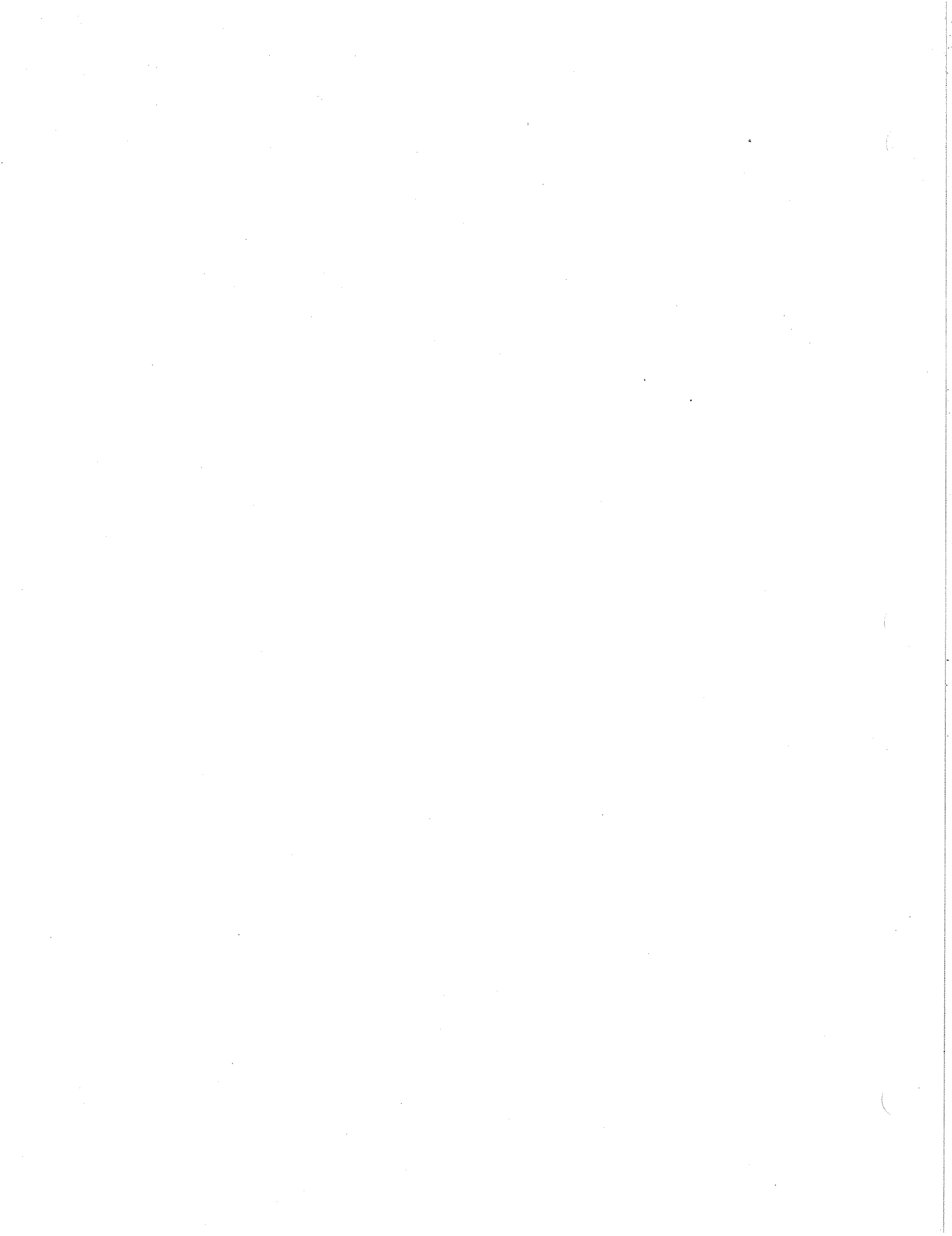


Exhibit C
to
Ownership and Management
Agreement

SPECIAL WARRANTY DEED

UTAH POWER & LIGHT COMPANY, a Utah corporation (the *Grantor*), having a place of business at 1407 West North Temple, Salt Lake City, Utah, hereby conveys and warrants to DESERET GENERATION & TRANSMISSION CO-OPERATIVE, a Utah co-operative association (the *Grantee*), having a place of business at 5258 South Pinemont Drive, Murray, Utah, for good and valuable consideration to it paid by the Grantee, receipt of which is hereby acknowledged:

I. an undivided 39.69% interest in parcels "A", "B", "C" and "D" described below situated in Emery County, Utah, together with an undivided 39.69% interest in all improvements situated thereon and all appurtenances thereunto belonging:

Parcel "A"

Containing Hunter #2 Plant

A parcel of land in the Northwest quarter and the Northeast quarter of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, described as follows:

Beginning at a point which is 415.26 feet South and 89.39 feet West from the North one quarter corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, said point of beginning also having coordinates North 7,173.0 and East 34,387.0 of Utah Power and Light Company's Hunter No. 2 plant site coordinate grid system, thence East 139.55 feet, thence South 181.91 feet, thence West 7.05 feet, thence South 748.09 feet, thence West 317.5 feet, thence North 415.0 feet, thence West 27.0 feet, thence North 59.0 feet, thence East 42.0 feet, thence South 31.0 feet, thence East 45.0 feet, thence North 304.0 feet, thence East 125.0 feet, thence North 183.0 feet, to the point of beginning, containing 246,520.47 square feet or 5.66 acres more or less.

Parcel "B"

Containing Cooling Tower No. 2, Etc.

A parcel of land located in the Northwest quarter of the Northeast quarter of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, described as follows:

Beginning at a point which is 1027.38 feet East and 284.19 feet South from the North quarter corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, said point of beginning also having coordinates North 7,304.07 and East 35,503.77 of Utah Power and Light Company's Hunter No. 2 plant site coordinate grid system, thence East 271.0 feet, thence South 156.0 feet, thence West 44.0 feet, thence South 387.07 feet, thence West 227.0 feet, thence North 543.07 feet to the point of beginning, containing 130,140.89 square feet or 2.99 acres.

Parcel "C"

Containing Fly Ash Silos

A parcel of land located in the Northwest quarter of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, described as follows:

Beginning at a point which is 1594.56 feet South and 58.39 feet West from the North quarter corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, said point of beginning also having coordinates North 5,993.70 and East, 34,418.0 of Utah Power and Light Company's Hunter No. 2 plant site coordinate grid system; thence East 45.52 feet; thence South 44.50 feet; thence West 45.52 feet; thence North 44.50 feet to the point of beginning, containing 2,025.64 square feet or 0.05 acres.

Parcel "D"

Unit #2 Scrubber Area

A parcel of land in the Southeast quarter of the Northwest quarter of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, described as follows:

Beginning at a point which is 1,422.47 feet South and 464.88 feet West from the North quarter corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base & Meridian, said point of beginning also having coordinates of North 6,165.79 and East 34,011.51 of Utah Power and Light Company's Hunter No. 2 plant site coordinate grid system; thence South 67° 47' 35" East 88.0 feet; thence South 75° 05' 30" East 87.88 feet; thence South 74.92 feet; thence West 219.79 feet; thence North 22° 12' 25" East 141.27 feet to the point of beginning, containing 20,115.42 square feet or 0.46 acres; and

II. an undivided 9.92% interest in parcel "E" described below situated in Emery County, Utah, together with an undivided 19.845% interest in all improvements situated thereon on the date hereof and all appurtenances thereunto belonging:

Parcel "E"

Beginning at the southeast corner of Section 16, T. 19 S., R. 8 E., S.L.B. & M. (A Brass Cap), running thence along the south line of said Section 16 S.86°54'49"W. 2588.44 feet to the South 1/4 corner of said Section (A Brass Cap) and N.88°54'45"W. 2799.21 feet to the southwest corner of said Section (A Brass Cap); thence along the west line of said Section N.0°34'11"W. 2662.54 feet to the West 1/4 corner of said Section 16 and N.0°34'11"W. 2662.54 feet to the northwest corner of said Section; thence along the north line of said Section N.89°36'14"E. 2661.15 feet to the north 1/4 corner of said Section and N.89°36'14"E. 2692.38 feet to the northwest corner of Section 15, T.19 S., R.8 E., S.L.B. & M.; thence along the north line of said Section 15 N.89°34'14" E. 2679.67 feet to the north 1/4 corner of said Section and N.89°36'11"E. 671.07 feet; thence S.1°36'24"E. 2650.71 feet to the East-West 1/4 Section line of said Section 15; thence S.1°36'28" E. 1323.59 feet; thence N.89°51'28"E. 1360.81 feet; thence S.1°52'34"E. 1325.56 feet to the north line of Section 22, T.19 S., R.8 E., S.L.B. & M.; thence S.0°09'45"W. 1361.79 feet; thence N.89°48'58"W. 681.37 feet; thence S.0°04'18"W. 1358.80 feet to the East-West 1/4 Section line of said Section 22; thence S.0°04'26"W. 679.28 feet; thence N.89°26'24"W. 1356.28 feet to the North-South 1/4 Section line of said Section; thence N.89°26'14"W. 1355.93 feet; thence N.0°17'29"W. 673.41 feet to the East-West 1/4 Section line of said Section; thence N.0°17'27"W. 2693.48 feet to the south line of Section 15, T.19 S., R.8 E., S.L.B. & M.; thence along said south line N.89°55'19"E. 1366.40 feet to the south 1/4 corner of said Section 15 (A Brass Cap); thence N.1°28'24"W. 1322.62 feet; thence S.89°51'08"W. 2719.53 feet to the east line of Section 16, T.19 S., R.8 E., S.L.B. & M.; thence along said east line S.0°54'01"E. 1319.06 feet to the point of beginning, containing 1261.474 acres more or less,

excepting and excluding therefrom parcels "A", "B", "C" and "D" described above and excepting and excluding therefrom parcels "F", "G", "H", "I" and "J" described as follows:

Parcel "F"

A parcel of land in the Northwest quarter of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, described as follows:

Beginning at a point which is 598.26 feet South and 214.39 feet West from the North 1/4 corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, said point of beginning also having coordinates North 6990.00 and East 34262.00 of Utah Power & Light Company's Hunter No. 1 plant site coordinate grid system, thence South 304.00 feet,

thence West 45.00 feet, thence North 31.00 feet, thence West 42.00 feet, thence South 59.00 feet, thence East 27.00 feet, thence South 415.00 feet, thence West 285.00 feet, thence North 749.10 feet, thence East 208.00 feet, thence North 180.90 feet, thence East 98.00 feet, thence South 183.00 feet, thence East 39.00 feet to the point of beginning, containing 247,447.80 square feet or 5.68 acres more or less.

Parcel "G"

A parcel of land in the Northeast quarter of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, described as follows:

Beginning at a point which is 1433.40 feet East and 284.19 feet South from the North 1/4 corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, said point of beginning also having coordinates North 7304.07 and East 35909.79 of Utah Power & Light Company's Hunter No. 1 plant site coordinate grid system, thence East 271.00 feet, thence South 543.07 feet, thence West 227.00 feet, thence North 387.07 feet, thence West 44.00 feet, thence North 156.00 feet to the point of beginning, containing 130,140.89 square feet or 2.99 acres more or less.

Parcel "H"

A parcel of land in the Northwest quarter of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, described as follows:

Beginning at a point which is 1,594.56 feet South, and 58.39 feet West from the North 1/4 corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, said point of beginning also having coordinates of North 5993.70 and East 34418.00 of Utah Power & Light Company's Hunter No. 1 plant site coordinate grid system, thence South 44.50 feet, thence West 47.00 feet, thence North 44.50 feet, thence East 47.00 feet to the point of beginning, containing 2,091.50 square feet or 0.05 acres more or less.

Parcel "I"

A parcel of land in the Southeast quarter of the Northwest quarter of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, described as follows:

Beginning at a point which is 464.88 feet West and 1,422.47 feet South from the North 1/4 corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base and Meridian, said point of beginning also having coordinates of North 6165.79 and East 34011.51 of Utah Power & Light Company's Hunter No. 1 plant site coordinate grid system, thence North 67° 47' 35" West 9.50 feet, thence North 22° 12' 25" East 53.90 feet, thence East 171.00 feet, thence South 113.67 feet, thence North 75° 05' 30" West 104.63 feet, thence

North 67° 47' 35" West 88.00 feet, to the point of beginning, containing 15,791.27 square feet or 0.36 acres more or less.

Parcel "J"

A parcel of land located in the North Half of Section 16, Township 19 South, Range 8 East, Salt Lake Base & Meridian, described as follows:

Beginning at a point which is 415.26 feet South and 50.16 feet East from the North quarter corner of Section 16, Township 19 South, Range 8 East, Salt Lake Base & Meridian, said point of beginning also having coordinates of North 7173.0 and East 34,526.55 of Utah Power and Light Company's Hunter No. 2 Plant site coordinate grid system, thence South 181.91 feet; thence West 7.05 feet; thence South 997.39 feet; thence West 55.98 feet; thence South 44.50 feet; thence West 45.52 feet; thence South 96.20 feet; thence East 1753.23 feet; thence North 908.00 feet; thence West 667.46 feet; thence North 495.24 feet, more or less, to a point on a 388 foot radius curve, the center of which bears S.15°51'23" East, thence Southwesterly along the arc of said curve 28.06 feet to a point of tangency, thence S.70°W., 145.47 feet to the point of curvature of a 412 foot radius curve to the right, thence Southwesterly and Westerly along the arc of said curve 143.82 feet; thence West 672.92 feet to the point of beginning, containing 1,926,329.5 square feet or 44.22 acres more or less.

III. an easement over the parcels described in II above, including the parcels excepted and excluded therefrom, to the extent necessary for the operation of the Hunter #2 Plant.

The Grantor hereby warrants that it is the lawful owner of the above-described property and has good right to sell such undivided interests therein and that title to such undivided interests is on the date hereof free and clear of all claims, liens and encumbrances of any nature created or incurred by the Grantor or any person claiming by, through or under it, but not otherwise.

This Special Warranty Deed has been executed pursuant to, and is subject to the terms and provisions of, Sections 9.1(g) and 9.2(c) of the Ownership and Management Agreement, dated the date hereof, among the Grantor and the Grantee.

Witness the hand of said Grantor this 24th day of October, 1980.

UTAH POWER & LIGHT COMPANY

By _____
Vice President

Exhibit D
to
Ownership and Management
Agreement

GENERAL ASSIGNMENT OF CONSTRUCTION AGREEMENTS

THIS GENERAL ASSIGNMENT OF CONSTRUCTION AGREEMENTS dated October 24, 1980 between the UTAH POWER & LIGHT COMPANY, a Utah corporation (the *Assignor*) and DESERET GENERATION & TRANSMISSION CO-OPERATIVE, a Utah co-operative association (the *Assignee*),

W I T N E S S E T H:

In consideration of the mutual covenants herein contained, the Assignee and the Assignor agree as follows:

1. The Assignor has sold, assigned, transferred and set over unto, and does hereby sell, assign, transfer and set over unto, the Assignee, (a) an undivided 39.69% interest in all of the Assignor's right, title and interest in and to each of those Construction Agreements (as such term is used in Section 2.3 of the Ownership and Management Agreement, dated the date hereof, between Utah Power & Light Company and Deseret Generation & Transmission Co-operative) relating to Hunter II (as such term is defined in such Ownership and Management Agreement), and (b) an undivided 19.845% interest in each of those Construction Agreements relating to the Common Facilities (as such term is defined in such Ownership and Management Agreement), into which the Assignor has heretofore or may hereafter enter and in any amounts received by the Assignor in respect of (i) warranties contained in all such Construction Agreements, (ii) any claims or rights of the Assignor against any other contractors, suppliers or materialmen for any part of Hunter II and the Common Facilities, and (iii) any settlements of, or judgments or awards in connection with, any claims, disputes, litigation or arbitration relating to or arising out of all such Construction Agreements.

2. Pursuant to Section 2.4 of the above-mentioned Ownership and Management Agreement, the Assignee has appointed the Assignor as its agent to exercise in the name of the Assignee all rights of the Assignee under the Construction Agreements. The rights of the Assignee in the Construction Agreements arising by virtue of this Assignment shall in all respects be subject to the applicable provisions of such Ownership and Management Agreement.

3. The Assignor agrees that at any time and from time to time, upon the written request of the Assignee, the Assignor will promptly and duly execute and deliver or cause to be executed and delivered on its behalf any and all such further instruments and documents and take such further action as the Assignee may reasonably request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

4. This Assignment shall be governed by, and for all purposes construed in accordance with, the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first above written.

UTAH POWER & LIGHT COMPANY,
as Assignor

By _____
Vice President

DESERET GENERATION &
TRANSMISSION CO-OPERATIVE,
as Assignee

By _____
President

ASSIGNMENT OF CONSTRUCTION AGREEMENTS

THIS ASSIGNMENT OF CONSTRUCTION AGREEMENTS dated October 24, 1980 between UTAH POWER & LIGHT COMPANY, a Utah corporation (the *Assignor*), and DESERET GENERATION & TRANSMISSION CO-OPERATIVE, a Utah co-operative association (the *Assignee*),

W I T N E S S E T H:

In consideration of the mutual covenants herein contained, the Assignee and Assignor agree as follows:

1. The Assignor has sold, assigned and transferred and set over unto, and does hereby sell, assign, transfer and set over unto, the Assignee, an undivided 39.69% interest in all of the Assignor's right, title and interest in and to the General Contract for Construction and Construction Management of Emery Steam Electric Station dated February 2, 1975 between Assignor and JELCO, Inc. (now Townsend & Bottum, Inc.), as amended, for construction, and the Agreement dated September 26, 1973 between the Assignor and Stearns-Roger Company, as amended, for design, of Hunter II and the Common Facilities, as set forth in Section 2.3 of the Ownership and Management Agreement, dated the date hereof, between Utah Power & Light Company and Deseret Generation & Transmission Co-operative and in any amounts received by the Assignor in respect of (i) warranties contained in such agreements, (ii) any claims or rights of the Assignor against any other contractors, suppliers or materialmen for any part of Hunter II and the Common Facilities (as such terms are used in the above-mentioned Ownership and Management Agreement) and (iii) any settlements of, or judgments or awards in connection with, any claims, disputes, litigation or arbitration relating to or arising out of such agreements.

2. Pursuant to Section 2.4 of the above-mentioned Ownership and Management Agreement the Assignee has appointed the Assignor as its agent to exercise in the name of the Assignee all rights of the Assignee under the Construction Agreements (as such term is defined in the above-mentioned Ownership and Management Agreement). The rights of the Assignee in the Construction Agreements arising by virtue of this Assignment shall in all respects be subject to the applicable provisions of the above-mentioned Ownership and Management Agreement.

3. The Assignor agrees that at any time and from time to time, upon the written request of the Assignee, the Assignor will promptly and duly execute and deliver or cause to be executed and delivered, on its behalf any and all such further instruments and documents and take such further action as the Assignee may reasonably request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

4. This Assignment shall be governed by, and for all purposes construed in accordance with, the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the day and year first above written.

UTAH POWER & LIGHT COMPANY,
as *Assignor*

By _____
Vice President

DESERET GENERATION &
TRANSMISSION CO-OPERATIVE,
as *Assignee*

By _____
President

CONSENT TO ASSIGNMENT OF CONSTRUCTION AGREEMENTS

The undersigned, Townsend & Bottum, Inc. (formerly Jelco, Inc.) and Stearns-Roger Company, hereby consent to the assignment by Utah Power & Light Company (the *Assignor*) to Deseret Generation & Transmission Co-operative, a Utah co-operative association (the *Assignee*), of the Assignor's undivided 39.69% interest in all of the Assignor's right, title and interest in and to the General Contract for Construction and Construction Management of Emery Steam Electric Station dated February 2, 1975 between Assignor and Jelco, Inc. (now Townsend & Bottum, Inc.), as amended, and the Agreement dated September 26, 1973 between Assignor and Stearns-Roger Company, as amended, as referred to above in the Assignment of Construction Agreements.

TOWNSEND & BOTTUM, INC.
(formerly Jelco, Inc.)

By _____

Title: _____

October , 1980

STEARNS-ROGER COMPANY

By _____

Title: _____

October , 1980

Exhibit E
to
Ownership and Management
Agreement

ILLUSTRATION OF CALCULATION OF ADMINISTRATIVE AND
GENERAL EXPENSES

YEAR 1979

UTAH POWER & LIGHT COMPANY ELECTRIC OPERATIONS ONLY

	\$
1. Total UP&L Operation & Maintenance Expense	289,027,580
2. Less:	
3. Fuel Expense	143,795,268
4. Purchased & Interchange Power Expense	30,307,755
5. Administrative & General Expense	<u>29,657,313</u>
6. Total	85,267,244
7. Percent A&G of O&M (ex A&G) =	$\frac{29,657,313}{85,267,244} = 34.8\%$
8. A&G Expense Paid By Deseret:	
9. Hunter Unit No. 2 O&M (excluding fuel) x 34.8%	

Exhibit F
to
Ownership and Management
Agreement

REQUIRED AUTHORIZATIONS, CONSENTS, APPROVALS,
WAIVERS,
EXEMPTIONS, VARIANCES, FRANCHISES, PERMISSIONS,
PERMITS, LICENSES AND FILINGS

- I. Consents, Approvals, etc. Obtained Prior to or in Connection With the Closing.
- A. Consents, Approvals, etc. With Respect to the Construction, Use, Occupancy or Operation of Hunter II, Hunter Station or the Common Facilities (includes compliance with environmental laws and regulations).
1. Final Environmental Statement, Bureau of Land Management, U.S. Department of Interior, March 15, 1977, prepared in compliance with the National Environmental Policy Act of 1969, P.L. 91-190.
 2. Letter, dated December 12, 1973, of the Utah Air Conservation Committee of the Utah Division of Health authorizing UP&L to construct a coal-fired steam electric generation plant as proposed in the North Emery Generating Station Applicant's Environmental Analysis, October 1973.
 3. Order of the Public Service Commission of Utah, dated March 4, 1976, authorizing construction of two units of a steam electric generating plant, and granting a certificate of convenience and necessity authorizing UP&L to enter necessary contracts and arrangements, and authorizing operation of the two units.
 4. National Pollution Discharge Elimination System (NPDES) Permit No. UT-0023426, dated August 10, 1978, by Region VIII of the Environmental Protection Agency, authorizing no discharge of pollutants from Hunter Station into waters of the United States.
 5. Notice of Stack Construction for Unit 2 to Federal Aviation Administration, dated December 10, 1974.
 6. Letter permit, dated December 18, 1979, from the Bureau of Solid Waste Management of the State Division of

Environmental Health, authorizing construction and operation by UP&L of a sanitary landfill at the Hunter Plant, according to plans submitted and applicable state and federal regulations.

7. Approval, dated May 4, 1978, from Dee C. Hansen, State Engineer, Division of Water Rights, Utah Department of Natural Resources, of UP&L's plans and specifications for an ash disposal pond at Hunter Station.
8. Letter permit, dated May 16, 1978, from the Utah Water Pollution Committee of the State Division of Health approving plans for construction of a 26-acre total containment ash runoff pond at Hunter Station.
9. Final Environmental Impact Statement Adoption Proceeding of the BLM FEIS by the Rural Electrification Administration, No. USDA-REA-EIS (ADM)-80-7-F, March, 1980, concluding that providing financial assistance to Deseret to assist in the purchase of a percentage share of Hunter II will be consistent with the policies set forth in the National Environmental Policy Act, P.L. 91-190.

B. Consents, Approvals, etc. with Respect to the Extraction and Sale by UP&L of the Coal to be supplied under the Ownership and Management Agreement and its use at Hunter II.

1. Letter, dated November 9, 1979, from the U.S. Department of Interior, Office of Surface Mining, to the Division of Oil, Gas and Mining of the Utah Department of Natural Resources, granting approval for sedimentation control structures at the UP&L Wilberg Mine.
2. Letter, dated January 6, 1977, from the Utah Water Pollution Committee to the Environmental Protection Agency, certifying that conditions to be imposed by NPDES Permit No. UT-0022896 should result in UP&L compliance with applicable state and federal water quality standards.
3. National Pollution Discharge Elimination System (NPDES) Permit No. UT-0022896, dated February 1, 1978, by Region VIII of the Environmental Protection Agency, permitting discharge from Wilberg Mine facility into Left Fork Grimes Wash, a tributary to the San Rafael River. Application for renewal of this permit, which expired on March 31, 1980, has been filed by UP&L.

EPA, by letter dated May 12, 1980, has authorized UP&L to continue its discharge in compliance with the expired permit, pending issuance of a renewal permit.

4. Rights-of-way, granted August 31, 1977, by United States Department of Interior, Bureau of Land Management, to UP&L for conveyor belt and stockpile storage yard, and for sewer line and absorption field with a wastewater treatment facility, both upon and over U.S. vacant land and both granted under the authority of Title V of the Federal Land Policy and Management Act of October 21, 1976 (43 U.S.C. 1761).
5. Approval, dated January 23, 1978, by the Geological Survey of the U.S. Department of Interior, of UP&L's Underground Mining and Reclamation Plans for the Wilberg Mine, authorizing the mining of coal by underground methods on Federal leases SL-064900, SL-070645-U-02292, U-040151, U-044025, U-083066, U-084923, U-084924, and U-044076.
6. Permit No. ACT/015/018, dated May 11, 1978 of the Division of Oil, Gas, and Mining of the Utah Department of Natural Resources, issued pursuant to the Utah Mined Land Reclamation Act, permitting mining operations until final issuance of a permit under P.L. 95-87, the Surface Mining Control and Reclamation Act of 1977.
7. Letter, dated March 9, 1978, of the Utah Air Conservation Committee of the Utah Division of Health, authorizing the installation of a coal preparation plant at the Wilberg Mine.
8. Letter, dated May 12, 1978, of the Utah Bureau of Water Quality of the Utah Division of Health, approving water treatment plant and associated waterworks facilities to serve the Wilberg mine, and issuing a construction permit for the wastewater disposal facilities; Letter, dated May 27, 1980 of the Southeastern Utah Health District, confirming inspection and approval of Wilberg mine drain-field system.
9. Special use permits, by the U.S. Department of Agriculture, Forest Service, issued on November 9, 1976, and January 16, 1978, respectively, permitting first, the installation and maintenance of an 8-inch diameter pipeline to dispose of waste water, and second, access roads to the Wilberg Mine, and installation and maintenance of a mine water line and a sewer pipeline.

10. Decision, dated August 24, 1977, of the Bureau of Land Management of the U.S. Department of Interior, approving assignments from Peabody Coal Company, assignor, to UP&L, assignee, of coal subleases Salt Lake 070645-Utah 02292, Utah 040151, Utah 044025, Utah 083066, Utah 084923, Utah 084924, and coal leases Salt Lake 064607-064621, Salt Lake 064900, Salt Lake 066116, and Utah 1358, such approval becoming effective September 1, 1977. Also approving riders of UP&L and its surety to statewide coal bond No. SL-06239407, increasing the penalty on the bond, and assuming liability for required reclamation.
 11. Decision, dated November 16, 1979, of the Bureau of Land Management of the U.S. Department of Interior, approving amended assignments from Peabody Coal Company, assignor, to UP&L, assignee, of coal subleases Salt Lake 070645-Utah 02292, Utah 040151, Utah 044025, Utah 083066, Utah 084923, Utah 084924, and coal leases Salt Lake 064900 and Utah 1358.
 12. Decision, dated December 13, 1979, of the Bureau of Land Management of the U.S. Department of Interior, approving assignments from Peabody Coal Company, assignor, to UP&L, assignee, of coal leases Salt Lake 051221, Utah 06039, Utah 014275, Utah 024317, and Utah 024319, effective January 1, 1980; also approving rider of UP&L and its surety to statewide coal bond, No. SL-6239407, which assumes liability for the necessary reclamation required, effective December 10, 1979.
 13. Decision, dated December 3, 1979, of the Bureau of Land Management of the U.S. Department of Interior, approving amended assignment from Peabody Coal Company, assignor, to UP&L, assignee, of coal lease Salt Lake 064607-064621.
- C. Consents, Approvals, etc., with Respect to the Supply of Water to the Ownership Interest Under the Ownership and Management Agreement
1. Contract No. 14-06-400-5906, among the Emery Water Conservancy District, the United States of America (Bureau of Reclamation) and UP&L dated November 17, 1972, as amended on June 8, 1978, for the purchase by UP&L of 6,000 acre-feet of water annually for 40 years from January 1, 1974, for use at the Huntington Power Plant Units I and II, and/or Hunter I and II.

2. Agreement among the Ferron Canal and Reservoir Company, the Utah Water Resources Board, and UP&L, dated November 1, 1974, as amended on August 11, 1977 and March 31, 1978, for the guaranteed delivery to UP&L of 7,000 acre-feet of water annually.
 3. Easements and rights-of-way for construction and maintenance of an underground water pipeline from Millsite Reservoir across lands of Ferron Canal and Reservoir Company and the State of Utah Board of Water Resources, dated August 30, 1976 and February 14, 1977, respectively.
 4. License Agreement between Utah Department of Transportation and UP&L, dated December 10, 1975, granting the right to UP&L to construct, operate and maintain an open ditch water transmission line within the right-of-way lines of State Highway 10.
 5. Application of UP&L to Appropriate Ground Water No. 51148 (93-818) for the construction of a reservoir to store 2,000 acre-feet of water from UP&L's entitlements pursuant to its contract, as amended, with the Ferron Canal and Reservoir Company and the Utah Water Resources Board (D.2, above), to be used for condenser cooling water system, boiler, miscellaneous and domestic uses. Memorandum Decision of State Engineer, Dee C. Hansen, approving application for the purpose of storing water, dated June 16, 1980.
 6. U.S. Army Corps of Engineers Permit No. 6634, dated November 24, 1978, effective December 6, 1978, issued to Mark Humphrey, Secretary of the Emery Water Conservancy District to discharge dredge and fill material into navigable waters and authorizing the placing of concrete and clean rock riprap in Cottonwood Creek in connection with the diversion and measurement of irrigation water from Cottonwood Creek.
- D. Consents, Approvals, etc. with Respect to Execution, Delivery and Performance by UP&L of the Ownership and Management Agreement, the Bill of Sale, the Real Property Deed, and the Assignments.
1. Release pursuant Section 69 of the UP&L Mortgage releasing the Ownership Interest and the Site Ownership Interest from the lien thereof, together with evidence of recordation of such release in the real property records of Emery County.

2. Consent to Assignment of Construction Agreements by Townsend & Bottum, Inc. and Stearns-Roger Company.
3. Stipulations and Orders of the Utah Public Service Commission dated June 6, 1979, May 1, 2 and 6, 1980, July 23, 1980 and September 17, 1980.
4. Order of the Wyoming Public Service Commission dated October 16, 1980.
5. Third Supplemental Indenture of Trust (Utah Power & Light Company Project) dated as of October 1, 1980.
6. Third Supplemental Equipment Lease between UP&L and Emery County dated as of October 1, 1980.
7. Third Supplemental Equipment Sublease between Emery County and UP&L dated as of October 1, 1980.

II. Governmental Actions which are or may be Required After the Closing Date.

A. Governmental Actions with Respect to the Operation and Maintenance of the Facility.

1. NPDES Permit No. UT-0023426 (I.A.4, above) expires on March 31, 1983, and will require renewal. Changes in federal, state and local water pollution control laws, ordinances and regulations or any interpretation thereof with respect to the operation of Hunter II may require additional and further consents, permits, licenses and approvals, and could otherwise affect Hunter II.

This NPDES permit requires reporting by UP&L of any unplanned diversion or bypass of any discharge from the treatment facility, advance request for any planned bypass, and notice to EPA and the Utah Division of Health of any other noncompliance with permit terms.

B. Governmental Actions with Respect to Coal Supply.

1. Rights-of-way granted by Bureau of Land Management for conveyor belt and stockpile storage yard, and for sewer line and absorption field with a wastewater facility, both expire on August 30, 2007. They may require renewal at that time.

2. Approval of mine plan for Wilberg Mine dated, January 23, 1978, is subject to revisions of federal regulations which may be applicable to the permanent Federal lands program, and such changes with respect to the extraction of coal at the Wilberg mine may require additional and further consents, permits, licenses and approvals, and could otherwise indirectly affect Hunter II.

Under the Cooperative Agreement adopted by the State of Utah and the Secretary of the Interior, and the revised state mining program to be approved pursuant to the Surface Mining Control and Reclamation Act of 1977, UP&L will be required to submit a new mining plan for mining on Federal lands for State and Federal permit approval, in accordance with 30 CFR §711(c).

3. UP&L is required, under its Wilberg Mine NPDES Permit No. UT-0022896, to file periodic reports on discharge water quality with EPA.
4. U.S. Department of Agriculture, Forest Service, Special Use Permits dated January 16, 1978 will expire one year after publication of regulations by the Secretary of Agriculture under provisions of Title V, P.L. 94-579, but a new authorization to occupy and use the same National Forest land will be issued provided the permittee will comply with the then-existing rules and regulations governing the occupancy and use of the National Forest lands. Such regulations became effective on July 7, 1980.
5. Final approval of coal preparation plant at the Wilberg Mine (I.B.7, above) is conditioned upon a final inspection by the Utah Air Conservation Committee when the plant becomes operational. On September 8, 1980, UP&L notified the Utah Air Conservation Committee by letter that the facility is ready for operation, and requested that the required final inspection be conducted.
6. Mining activities pursuant to coal leases Utah 1358, Utah 06039, Utah 014275, Utah 024317, Utah 024319, Salt Lake 051221, Salt Lake 064607-06421 will not be undertaken until some future date when such activities become necessary for use at Hunter II and/ or other UP&L plants. Prior to that date, UP&L will be required to submit a mining plan for mining on Federal lands for State and Federal Permit approval, pursuant to the Surface Mining Reclamation and Control Act of 1977.

C. Governmental Actions Relating to Water Supply

1. Contract No. 14-06-400-5906 (I.C.1, above) for 6,000 acre-feet of water annually expires on December 31, 2013, and may be renewed "on terms and conditions mutually agreeable to the parties...", which terms and conditions may require renegotiation.

This contract is made subject to the Water Conservancy Act of Utah, Title 73, Chapter 9, Utah Code Annotated, 1953, as amended, and the rules and regulations of the Department of Interior Bureau of Reclamation. Consequently, changes in the aforementioned laws or regulations, or any interpretation thereof, may affect the terms and provisions of this water supply contract.

2. Agreement between UP&L, Ferron Canal and Reservoir Company, and Utah Water Resources Board (I.C.2, above) for 7,000 acre-feet of water annually extends for forty (40) years from October 31, 1978, and may be continued "at such price as then may be reasonable."

Exhibit G
to
Ownership and Management
Agreement

POLLUTION CONTROL FACILITIES

The following are the air and water pollution control facilities and sewage and solid waste disposal facilities installed as part of Hunter II and the Common Facilities:

Hunter II Facilities

1. *Sulfur Dioxide Removal Facility* - is designed to remove sulfur dioxide from the flue gases which will be emitted from Hunter II and consists of a scrubber unit which includes spray-tower absorbers, lime storage, lime slaking and handling facilities, thickener, vacuum filters, piping, electrical equipment and wiring, controls and transitional and outlet ducting. The portion of Deseret's purchase price for the Ownership Interest attributable to such Facility is no less than \$12,120,449.

2. *Electrostatic Precipitator and Flyash Handling System* - is designed to remove flyash from the stack gases that will be emitted from Hunter II and consists of an electrostatic precipitator, complete with transitional ducting, substructures, control enclosure, superstructures, collector plates and wires, TR units, insulation, ash equipment, cranes and hoists, electrical equipment, wiring and control panels, and a flyash handling system which includes substructures, economizer flyash system, flyash silo and enclosure, control panels, instrumentation, electrical equipment and wiring. The portion of Deseret's purchase price for the Ownership Interest attributable to such Facilities is no less than \$10,334,572.

3. *Bottom Ash Disposal Facilities* - are designed to remove bottom ash from Hunter II's boilers and consist of bottom ash hoppers, wet bottom ash system, crushers and motors, pyrites handling systems, ash pumps, ash water supply piping, ash piping, control panels, instrumentation, electrical equipment and wiring. The portion of Deseret's purchase price for the Ownership Interest attributable to such Facilities is no less than \$1,591,601.

Common Facilities

The portion of Deseret's purchase price for the Ownership Interest attributable to the Common Facilities listed below is no less than \$1,014,596.

1. *Sewage Disposal Facilities* - are designed to treat and dispose of sewage generated at the Hunter Station. The facilities include a sewage treatment plant, pond, enclosure, piping, wiring and electrical equipment.

2. *Ash Sluice and Dewatering System* - is designed to dispose of boiler bottom ash generated at the Hunter Station. The system consists of a water tank, dewatering bins, surge tank, ash settling tank, disposal area and pipe rack substructures and superstructures.

3. *Scrubber Overflow Pond* - is designed to retain and store liquid used in the operation of the Hunter Station's scrubbers.

4. *Evaporation Pond* - is designed to receive highly contaminated liquid wastes resulting from operations at the Hunter Station and dispose of such wastes through evaporation to the atmosphere.

SCHEDULE I

POWER PURCHASERS

Municipal Systems	Contract Capacity KW	% of Hunter II Capability	Points of Delivery	Nominal Delivery Voltage KV	Forced Outage Reserve Requirement KW	Measurement Voltage KV	Initial Loss Factors ¹
Beaver	2,352	1.481	Beaver	46.0	400	46.0	1.10
Enterprise	(626)	0.394	Sigurd Substation ²	230.0	106	12.5	1.05
Ephraim	786	0.495	Ephraim	46.0	134	46.0	1.10
Fairview	2,979	0.495	Fairview	46.0	134	46.0	1.105
Fillmore	4,545	2.863	Fillmore	46.0	506	46.0	1.10
Heber City	393	0.248	Heber	46.0	773	46.0	1.10
Hurricane	1,253	0.789	Holden	7.2	67	7.2	1.11
Hyrum	2,192	1.381	Sigurd Substation ²	230.0	313	12.5	1.05
Kanosh	1,393	0.248	Hyrum	46.0	273	12.5	1.11
Kayville	4,153	2.616	Fillmore	46.0	67	46.0	1.10
Lehi	860	0.542	Kayville	46.0	706	46.0	1.10
Logan	9,096	5.729	Lehi	46.0	146	46.0	1.10
Meadow	313	0.197	Logan	46.0	1546	46.0	1.10
Monroe	1,879	1.184	Fillmore	46.0	53	46.0	1.10
Morgan	393	0.248	Monroe	46.0	319	4.16	1.11
Mt. Pleasant	1,493	0.940	Morgan	4.16	67	4.16	1.11
Murray	20,913	13.185	Mt. Pleasant	46.0	254	46.0	1.10
Oak City	393	0.248	Murray	138.0	3558	138.0	1.05
Parowan	2,039	1.284	Oak City	46.0	67	7.2	1.11
Spring City	472	0.298	Sigurd Substation ²	230.0	347	34.5	1.05
			Spring City	4.16	80	4.16	1.11
TOTAL	38,330	26.741					
COOPERATIVES							
Brittger Valley	3,040	1.890	Vernal ² <i>Now</i>	138.0	510	138.0	1.05
Delta-Escalante	5,239	3.300	Sigurd Substation ²	230.0	891		1.05
Flower	6,907	4.350	Fillmore	46.0	1174	46.0	1.10
Garkano	12,995	8.185	(1) Sigurd	46.0	2209	46.0	1.10
			(2) Vernal	138.0		69.0	1.05
			(3) Hunter Substation ²	138.0		138.0	1.01
			(1) UPALCO	138.0	889	69.0	1.06
			(2) Vernal	138.0		138.0	1.05
			Sigurd	230.0	3400	230.0	1.05
MOON LAKE	53,289	32.916					
Mt. Wheeler	20,000	12.591					
TOTAL	100,430	61.259					
GRAND TOTAL	138,760	100.00%					

1. Quantities at Hunter II bus bar are related to quantities scheduled for delivery to the Power Purchaser by the formula $x = \text{loss factor times } y$ where $x =$ bus bar quantities and $y =$ Point of Delivery quantities.

2. The future additional Point of Delivery at Hunter Substation is subject to satisfactory negotiation of interconnection agreement between Utah Power & Light and Garkano or Garkano's agent.

3. In the event of the acquisition by Utah Power & Light of the electric utility system in Utah of CP National, the Points of Delivery for Enterprise, Hurricane, Delta-Escalante and Parowan will be changed to such respective Points of Delivery where each such Purchaser is presently interconnected with the CP National system, and the wheeling rates will be appropriately adjusted.

1980

Transmission Costs to Wheel to Deseret Customers
with Delivery Below 138 kV

Note: System Backbone Costs Exclude Interconnections

<u>Customer</u>	<u>\$/kW-Yr</u>	<u>\$/kW-Mo</u>
Beaver City	28.94	2.41
Ephraim	27.50	2.29
Fairview	25.65	2.14
Fillmore	28.76	2.40
Flowell	27.01	2.25
Garkane	24.86	2.07
Heber City	28.24	2.35
Holden	29.10	2.43
Hyrum	23.86	1.99
Kanosh	27.01	2.25
Kaysville	28.47	2.37
Lehi	19.98	1.67
Levan	29.99	2.50
Logan City	20.52	1.71
Manti	26.22	2.19
Meadow	27.01	2.25
Monroe	30.58	2.55
Morgan	21.78	1.82
Mt. Pleasant	25.55	2.13
Nephi	26.84	2.24
Oak City	32.84	2.74
Spring City	32.45	2.70
Backbone Cost Included in Above Costs	13.62	1.14

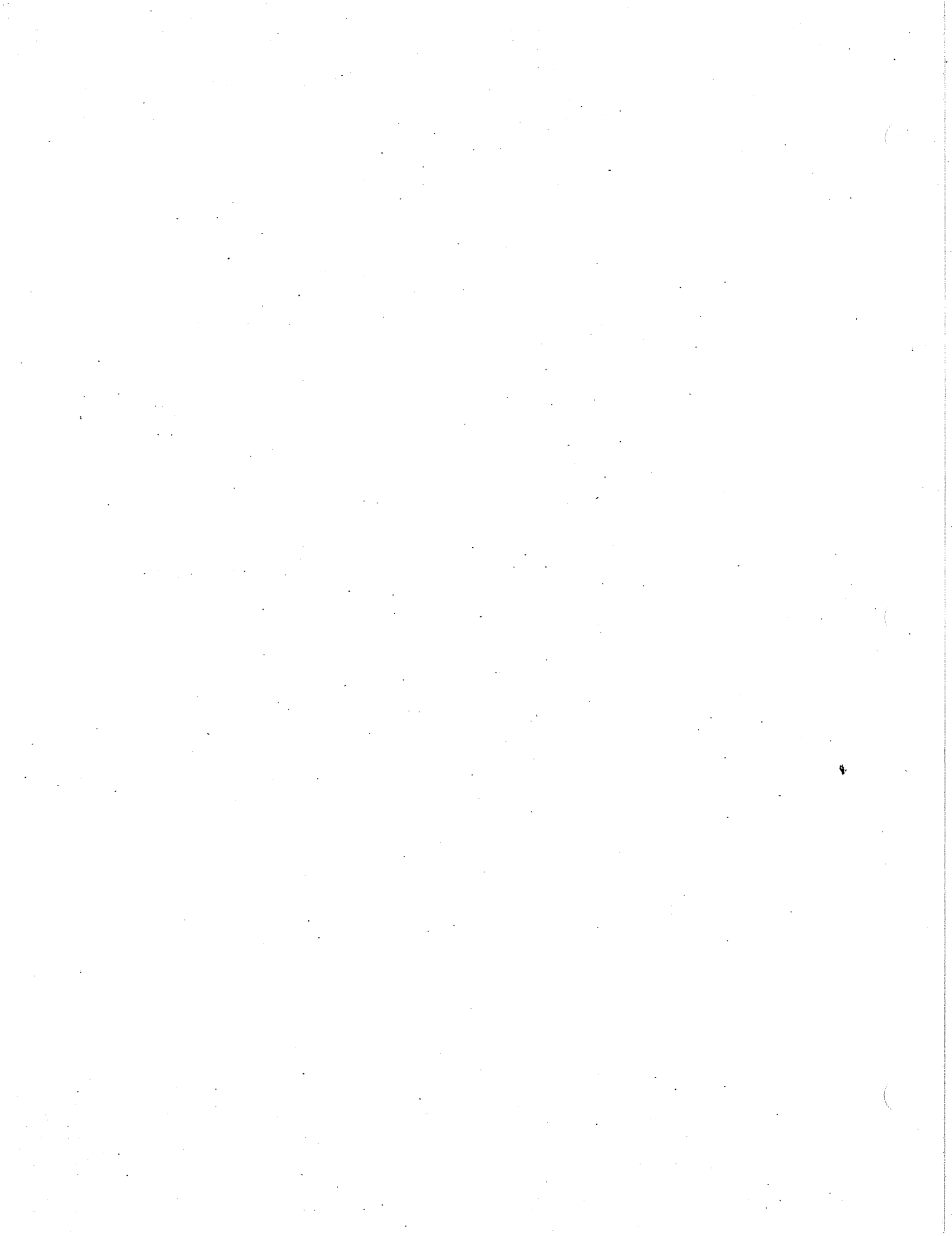
STATE OF UTAH)
 : ss
COUNTY OF SALT
LAKE)

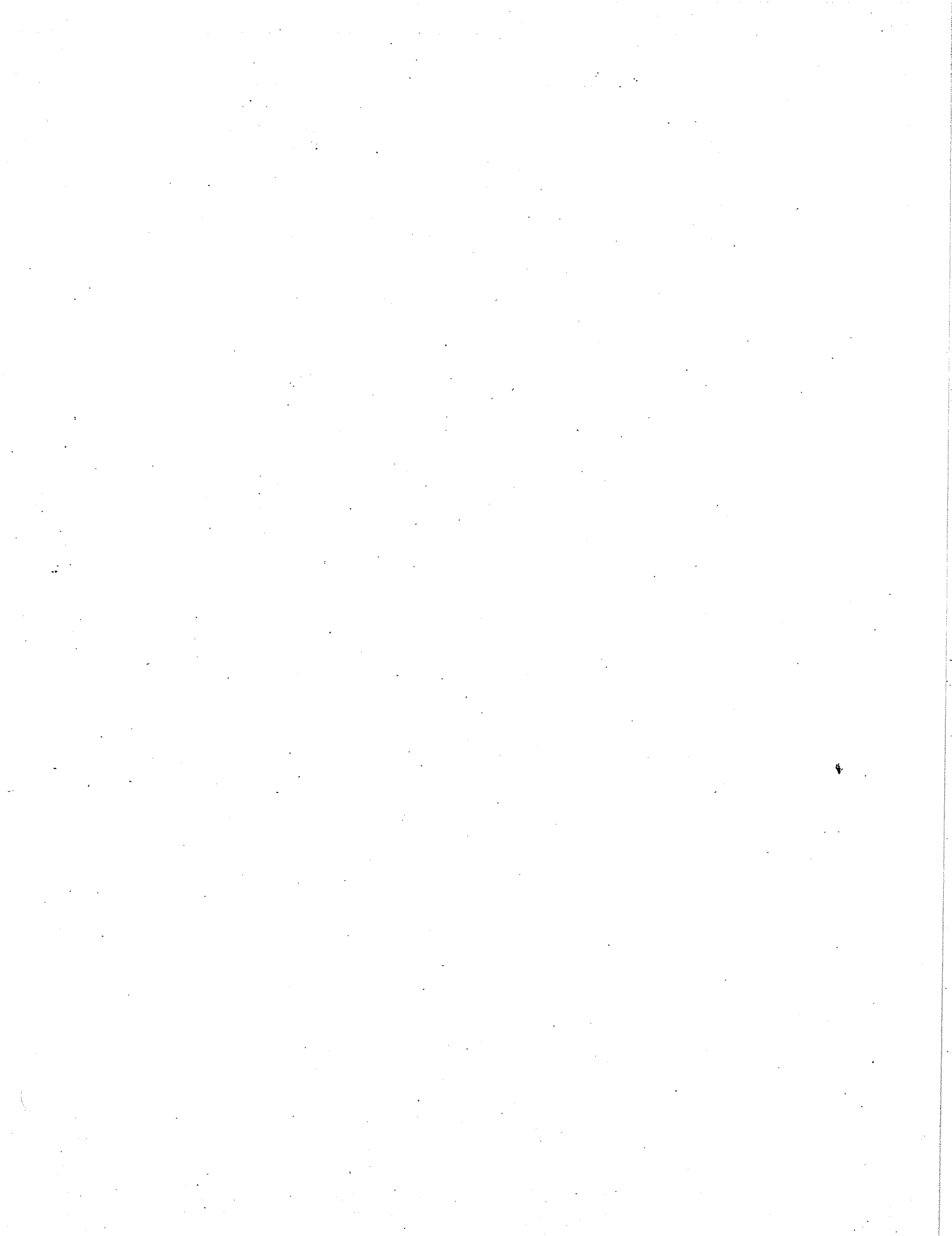
On the 24th day of October, 1980, personally appeared before me, _____, who, being duly sworn, did say, that he is a Vice President of UTAH POWER & LIGHT COMPANY, and that said instrument was signed on behalf of said Corporation by resolution of its board of directors, and said _____ acknowledged to me that said Corporation executed the same.

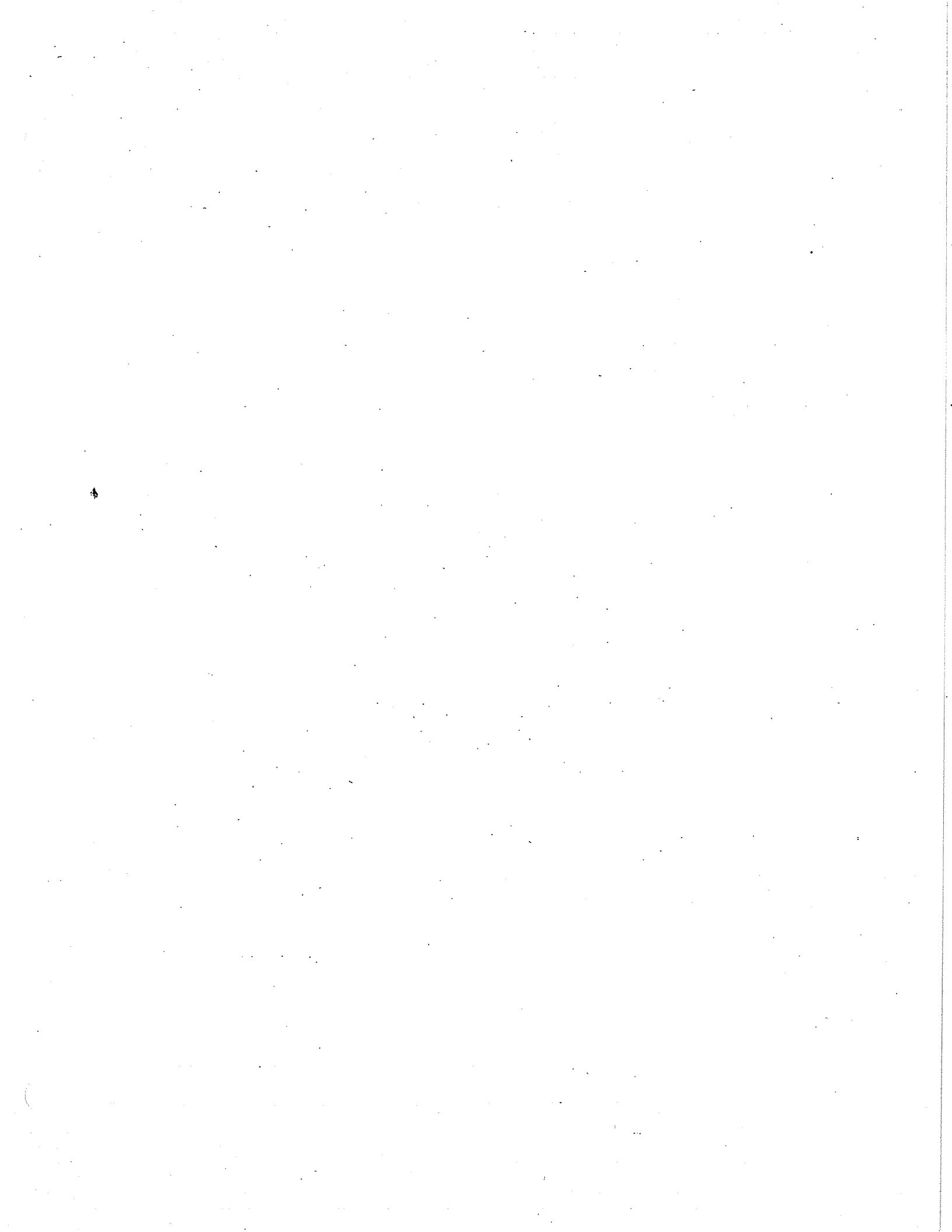
Notary Public

My Commission Expires:

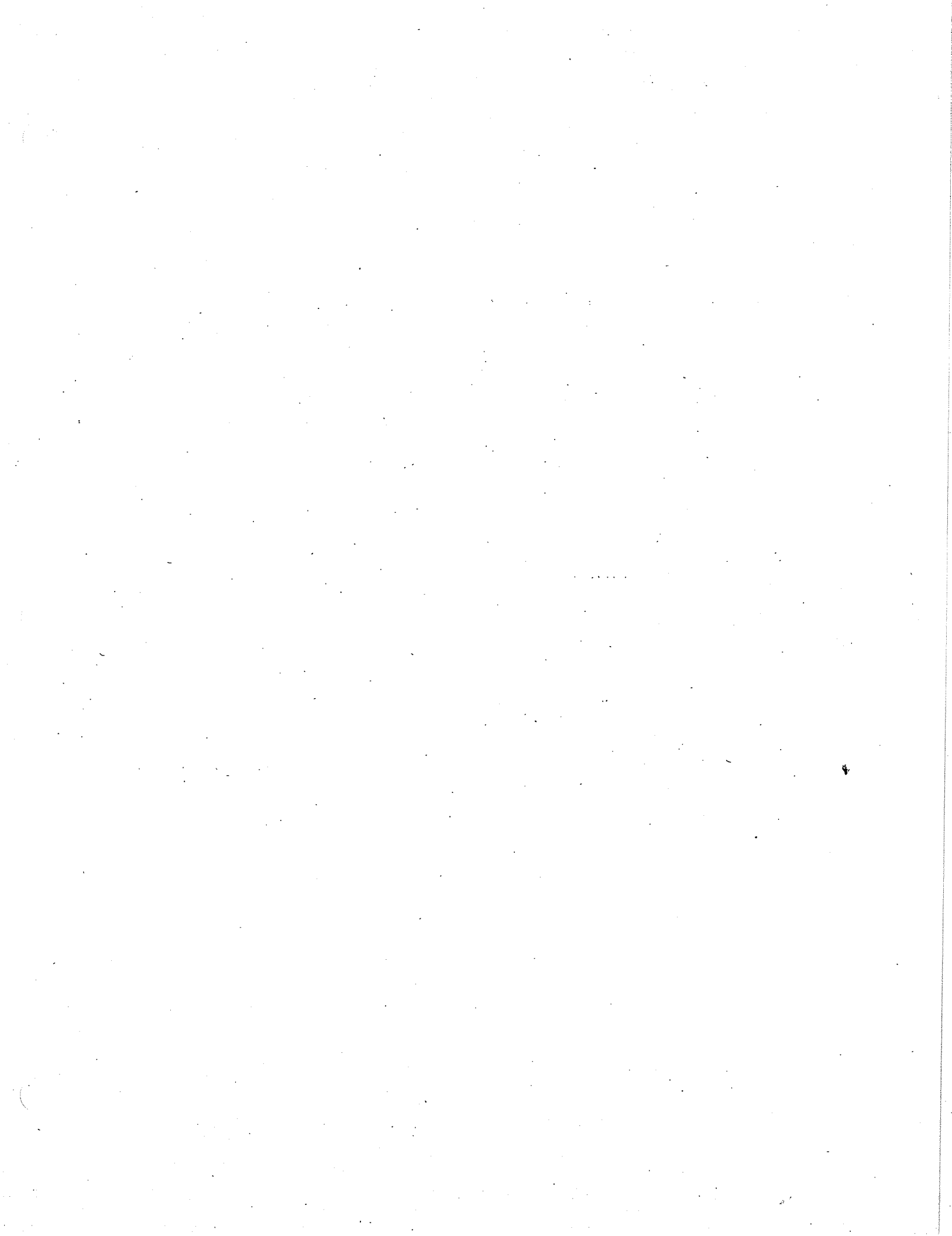
Residing at: _____

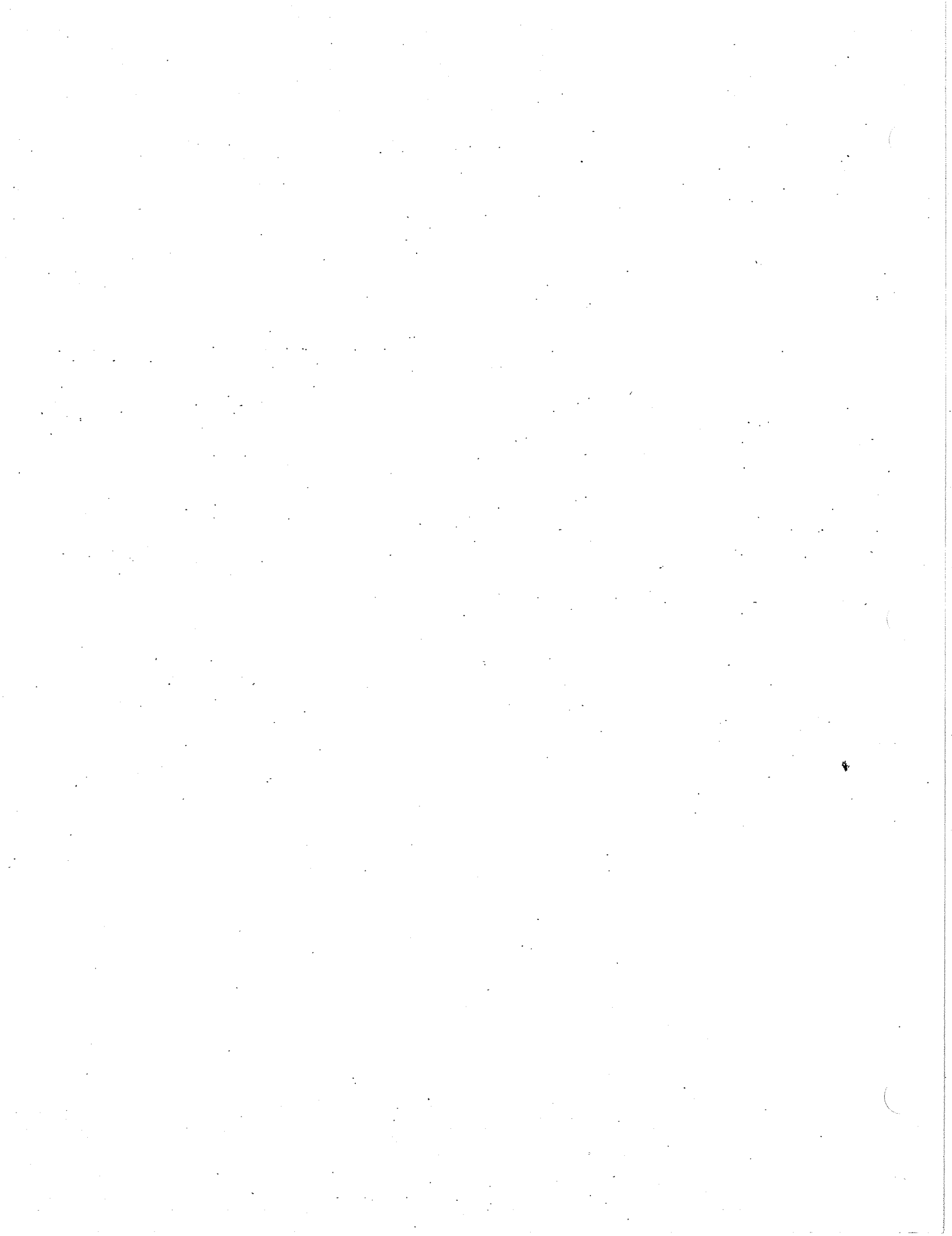








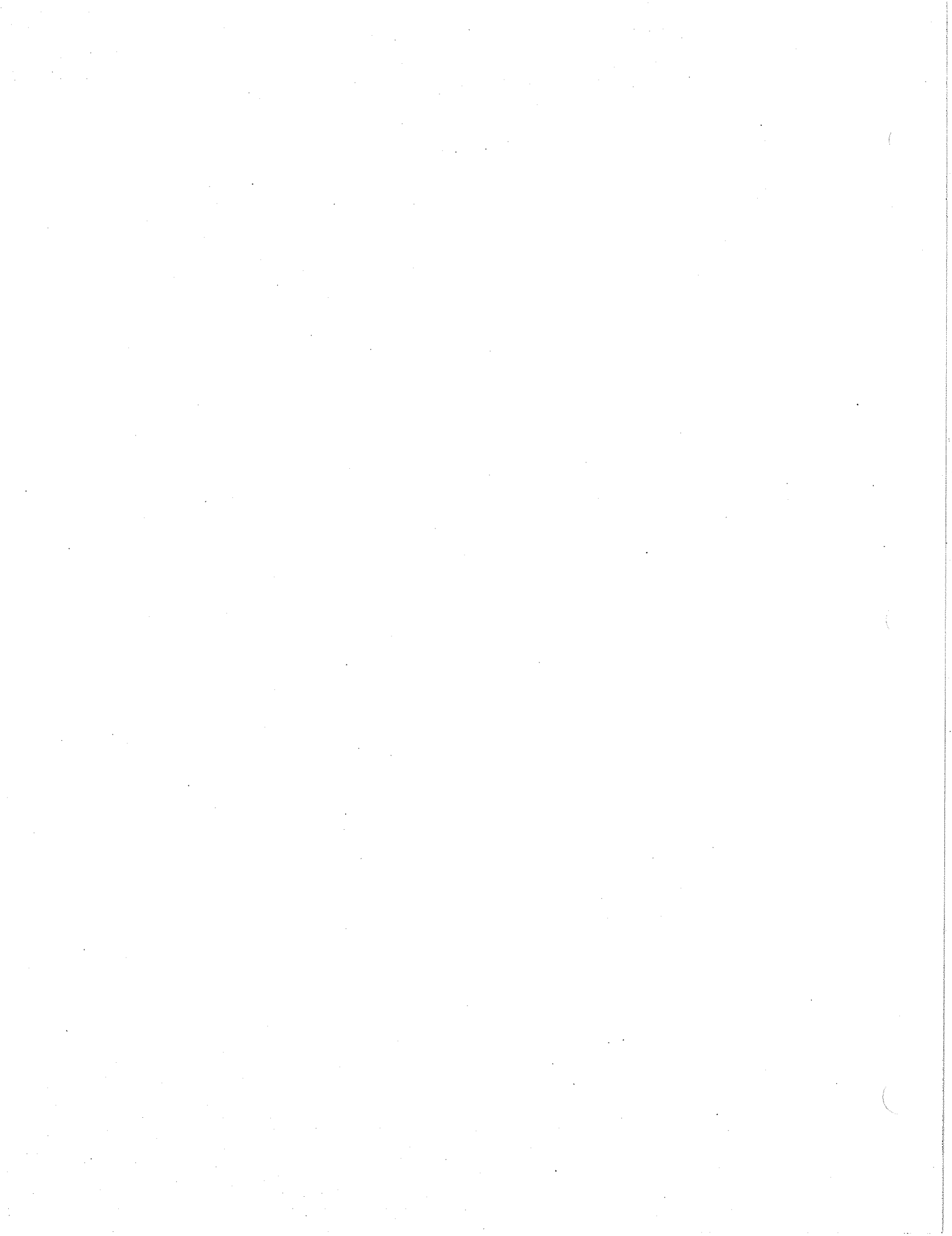




SCHEDULE 1

POWER PURCHASERS

Municipal Systems	Contract Capacity kW	% Of Hunter II Capability	Points of Delivery	Nominal Delivery Voltage kV	Forced Outage Reserve Requirement kW	Measurement Voltage kW	Initial Loss Factors
Beaver	2,352	1.481	Beaver	46.0	400	46.0	1.1
Terprise	626	0.394	Newcastle	138.0	106	138.0	1.10
Ephraim	786	0.495	Ephraim	46.0	134	46.0	1.10
Fairview	786	0.495	Fairview	46.0	134	46.0	1.105
Fillmore	2,979	1.876	Fillmore	46.0	506	46.0	1.10
Heber City	4,545	2.861	Heber	46.0	773	46.0	1.10
Holden	393	0.248	Holden	7.2	67	12.5	1.11
Hurricane	1,253	0.789	Hurricane	69.0	213	69.0	1.113
Hyrum	2,192	1.381	Hyrum	46.0	373	46.0	1.10
Fillmore	393	0.248	Fillmore	46.0	67	46.0	1.10
Kaysville	4,153	2.616	Kaysville	46.0	706	46.0	1.10
Lehi	860	0.542	Lehi	46.0	146	46.0	1.10
Logan	9,096	5.729	Logan	138.0	1,546	138.0	1.05
Fillmore	313	0.197	Fillmore	46.0	53	46.0	1.10
Monroe	1,879	1.184	Monroe	46.0	319	46.0	1.10
Morgan	393	0.248	Morgan	46.0	67	4.16	1.11
Mt. Pleasant	1,493	0.940	Mt. Pleasant	46.0	254	46.0	1.1
Murray	20,933	13.185	Murray	138.0	3,558	138.0	1.05
Oak City	393	0.248	Oak City	46.0	67	12.5	1.11
Parowan	2,039	1.284	Parowan	34.5	347	34.5	1.113
Spring City	473	0.298	Spring City	4.16	80	4.16	1.11
TOTAL	58,330	36.741					

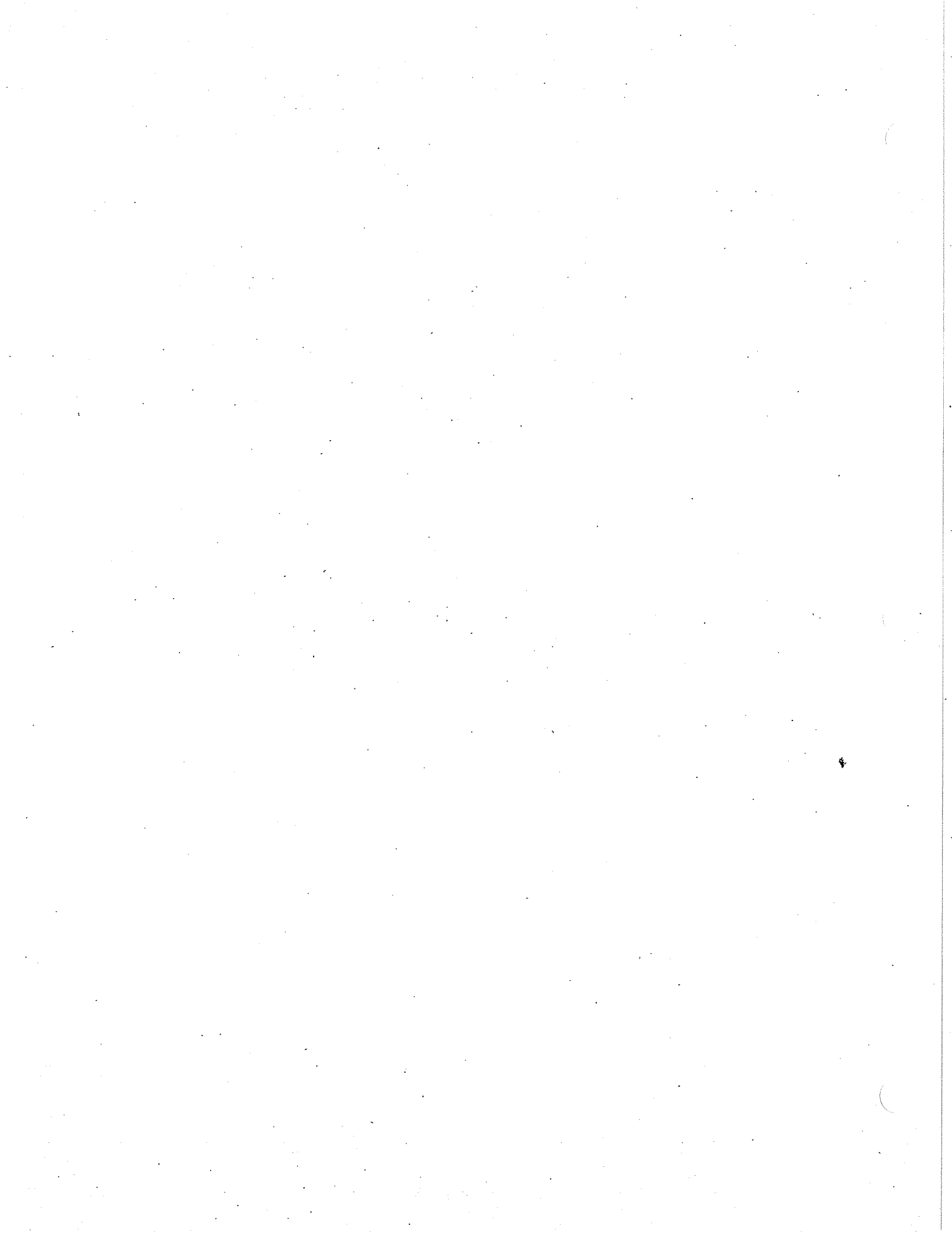


Operatives	Contract Capacity kW	% Of Hunter II Capability	Points of Delivery	Nominal Delivery Voltage kV	Forced Outage Reserve Requirement kW	Measurement Voltage kW	Initial Loss Factors
Idger Valley	3,000	1.890	(1) Vernal (2) Mona	138.0 345.0	510	138.0 345.0	1.05 1.05
xie-Escalante	5,329	3.300	(3) Naughton Newcastle St. George	230.0 230.0 138.0	891	230.0 138.0	1.05 1.05 1.05
owell	6,907	4.350	Fillmore	46.0	1,174	69.0	1.093
rkane	12,995	8.185	(1) Sigurd	138.0	2,209	46.0	1.10
			(2) Vernal	138.0		69.0	1.05
			(3) Hunter Substation	138.0		69.0	1.05
			(4) Mona	345.0		138.0	1.00
on Lake	52,289	32.936	(1) UPALCO	138.0	8,889	345.0	1.05
			(2) Vernal	138.0		69.0	1.05
			(3) Mona	345.0		138.0	1.05
. Wheeler	20,000	12.598	(1) Sigurd	230.0	3,400	345.0	1.05
			(2) Mona	345.0		230.0	1.05

TAL	100,430	63.259					
AND TOTAL	<u>158,760</u>	<u>100.00%</u>					

Quantities at Hunter II bus bar are related to quantities scheduled for delivery to the Power Purchasers by the formula $s = \text{loss factor times } y$ where s = bus bar quantities and y = point of delivery quantities.

The future additional Point of Delivery at Hunter Substation is subject to satisfactory negotiation of interconnection agreement between Utah Power & Light and Garkane or Garkane's agent.



AMENDMENT AGREEMENT NO. 1

dated as of May 1, 1982

to

Ownership and Management Agreement

dated October 24, 1980

between

UTAH POWER & LIGHT COMPANY

and

DESERET GENERATION & TRANSMISSION CO-OPERATIVE

94563.1.1252.53

299063
STATE OF UTAH }
COUNTY OF EMERY } SS
FILED AND RECORDED FOR
MAY 20 10 37 AM '82
Richard Lee
IM BOOK 129 PAGE 1-100
COUNTY RECORDER

AMENDMENT AGREEMENT NO.

THIS AMENDMENT AGREEMENT NO. 1 dated as of May 1, 1982, to Ownership and Management Agreement (the Ownership and Management Agreement) dated October 24, 1980, between UTAH POWER & LIGHT COMPANY, a Utah corporation (UP&L or the Operator, as the context so requires) and DESERET GENERATION & TRANSMISSION CO-OPERATIVE, a Utah Co-Operative association (Deseret).

W I T N E S S E T H:

WHEREAS, Deseret has, pursuant to the Ownership and Management Agreement, heretofore purchased an undivided 39.69% interest in a nominal 400 net MW steam electric generating unit known as Hunter Steam Electric Generating Unit No. 2 (Hunter II, such term and other capitalized terms used herein without definition having the meanings set forth in Section 1.1 of the Ownership and Management Agreement, as amended hereby) and in the Hunter II Site upon which Hunter II is located, an undivided 19.845% interest in the Common Facilities and an undivided 9.92% interest in the Hunter Station Site;

WHEREAS, pursuant to the Ownership and Management Agreement, Deseret has obtained from UP&L certain easements, services, supplies and wheeling services in connection with the operation of the Ownership Interest;

WHEREAS, as contemplated by Section 10.7 of the Ownership and Management Agreement, Deseret is entering an Agreement to Sell an Ownership Interest (the "Agreement to Sell") with Utah Associated Municipal Power Systems ("UAMPS"), pursuant to which Deseret will sell to UAMPS, on a conditional basis and from the Ownership Interest and the Site Ownership Interest, the UAMPS Interest (as such term is defined in the Agreement to Sell); and

WHEREAS, Deseret and UP&L desire to execute this Amendment in order to amend the Ownership and Management Agreement to reflect the entering into of the Agreement to Sell;

NOW, THEREFORE, the parties hereto, for and in consideration of the mutual covenants contained herein, hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Amendment of Definitions. Section 1.1 of the Ownership and Management Agreement is hereby amended as follows:

(a) By adding thereto the following definitions:

"Ad Valorem Taxes" shall mean all ad valorem taxes and all other taxes, fees or assessments relating to the ownership or operation of any interest in the Ownership Interest and the Site Ownership Interest owed to Emery County, Utah and all applicable taxing units of such County.

"Deseret Power Purchasers" shall mean those entities, listed under the heading "Cooperatives" in Schedule I hereto, which are the parties, other than Deseret, to the Deseret Power Sales Contracts, and their successors and assigns permitted pursuant to this Agreement."

"Deseret Power Sales Contracts" shall mean those certain Power Sales Contracts between Deseret and each of the Deseret Power Purchasers, severally, as the same may be amended from time to time pursuant to the terms thereof."

(b) by amending the definition of the term "Excess Power" to read as follows:

"Excess Power" shall mean, with respect to any period, and for the duration thereof as stipulated by Deseret in any notice delivered pursuant hereto, the difference between (x) Power available from the Ownership Interest and Power available to Deseret from any and all other electric generating units owned by or leased to Deseret (after deducting any forced-outage reserves required to be maintained by Deseret) and (y) the sum of (i) the average peak loads of all Power Purchasers and, solely with respect to such other electric generating units, all purchasers from Deseret under all requirements contracts, determined, in each case, by Deseret in its sole discretion, and (ii) solely with respect to such other generating units, the commitment of Deseret to deliver Power to all purchasers from Deseret under firm power contracts."

(c) by the addition of the following definition:

"Agreement to Sell" shall mean that certain Agreement to Sell an Ownership Interest dated as of the date hereof between Deseret and UAMPS."

(d) by amending the definition of the term "Power Sales Contracts" to read as follows:

"Power Sales Contracts" shall mean the Deseret Power Sales Contracts and the UAMPS Power Sales Contracts."

(e) by amending the definition of the term "Power Purchasers" to read as follows:

"Power Purchasers" shall mean the Deseret Power Purchasers and the UAMPS Power Purchasers."

(f) by amending the definition of "Surplus Energy" to read as follows:

"Surplus Energy" shall mean, at any time, the difference between (x) the Energy available from the Ownership Interest and Energy available to Deseret from any and all other electric generating units owned by or leased to Deseret, (after deducting any forced-outage reserves required to be maintained by Deseret) and (y) the sum of (i) the loads of all Power Purchasers and solely with respect to such other electric generating units, all purchasers from Deseret under all requirement contracts, determined, in each case, by Deseret in its sole discretion, and (ii) solely with respect to such other generating units, the commitment of Deseret to deliver energy to all power purchasers from Deseret under firm power contracts."

(g) by amending the definition of Basic Agreements to read as follows;

"Basic Agreements" shall mean the REA Mortgage and all documents relating thereto, the Hunter Project Revenue Bond Resolution heretofore adopted by UAMPS, as amended and supplemented, and all documents relating thereto, the bonds, notes and other evidences of indebtedness issued under such resolution and all documents relating thereto and the Power Sales Contracts."

(h) by amending the definition of "Capacity Costs" to read as follows:

"Capacity Costs" shall mean, for any period, the costs, obligations, indebtedness, taxes, liabilities, fees, expenses and disbursements (excluding Energy Related Costs) incurred, created or assumed by or on behalf of Deseret or UAMPS (or Emery County) and payable during such period, in connection with or resulting from (i)

the construction, equipping, financing, operation and maintenance of, the repair of, and the acquisition and affixation of Parts and Capital Improvements in respect of, the Ownership Interest and the Site Ownership Interest, and (ii) the preparation, production, execution and delivery of the Basic Agreements (which term, as used in this definition, includes the Pollution Control Financing Agreement and related documents), the consummation of the transactions contemplated thereby and the performance by or on behalf of UAMPS or Deseret or any such successor of their respective obligations contained in the Basic Agreements, to the extent the same become due and payable or have been paid during such period, including, without limitation (but without duplication), the following:

(a) all principal, premium, if any, and interest and all other amounts payable (i) by Deseret on or with respect to the notes issued under the REA Mortgage and the Pollution Control Financing Agreement and (ii) by UAMPS on or with respect to the bonds, notes or other evidences of indebtedness issued under the Hunter Project Revenue Bond Resolution referred to in the definition of Basic Agreements;

(b) all amounts payable by Deseret under this Agreement, including, without limitation, Operation and Maintenance Expenses;

(c) administrative and general expenses (including ad valorem taxes, special assessments and like charges) of Deseret and UAMPS and any other amounts attributable, on the basis of a reasonable allocation, to the transactions contemplated by the Basic Agreements;

(d) administrative expenses and operational costs and expenses actually incurred by, or payable or reimbursable by, Deseret in connection with the construction, operation and maintenance of the Ownership Interest and the Site Ownership Interest and in connection with the delivery of Energy; and

(e) any other amount payable under this Agreement and the Basic Agreements, or with respect to additional indebtedness incurred by Deseret or UAMPS from time to time with respect to the Ownership Interest and the Site Ownership Interest or amounts allocable thereto for (A) the prevention or correction of any loss or damage thereto, (B) the purchase of Parts or Capital Improvements or (C) working capital or other costs incurred in connection with or relating to the acquisition of rights therein."

(i) By adding thereto the following definitions:

"UAMPS Power Purchasers" shall mean those entities, listed under the heading "Municipal Systems" in Schedule I hereto, which are the parties, other than UAMPS, to the UAMPS Power Sales Contracts, and their successors and assigns permitted pursuant to this agreement."

"UAMPS Power Sales Contracts" shall mean those certain Power Sales Contracts between UAMPS and each of the UAMPS Power Purchasers, severally, as the same may be amended from time to time pursuant to the terms thereof."

SECTION 1.2. Use of Definitions. All terms defined in this Amendment shall have these defined meanings when used in any certificate, report or other document made or delivered pursuant to this Amendment.

ARTICLE II

AMENDMENT OF ARTICLE II

SECTION 2.1. Deletion of Section 2.9. The Ownership and Management Agreement is hereby amended to delete the present Section 2.9 thereof.

SECTION 2.2. Deletion of Section 2.10. The Ownership and Management Agreement is hereby amended to delete Section 2.10 thereof.

SECTION 2.3. Amendment of Section 2.7. Section 2.7 of the Ownership and Management Agreement is hereby amended as follows:

(a) A new paragraph (e) is added thereto to read as follows:

"(e) **Federal Tax Exemption.** Notwithstanding anything to the contrary contained herein, no Excess Power or Surplus Energy shall be sold hereunder if and to the extent such sale would adversely affect the exemption of interest on any outstanding obligation of UAMPS from Federal income taxation or would be contrary to Utah law."

(b) By amending paragraph (d) thereof to read as follows:

"(d) **Limitation.** A (i) sale of all or any portion of the Power and Energy entitlement of a defaulting Power Purchaser pursuant to its Power Sales Contract, or (ii)

reallocation of any such Power and Energy entitlement to the remaining Power Purchasers shall not be subject to the rights of UP&L provided for in paragraphs (a), (b) and (c) above so long as, in the case of (i) above, any such sale is to another Power Purchaser or a Power Purchaser whose Power Sales Contract has been terminated or has expired, in either case for service to its retail customers or for its forced-outage reserve requirements."

SECTION 2.4. Amendment of Paragraph (g) of Section 9.1. Paragraph (g) of Section 9.1 of the Ownership and Management Agreement is hereby amended to read as follows:

"(g) **Ad Valorem Taxes; Repurchase.** In the event Deseret or any proposed purchaser from Deseret shall not be obligated to pay Ad Valorem Taxes to Emery County and any applicable taxing units in such County, or does not make or cause to be made payments in lieu of taxes in amounts equal to such Ad Valorem Taxes, in either case with respect to any portion of the Ownership Interest and the Site Ownership Interest, UP&L shall be obligated to purchase such portion of the Ownership Interest and the Site Ownership Interest (or the entirety of the Ownership Interest and the Site Ownership Interest if Deseret shall not be so obligated or does not make or cause to be made such in lieu payments with respect to such entirety) from Deseret at a purchase price equal to the greater of (a) the sum of the net book value of such portion of the Ownership Interest and the Site Ownership Interest and Capital Improvement (or a properly allocable portion thereof) subsequently purchased, as recorded on the books of Deseret at the date of purchase by UP&L pursuant to this Section 9.1(g) or (b) the sum of (i) the principal amount of any indebtedness for borrowed money incurred by Deseret in connection with the purchase of such portion of the Ownership Interest and the Site Ownership Interest and the funding of Deseret's undivided interest in each Capital Improvement (or properly allocable portion thereof) included in such portion, and (ii) the net book values of an undivided interest in Capital Improvements (or properly allocable portion) included in such portions directly acquired by Deseret and funded from margins or other available monies."

SECTION 2.5. Amendment of Paragraph (c) of Section 9.2. Paragraph (c) of Section 9.2 of the Ownership and Management Agreement is hereby amended to read as follows:

"(c) **Ad Valorem Taxes** Deseret is unconditionally obligated to pay, and will pay, Ad Valorem Taxes to Emery County and all applicable taxing units of such County in respect of the Ownership Interest and Site Ownership Interest, in an amount equal to the amount of Ad Valorem Taxes that UP&L would be required to pay if UP&L owned the Ownership Interest and the Site Ownership Interest. At such time as Deseret or any purchaser from Deseret shall not be obligated to pay Ad Valorem Taxes as herein provided and arrangements cannot be made for payment thereof or for payments in lieu of such taxes, as provided in Section 9.1(g) and in either case with respect to any portion of the Ownership Interest and the Site Ownership Interest, Deseret shall sell such portion of the Ownership Interest and the Site Ownership Interest (or the entirety of the Ownership Interest and the Site Ownership Interest if Deseret shall not be so obligated or does not make or cause to be made such in lieu payments with respect to such entirety) to UP&L at the purchase price determined pursuant to Section 9.1(g) hereof under circumstances where UP&L shall thereupon become obligated to pay Ad Valorem Taxes, including any delinquent Ad Valorem Taxes."

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Effect of Amendment; Severability.

(a) **Effect.** Except as expressly amended hereby, the Ownership and Management Agreement shall remain in full force and effect in accordance with the terms thereof.

(b) **Severability.** In the event that any provision in this Amendment is declared illegal or no longer in force by reason of any judgment or order issued by a court or regulatory body of competent jurisdiction, all remaining provisions of this Amendment not affected by such judgment or order shall continue in full force and effect.


SECTION 3.2. Further Amendments. Nothing herein shall be construed to limit the rights of Deseret and UAMPS to the further amendment from time to time of the Ownership and Management Agreement as contemplated by Section 10.7 to reflect the transactions contemplated by the Agreement to Sell; provided, however that there shall be no amendment of the Ownership and Management Agreement, which would adversely affect the rights of Emery County without the prior written consent of Emery County.

SECTION 3.3. Counterparts. This Amendment may be executed in any number of counterparts. All such counterparts shall be deemed originals and shall constitute but one and the same instrument.

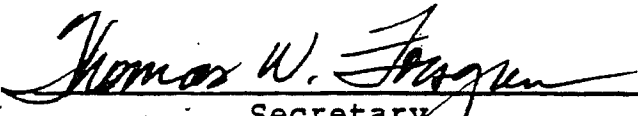
SECTION 3.4. Governing Law. The interpretation of this Amendment and the rights and obligations of the Parties shall be governed by and construed and enforced in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment the day and year first above written.

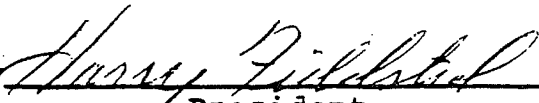
UTAH POWER & LIGHT COMPANY

By 
Vice President

ATTEST:


Secretary

DESERET GENERATION & TRANSMISSION CO-OPERATIVE

By 
President

ATTEST:


Secretary

STATE OF UTAH)
 : SS
COUNTY OF SALT LAKE)

On the 20th day of May, 1982, personally appeared before me, Harry Fieldsted, who, being duly sworn, did say, that he is the President of DESERET GENERATION & TRANSMISSION CO-OPERATIVE, and that said instrument was signed on behalf of said Co-operative by resolution of its governing Board, and said Harry Fieldsted acknowledged to me that said Co-operative executed the same.

Eleonore B. Tes
Notary Public

My Commission Expires:

2-8-86

Residing at: Alpine, Utah

STATE OF UTAH)
 : SS
COUNTY OF SALT LAKE)

On the 14th day of May, 1982, personally appeared before me, Robert Gordon, who, being duly sworn, did say, that he is Vice-President of UTAH POWER & LIGHT COMPANY, and that said instrument was signed on behalf of said Company by resolution of its Board of Directors, and said Robert Gordon acknowledged to me that said Company executed the same.



Notary Public

My Commission Expires: _____

10-2-84

Residing at: Brem, Utah

AMENDMENT AGREEMENT NO. 2

dated as of May 1, 1982

to

Ownership and Management Agreement

dated October 24, 1980

between

UTAH POWER & LIGHT COMPANY

and

DESERET GENERATION & TRANSMISSION CO-OPERATIVE

94563.1.1252.64

999064
STATE OF UTAH } 53
COUNTY OF EMERY }
FILED AND RECORDED FOR
Clerk
MAY 20 10 41 AM '82
BOOK 129 PAGE 199
COUNTY RECORDER

AMENDMENT AGREEMENT NO. 2

THIS AMENDMENT AGREEMENT NO. 2 dated as of May 1, 1982, to Ownership and Management Agreement dated October 24, 1980, between UTAH POWER & LIGHT COMPANY, a Utah corporation (UP&L) and DESERET GENERATION & TRANSMISSION CO-OPERATIVE, a Utah Co-Operative association (Deseret).

W I T N E S S E T H:

WHEREAS, Deseret has, pursuant to such Ownership and Management Agreement, heretofore purchased an undivided 39.59% interest in a nominal 400 net MW steam electric generating unit known as Hunter Steam Electric Generating Unit No. 2 (Hunter II, such term and other capitalized terms used herein without definition having the meanings set forth in Section 1.1 of such Ownership and Management Agreement, as amended to the date hereof and hereby) and in the Hunter II Site upon which Hunter II is located, an undivided 19.845% interest in the Common Facilities and an undivided 9.92% interest in the Hunter Station Site;

WHEREAS, as contemplated by Section 10.7 of such Ownership and Management Agreement, Deseret is entering an Agreement to Sell an Ownership Interest (the Agreement to Sell) with Utah Associated Municipal Power Systems (UAMPS), pursuant to which Deseret will sell to UAMPS, on a conditional basis and from the Ownership Interest and the Site Ownership Interest, the UAMPS Interest (as such term is defined in the Agreement to Sell);

WHEREAS, Deseret and UP&L have executed Amendment Agreement No. 1 dated as of May 1, 1982 to the Ownership and Management Agreement in order to amend the Ownership and Management Agreement to reflect the entering into of the Agreement to Sell (such Ownership and Management Agreement, as so amended, is herein referred to as the Ownership and Management Agreement); and

WHEREAS, Deseret and UP&L desire to enter into this Amendment in order to amend Schedule I to the Ownership and Management Agreement to reflect transfers by certain UAMPS members of portions of their respective entitlement shares of power and energy from the UAMPS Interest;

NOW, THEREFORE, the parties hereto, for and in consideration of the mutual covenants contained herein, hereby agree as follows:

ARTICLE I

AMENDMENT

SECTION 1.1. Amendment of Schedule I. Schedule I to the Ownership and Management Agreement is hereby amended to read in its entirety as set forth on Schedule I attached hereto.

ARTICLE II

MISCELLANEOUS

SECTION 2.1. Effect of Amendment; Severability.

(a) **Effect.** Except as expressly amended hereby, the Ownership and Management Agreement shall remain in full force and effect in accordance with the terms thereof.

(b) **Severability.** In the event that any provision in this Amendment is declared illegal or no longer in force by reason of any judgment or order issued by a court or regulatory body of competent jurisdiction, all remaining provisions of this Amendment not affected by such judgment or order shall continue in full force and effect.

SECTION 2.2. Further Amendments.. Nothing herein shall be construed to limit the rights of Deseret and UAMPS to the further amendment from time to time of the Ownership and Management Agreement as contemplated by Section 10.7 to reflect the transactions contemplated by the Agreement to Sell; provided, however that there shall be no amendment of the Ownership and Management Agreement, which would adversely affect the rights of Emery County without the prior written consent of Emery County.

SECTION 2.3. Counterparts. This Amendment may be executed in any number of counterparts. All such counterparts shall be deemed originals and shall constitute but one and the same instrument.

SECTION 2.4. Governing Law. The interpretation of this Amendment and the rights and obligations of the Parties shall be governed by and construed and enforced in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment the day and year first above written.

UTAH POWER & LIGHT COMPANY

By *P. H. Gordon*
Vice President

ATTEST:

Thomas W. Ferguson
Secretary

DESERET GENERATION & TRANSMISSION CO-OPERATIVE

By *Harry Fieldsted*
President

ATTEST:

Ralph A. Robinson
Secretary

STATE OF UTAH)
 : SS
COUNTY OF SALT LAKE)

On the 20th day of May, 1982, personally appeared before me, Harry Fieldsted, who, being duly sworn, did say, that he is the President of DESERET GENERATION & TRANSMISSION CO-OPERATIVE, and that said instrument was signed on behalf of said Co-operative by resolution of its governing Board, and said Harry Fieldsted acknowledged to me that said Co-operative executed the same.

Elmer G. Fox
Notary Public

My Commission Expires:

2-8-86

Residing at: Alpine, Utah

STATE OF UTAH)
 : SS
COUNTY OF SALT LAKE)

On the 14th day of May, 1982, personally appeared before me, Robert Gordon, who, being duly sworn, did say, that he is Vice-President of UTAH POWER & LIGHT COMPANY, and that said instrument was signed on behalf of said Company by resolution of its Board of Directors, and said Robert Gordon acknowledged to me that said Company executed the same.



Notary Public

My Commission Expires:

10-2-84

Residing at: Orem, Utah

S. DULLI

POWER PURCHASERS

Municipal Systems	% Of Hunter II Capacity	Points of Delivery	Nominal Delivery Voltage K.V.	Measurement Voltage K.V.	Initial Loss Factors'
Beaver	0.851	Beaver	46.0	46.0	1.10
Enterprise	0.394	Sigurd Substation'	230.0	12.5	1.05
Ephraim	0.621	Ephraim	46.0	46.0	1.10
Fairview	0.425	Fairview	46.0	46.0	1.105
Fillmore	1.876	Fillmore	46.0	46.0	1.10
Heber	2.217	Heber	46.0	46.0	1.10
Holden	0.248	Holden	7.2	7.2	1.11
Hurricane	0.789	Sigurd Substation'	230.0	12.5	1.05
Hyrum	1.507	Hyrum	46.0	12.5	1.11
Kanosh	0.151	Fillmore	46.0	46.0	1.10
Kaysville	2.616	Kaysville	46.0	46.0	1.10
Lehi	0.542	Lehi	46.0	46.0	1.10
Logan	7.354	Logan	46.0	46.0	1.10
Meadow	0.197	Fillmore	46.0	46.0	1.11
Monroe	0.680	Monroe	46.0	4.16	1.11
Morgan	0.248	Morgan	4.16	4.16	1.11
Mt. Pleasant	0.940	Mt. Pleasant	46.0	46.0	1.10
Murray	13.185	Murray	138.0	138.0	1.05
Oak City	0.248	Oak City	46.0	7.2	1.11
Parowan	1.284	Sigurd Substation'	230.0	34.5	1.05
Spring City	0.298	Spring City	4.16	4.16	1.11
TOTAL	36.741				
COOPERATIVES					
Bridger Valley	1.890	Vernal	138.0	138.0	1.05
Dixie-Escalante	3.300	Sigurd Substation'	230.0	46.0	1.05
Flowell	4.350	Fillmore	46.0	46.0	1.10
Garkane	8.185	(1) Sigurd	46.0	46.0	1.10
		(2) Vernal	138.0	69.0	1.05
		(3) Hunter Substation'	138.0	138.0	1.01
Moon Lake	32.936	(1) UPALCO	138.0	69.0	1.06
		(2) Vernal	138.0	138.0	1.05
Mt. Wheeler	12.498	Sigurd	230.0	230.0	1.05
TOTAL	62.252				
GRAND TOTAL	100.00%				

1. Quantities at Hunter II bus bar are related to quantities scheduled for delivery to the Power Purchaser by the formula $x = \text{bus bar quantities} \times y$ where $x =$ bus bar quantities and $y =$ Point of Delivery quantities.

3. In the event of the acquisition by Utah Power & Light of the electric utility system in Utah CP National, the Points of Delivery for Enterprise, Hurricane, Dixie-Escalante and Parowan will be changed to such respective Points of Delivery where each such Purchaser is presently interconnected with the CP National system, and the wheeling rates will be appropriately adjusted.

AMENDMENT AGREEMENT NO. 3

dated as of September 1, 1992

among

PACIFICORP

(as successor to Utah Power & Light Company),

DESERET GENERATION & TRANSMISSION CO-OPERATIVE

and

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

to

Ownership and Management Agreement

dated October 24, 1980,

between

UTAH POWER & LIGHT COMPANY

and

DESERET GENERATION & TRANSMISSION CO-OPERATIVE

AMENDMENT AGREEMENT NO. 3

THIS AMENDMENT AGREEMENT NO. 3 dated as of September 1, 1992 (Amendment Agreement No. 3), among PACIFICORP, an Oregon corporation as successor by merger to UTAH POWER & LIGHT COMPANY (PacifiCorp), DESERET GENERATION & TRANSMISSION CO-OPERATIVE (Deseret) and UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS (UAMPS) to the Ownership and Management Agreement dated October 24, 1980, between UTAH POWER & LIGHT COMPANY, a Utah corporation (UP&L) and Deseret.

WITNESSETH:

WHEREAS, Deseret has, pursuant to such Ownership and Management Agreement, heretofore purchased an undivided 39.69% interest in a nominal 400 net MW steam electric generating unit known as Hunter Steam Electric Generating Unit No. 2 (Hunter II, such term and other capitalized terms used herein without definition having the meanings set forth in Section 1.1 of such Ownership and Management Agreement, as amended to the date hereof and hereby) and in the Hunter II Site upon which Hunter II is located, an undivided 19.845% interest in the Common Facilities and an undivided 9.92% interest in the Hunter Station Site;

WHEREAS, as contemplated by Section 10.7 of such Ownership and Management Agreement, Deseret and UAMPS have entered into an Agreement to Sell an Ownership Interest dated as of May 1, 1982 (the Agreement to Sell), pursuant to which Deseret is selling to UAMPS, on a conditional basis and from the Ownership Interest and the Site Ownership Interest, (i) an undivided 14.582% interest in Hunter II, (ii) an undivided 7.291% interest in the Common Facilities, (iii) an undivided 14.582% interest in the Hunter II Site and (iv) an undivided 3.646% interest in the Hunter Station Site (collectively, the UAMPS Interest);

WHEREAS, Deseret and UP&L have executed Amendment Agreement No. 1 and Amendment Agreement No. 2, each dated as of May 1, 1982, to the Ownership and Management Agreement in order to amend the Ownership and Management Agreement to reflect the entering into of the Agreement to Sell and to amend Schedule I to the Ownership and Management Agreement to reflect transfers by certain UAMPS members of portions of their respective entitlement shares of power and energy from the UAMPS Interest (such Ownership and Management Agreement, as so amended, is herein referred to as the Ownership and Management Agreement);

WHEREAS, UAMPS will enter into certain arrangements with Emery County, Utah for the payment of annual fees in lieu of ad valorem property taxes with respect to the UAMPS Interest and, upon the consummation of such arrangements, UAMPS and Deseret will complete the conditional sale of the UAMPS Interest to UAMPS, title to the UAMPS Interest will be vested in UAMPS and the UAMPS Interest will be required to be included on the tax rolls of Emery County;

WHEREAS, pursuant to Section 10.7 of the Ownership and Management Agreement, PacifiCorp has agreed, at the request of Deseret, to enter into this Amendment Agreement No. 3 to reflect the completion of the conditional sale of the UAMPS Interest and the transfer of title to the UAMPS Interest to UAMPS pursuant to the Agreement to Sell; and

WHEREAS, PacifiCorp, UAMPS and Deseret desire to enter into this Amendment Agreement No. 3 to reflect the foregoing transactions;

NOW, THEREFORE, the parties hereto, for and in consideration of the mutual covenants contained herein, hereby agree as follows:

ARTICLE I

AMENDMENT

SECTION 1.1. Amendment of the Ownership and Management Agreement. (a) The Ownership and Management Agreement is hereby amended in its entirety to the extent necessary to reflect the consummation of the conditional sale of the UAMPS interest to UAMPS, the vesting of title to the UAMPS interest in UAMPS and the resulting ownership interests of PacifiCorp, Deseret and UAMPS in Hunter II, the Common Facilities, the Hunter II Site and the Hunter Station Site, as follows:

	Ownership Interest			
	Hunter II	Common Facilities	Hunter II Site	Hunter Station Site
PacifiCorp	60.310%	80.155%	60.310%	90.080%
Deseret	25.108	12.554	25.108	6.274
UAMPS	14.582	7.291	14.582	3.646
TOTAL	100.000%	100.000%	100.000%	100.000%

All references to Deseret in the Ownership and Management Agreement are hereby amended to refer to both Deseret and UAMPS to the extent necessary to reflect UAMPS' ownership of undivided interests in Hunter II, the Common Facilities, the Hunter II Site and the Hunter Station Site in order that UAMPS shall have all rights, duties and obligations with respect to the UAMPS interest, and to the extent of the UAMPS interest, that were heretofore possessed and exercised by Deseret. The rights of UAMPS under the Ownership and Management Agreement shall be no greater than Deseret's rights under the Ownership and Management Agreement. Without limiting the generality of the foregoing, PacifiCorp, Deseret and UAMPS hereby specifically agree that:

(i) the Management Council established pursuant to Article IV of the Ownership and Management Agreement shall consist of three representatives, one of whom shall be designated by PacifiCorp, one of whom shall be designated by Deseret and one of whom shall be designated by UAMPS, and the unanimous consent of all three representatives shall be required for those decisions described in Section 4.1 of the Ownership Agreement;

(ii) all budgets, revised budgets and bills prepared by the Operator pursuant to the Ownership and Management Agreement, including, without limitation, Article VIII thereof, shall be prepared on the basis of the undivided ownership interests of PacifiCorp, Deseret and UAMPS in Hunter II, the Common Facilities, the Hunter II Site and the Hunter Station Site, all as set

forth above, and all such budgets, revised budgets and bills shall be sent to both UAMPS and Deseret; and

(iii) PacifiCorp shall prepare and render separate bills to Deseret and UAMPS for the respective amounts payable by each of them pursuant to Section 8.3, or any other provision, of the Ownership and Management Agreement, based upon the respective undivided ownership interests of PacifiCorp, Deseret and UAMPS set forth above, and Deseret and UAMPS shall make payments to PacifiCorp at the times and in the amounts (based upon their respective ownership interests) required by the Ownership and Management Agreement, subject to the provisions of the Ownership and Management Agreement.

(b) By execution of this Amendment Agreement No. 3, UAMPS assumes and agrees to be bound by the provisions of the Ownership and Management Agreement, as amended by this Amendment Agreement No. 3.

(c) All notices, statements or requests to be delivered to UAMPS under the Ownership and Management Agreement, as amended by this Amendment Agreement No. 3, shall be delivered or mailed, by certified or registered mail, to the following address:

Utah Associated Municipal Power
Systems
8722 South 300 West
Sandy, Utah 84070-1419
Attention: General Manager

ARTICLE II

MISCELLANEOUS

SECTION 2.1. Effect of Amendment; Severability.

(a) **Effect.** Except as expressly amended hereby, the Ownership and Management Agreement shall remain in full force and effect in accordance with the terms thereof.

(b) **Severability.** In the event that any provision in this Amendment is declared illegal or no longer in force by reason of any judgment or order issued by a court or regulatory body of competent jurisdiction, all remaining provisions of this Amendment not affected by such judgment or order shall continue in full force and effect.

SECTION 2.2. Further Amendments. Nothing herein shall be construed to limit or expand the rights of Deseret and UAMPS to the further amendment from time to time of the Ownership and Management Agreement as contemplated by Section 10.7; provided, however, that there shall be no such amendment of the Ownership and Management Agreement which would adversely affect the rights of Emery County without the prior written consent of Emery County.

SECTION 2.3. Counterparts. This Amendment may be executed in any number of counterparts. All such counterparts shall be deemed originals and shall constitute but one and the same instrument.

SECTION 2.4. Governing Law. The interpretation of this Amendment and the rights and obligations of the Parties shall be governed by and construed and enforced in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment the day and year first above written.

PACIFICORP

By William C. Brauer
Its VICE PRESIDENT

[SEAL]

ATTEST:

Shauna Glavice
Its _____

DESERET GENERATION & TRANSMISSION
CO-OPERATIVE

By Levin G. Vinsland
President

[SEAL]

ATTEST:

Ralph H. Robner
Secretary

UTAH ASSOCIATED MUNICIPAL
POWER SYSTEMS

By *A. Morley Wilson*
Chairman, Board of Directors

[SEAL]

ATTEST:

Walter M. Meacham
Secretary

The provisions of Amendment Agreement No. 3 are hereby consented to:

EMERY COUNTY, UTAH

By *Mark S. Justice*
Chairman, Board of County Commissioners.

JCB/acj/861112aa3

September 16, 1992

PacifiCorp
Utah Power & Light Division
One Utah Center
201 South Main Street
Salt Lake City, Utah

Re: Amendment Agreement No. 3 to the Ownership and Management Agreement

Gentlemen:

Reference is hereby made to Amendment Agreement No. 3, dated as of September 1, 1992 ("Amendment Agreement No.3") among PacifiCorp, Deseret Generation & Transmission Co-operative ("Deseret") and Utah Associated Municipal Power Systems ("UAMPS") to the Ownership and Management Agreement dated October 24, 1980 (the "Ownership Agreement") between Utah Power & Light Company and Deseret.

Deseret and UAMPS hereby acknowledge and agree that the terms and provisions of Amendment Agreement No. 3 shall be deemed to have become effective on and as of the date hereof, being the date on which there has been delivered to UAMPS that certain Special Warranty Deed transferring fee simple title to a 14.582% interest in the Hunter II Site (as defined in the Ownership Agreement) and a 3.646% interest in the Hunter Station Site (as defined in the Ownership Agreement) from Deseret to UAMPS; provided, however, that in order to coordinate the billing and payment procedures of PacifiCorp, Deseret and UAMPS under Section 8.3 of the Ownership Agreement, the first monthly billing cycle for which Amendment Agreement No. 3 shall be effective shall commence on October 1, 1992.

Very truly yours,

DESERET GENERATION & TRANSMISSION
CO-OPERATIVE

By: *Merrell J. Miller*
General Manager

UTAH ASSOCIATED MUNICIPAL POWER
SYSTEMS

By: *Paul A. Hill*
General Manager

Acknowledged and Agreed to:

PACIFICORP

By: William C. Brown
Its V.P.

ICB/jp

Exhibit B

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is made by and between PacifiCorp, an Oregon corporation ("PacifiCorp"), and Deseret Generation & Transmission Co-operative, a Utah corporation ("Deseret"). This Agreement is effective upon its execution by both parties.

RECITALS

A. PacifiCorp and Deseret are parties to an Ownership and Management Agreement Dated October 24, 1980 between Utah Power & Light Company and Deseret Generation & Transmission Co-operative (the "O&M Agreement"), concerning their respective interests in a steam electric generating unit known as Hunter Steam Electric Generating Unit No. 2, together with interests in certain Common Facilities and the Hunter Station Site ("Hunter II").

B. The O&M Agreement was entered into in conjunction with the purchase by Deseret of an undivided 39.69% ownership interest in Hunter II. PacifiCorp is the successor by merger to Utah Power and Light Company ("UP&L").

C. Deseret subsequently sold an undivided 14.582% interest in Hunter II to Utah Associated Municipal Power Systems ("UAMPS"), and in Amendment Agreement No. 1, dated May 1, 1982, Amendment Agreement No. 2, dated May 1, 1982, and Amendment Agreement No. 3, dated September 1, 1992, the O&M Agreement was amended to reflect UAMPS' purchase of an ownership interest in Hunter II.

D. On or about July 15, 1996, Deseret and PacifiCorp entered into a Tolling Agreement, pursuant to which Deseret agreed to forbear from filing suit against PacifiCorp, asserting claims that Deseret contends it has against PacifiCorp arising from, connected with, or relating to the O&M Agreement and PacifiCorp's conduct and actions under the O&M Agreement or otherwise relating to Hunter II. PacifiCorp denies that Deseret has any valid claims against PacifiCorp.

E. PacifiCorp and Deseret now desire to settle all claims and potential claims between them, whether or not such claims could have been raised by either party in litigation between them, except as specifically set forth in Paragraph 9 below.

F. This Agreement represents the compromise of disputed claims, and no admissions of fact or liability by either party can or shall be construed from this Agreement.

AGREEMENT

Now therefore in consideration of the mutual promises, covenants, releases, and agreements contained herein, Deseret and PacifiCorp agree as follows:

1. Agreement Regarding the Coal Supply and Pricing Relationship Between PacifiCorp and Deseret Generation & Transmission Co-operative Under the Ownership & Management Agreement. As part of the consideration for the execution of this Agreement, and concurrently with its execution, PacifiCorp and Deseret shall fully execute the Agreement Regarding the Coal Supply and Pricing Relationship Between PacifiCorp and Deseret Generation & Transmission Co-operative Under the Ownership & Management Agreement ("Coal Pricing Agreement") in the form attached hereto as Exhibit 1.

2. Coal Price Billing Adjustment. PacifiCorp shall credit Deseret \$.50 per ton for all tons of coal consumed by Deseret as an owner of an interest in Hunter II during the period commencing on January 1, 1999 and ending on December 31, 1999. This one-time credit, not to exceed \$100,000.00, shall be reflected in the billing to Deseret for February 2000, and shall not otherwise affect the pricing of fuel to Deseret in 1999, 2000, or in subsequent years or the coal pricing formula as set forth in the Coal Pricing Agreement.

3. Settlement of Ash Costs Dispute. As part of the consideration for the execution of this Agreement, PacifiCorp shall be entitled to retain all sums which have been tendered by Deseret to PacifiCorp under dispute as payment for ash handling expenses at Hunter II. From the effective date of this Agreement, PacifiCorp shall continue to invoice Deseret and Deseret shall pay PacifiCorp for Deseret's proportionate share (allocated in proportion to Deseret's scheduling of power from Hunter II) of ash handling costs.

4. Termination of Tolling Agreement. PacifiCorp and Deseret agree that, upon the complete execution of this Agreement, the Tolling Agreement between them shall be and hereby is terminated and shall be of no further force or effect

5. Non-Severability. In the event that any provision in or obligation under this Agreement and/or the Coal Pricing Agreement shall be finally and bindingly declared, adjudged, or decreed invalid, illegal, or unenforceable in any court with jurisdiction as to Deseret and/or PacifiCorp, the balance of the obligations, covenants, agreements, and promises in this Agreement (except Paragraph 7 of this Agreement) and the Coal Pricing Agreement shall be deemed void and of no effect. For purposes of this Paragraph and of Paragraphs 6 and 7 below, a declaration, judgment, or decree of invalidity, illegality, or unenforceability shall mean and refer to a final and binding declaration, judgment, or decree from which any all rights of appeal have lapsed and/or been exhausted.

6. Covenant Not to Sue. Deseret covenants and agrees that, following the execution of this Agreement, it will not file or assert in any court with jurisdiction any claims released by Deseret pursuant to Paragraph 9 below, unless or until any provision in or obligation under this Agreement and/or the Coal Pricing Agreement is declared, adjudged, or decreed invalid, illegal, or unenforceable in any court with jurisdiction as to Deseret and/or PacifiCorp pursuant to Paragraph 5 above.

7. Right to Sue Upon Finding of Invalidity, Illegality, or Unenforceability.

If this Agreement is declared, adjudged, or decreed invalid, illegal, or unenforceable pursuant to Paragraph 5 above, then the parties agree (i) that any and all claims and defenses released pursuant to Paragraphs 9 and 10 of this Agreement may be asserted as if they had not been released pursuant to this Agreement, and (ii) that any statute of limitations and/or any defense based upon the passage of time shall be tolled for a period from the date on which the Tolling Agreement was made effective (July 26, 1996) until ninety (90) days after the date of any such declaration, judgment, or decree.

8. Fees and Expenses. PacifiCorp and Deseret shall each bear their own respective costs and expenses, including attorneys' fees, incurred in connection with this Agreement.

9. Release by Deseret. Subject only to Paragraphs 5 through 7 above, Deseret hereby releases and forever discharges PacifiCorp and its parents, subsidiaries, divisions, officers, directors, owners, associates, predecessors, successors, heirs, assigns, agents, partners, employees, insurers, representatives, lawyers, and all persons acting by, through, under, or in concert with them, or any of them (the "PacifiCorp Released Parties"), of and from any and all manner of action or actions, cause or causes of action, in law or in equity, and any suits, debts, liens, claims, demands, damages, losses, costs, or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter "Deseret Claims"), that Deseret now has against the PacifiCorp Released Parties as of the date of execution of this Agreement, by reason of any matter, cause, or thing whatsoever arising out of, based upon, or in any way relating to the O&M Agreement and PacifiCorp's conduct and actions under the O&M Agreement or otherwise relating to Hunter II. Notwithstanding the foregoing, Deseret expressly reserves and does not waive any claims, protests, or reservations it has made or may make regarding only the following specific, non-fuel-related Hunter II matters for a period commencing on August 1, 1998 and thereafter: (i) administrative and general rates included in billing invoices for Hunter II; (ii) early retirement charges at Hunter II; (iii) charges associated with PacifiCorp's accounting change related to its pension plan(s); and (iv) differences in invoiced charges relating to Hunter II created by a change in PacifiCorp's billing method from a cash basis to an accrual basis.

10. Release by PacifiCorp. Subject only to Paragraphs 5 through 7 above, PacifiCorp hereby releases and forever discharges Deseret and its parents, subsidiaries, divisions, officers, directors, owners, associates, predecessors, successors, heirs, assigns, agents, partners, employees, insurers, representatives, lawyers, and all persons acting by, through, under, or in concert with them, or any of them (the "Deseret Released Parties"), of and from any and all manner of action or actions, cause or causes of action, in law or in equity, and any suits, debts, liens, claims, demands, damages, losses, costs, or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter "PacifiCorp Claims"), that PacifiCorp now has against the Deseret Released Parties as of the date of execution of this Agreement, by reason of any matter, cause or thing whatsoever arising out of, based upon, or in any way relating to the O&M Agreement and Deseret's conduct and actions under the O&M Agreement or otherwise relating to Hunter II.

11. No Assignment of Deseret Claims. Deseret represents and warrants that there has been no assignment or other transfer of any interest in any Deseret Claims which Deseret may have against the PacifiCorp Released Parties and Deseret agrees to indemnify and hold the PacifiCorp Released Parties harmless from any liabilities, claims, demands, damages, costs, expenses, and attorneys' fees incurred by any of the PacifiCorp Released Parties, as a result of any person asserting any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the PacifiCorp Released Parties against Deseret under this indemnity.

12. No Assignment of PacifiCorp Claims. PacifiCorp represents and warrants that there has been no assignment or other transfer of any interest in any PacifiCorp Claims which PacifiCorp may have against the Deseret Released Parties and PacifiCorp agrees to indemnify and hold the Deseret Released Parties harmless from any liabilities, claims, demands, damages, costs, expenses, and attorneys' fees incurred by any of the Deseret Released Parties, as a result of any person asserting any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Deseret Released Parties against PacifiCorp under this indemnity.

13. Attorneys' Fees. If (i) either party hereafter commences, joins in, or in any manner seeks relief through any suit arising out of, based upon, or relating to any of the Deseret Claims and/or PacifiCorp Claims released hereunder, or (ii) Deseret violates the provisions of Paragraph 6 above, then such party shall pay to the other party all attorneys' fees incurred by the other party in defending or otherwise responding to any such suits.

14. Successors and Assigns. This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

15. Enforcement of Agreement. If either party to this Agreement brings an action or proceeding to enforce its rights hereunder, the prevailing party shall be entitled to recover its costs and expenses, including court costs and attorneys' fees, if any, incurred in connection with such action or proceeding.

16. Construction of Agreement. This Agreement shall be construed as a whole in accordance with its fair meaning and in accordance with the laws of the State of Utah. The terms of this Agreement have been negotiated by the parties, and the language of the Agreement shall not be construed in favor of or against any particular party. The headings used herein are for reference only and shall not affect the construction of this Agreement.

17. Entire Agreement. This Agreement and any exhibits attached hereto represent the entire agreement between the parties and supersede all prior agreements, negotiations, and discussions between the parties hereto and/or their respective counsel with respect to the subject matter covered hereby.

18. Agreement May Be Executed in Counterparts. This Agreement may be executed in counterparts, which together shall constitute a fully executed original.


19. Amendment to Agreement. Any amendment to this Agreement must be in a writing signed by duly authorized representatives of the parties hereto and stating the intent of the parties to amend this Agreement.

20. Confidentiality. PacifiCorp and Deseret, and each of their respective attorneys, successors, assigns, partners, agents, servants, officers, employees and representatives shall maintain this Agreement and the Coal Pricing Agreement attached as Exhibit 1 (as well as the terms and contents therein) (collectively referred to as the "Agreements") in the strictest confidence and shall not disclose any such information to any third parties unless: (a) it is necessary to disclose the terms and contents of the Agreements for purposes of their enforcement in a judicial proceeding; or (b) it is required by law, or judicial, administrative, or regulatory order to disclose such information. Notwithstanding the provisions of the preceding sentence, either party may disclose the Agreements to the Utah Public Service Commission, the Utah Division of Public Utilities, the Federal Energy Regulatory Commission, Utah Municipal Power Agency ("UMPA") and/or UAMPS. In the event that either party breaches or violates this confidentiality provision, that party shall be liable to the non-breaching party for damages and shall also be subjected to other equitable and injunctive relief as is necessary to prevent the further breach or violation of this provision.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the later of the two dates written below.

PACIFICORP

Dated: 3-24-99

By: 
Senior Vice President and
Its: General Counsel

DESERET GENERATION &
TRANSMISSION CO-OPERATIVE

Dated: 3-23-99

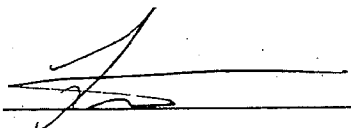
By: 
Its: General Manager & CEO

EXHIBIT 1

**AGREEMENT REGARDING THE COAL SUPPLY AND
PRICING RELATIONSHIP BETWEEN PACIFICORP AND
DESERET GENERATION & TRANSMISSION CO-OPERATIVE
UNDER THE OWNERSHIP AND MANAGEMENT AGREEMENT**

**AGREEMENT REGARDING THE COAL SUPPLY AND
PRICING RELATIONSHIP BETWEEN PACIFICORP AND
DESERET GENERATION & TRANSMISSION CO-OPERATIVE
UNDER THE OWNERSHIP AND MANAGEMENT AGREEMENT**

**THE OWNERSHIP AND MANAGEMENT AGREEMENT,
as amended, is dated October 24, 1980, and is between
UTAH POWER & LIGHT COMPANY,
DESERET GENERATION & TRANSMISSION CO-OPERATIVE, and
UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS**

This Agreement Regarding the Coal Supply and Pricing Relationship Between PacifiCorp and Deseret Generation & Transmission Co-operative Under the Ownership and Management Agreement ("Coal Pricing Agreement") is made effective as of January 1, 1999 by and between PacifiCorp, an Oregon corporation, and Deseret Generation & Transmission Co-operative ("Deseret"), a Utah corporation.

RECITALS

- A. PacifiCorp is the successor by merger to Utah Power and Light Company ("UP&L").
- B. On October 24, 1980, Deseret and UP&L entered into the Ownership and Management Agreement ("O&M Agreement") in conjunction with the purchase by DG&T of an undivided 39.69% ownership interest in that certain steam electric generating unit known as Hunter Steam Electric Generating Unit No. 2 ("Hunter II") in Emery County, Utah.
- C. Deseret subsequently sold an undivided 14.582% interest in Hunter II to Utah Associated Municipal Power Systems ("UAMPS"), and in Amendment Agreement No. 1, dated May 1, 1982, Amendment Agreement No. 2, dated May 1, 1982, and Amendment Agreement No. 3, dated September 1, 1992, the O&M Agreement was amended to reflect UAMPS' purchase of an ownership interest in Hunter II.
- D. In accordance with the terms and provisions set forth below, PacifiCorp and Deseret now desire to revise their coal supply and pricing relationship, as established by the O&M Agreement.
- E. This Agreement shall constitute a separate agreement as between PacifiCorp and Deseret, the terms of which shall supersede and replace the terms and conditions regarding the parties' coal supply and pricing relationship as it presently exists under the O&M Agreement.
- F. Accordingly, this Agreement shall not amend or alter (1) the O&M Agreement's provisions as between PacifiCorp and UAMPS; (2) the O&M Agreement's provisions as between Deseret and UAMPS; and/or (3) any aspect of the relationship between PacifiCorp and Deseret under the O&M Agreement, except as expressly provided herein.

G. Except as otherwise provided, the terms used herein shall be defined as set forth in Section 1.1 of the O&M Agreement.

AGREEMENT

Now therefore, in consideration of the mutual promises, covenants, and agreements contained herein, PacifiCorp and Deseret hereby agree as follows:

1. Pricing of Fuel Pursuant to Section 5.5. As between PacifiCorp and Deseret, Section 5.5 of the O&M Agreement is hereby deleted in its entirety and replaced with the following:

SECTION 5.5. *Coal Supply and Coal Costs.*

(a) *Supply of Coal by PacifiCorp.* PacifiCorp agrees, subject to the occurrence of Uncontrollable Forces, to provide Hunter II with fuel in sufficient quantities to permit the operation of Hunter II, including the Ownership Interest, in compliance with all Federal, state and local laws and regulations applicable to Hunter II, at its projected Capacity Factor, from the date of the O&M Agreement (i) through the Estimated Useful Life of Hunter II and (ii) on a best efforts basis thereafter until the Final Shutdown Date. The coal supply to be utilized as fuel for operation of Hunter II shall be furnished by PacifiCorp from the source(s) or origin(s) of PacifiCorp's choosing, subject to Deseret's right to provide its own coal under the terms and conditions of paragraph (c) below. Commencing on January 1, 1999, such fuel shall be supplied to Hunter II, in the case of coal, at an initial price to Deseret of \$.935/MMBtu. This price shall be effective through and including April 30, 1999, and shall be adjusted effective May 1, 1999 and annually thereafter in accordance with paragraph (b) below. This price does not include any and all carrying, handling, and stockpiling charges, which shall be separately allocated and billed to Deseret; provided, however, that the price shall include carrying charges associated with the coal preparation plant. For purposes of billing hereunder, Deseret's fuel cost shall be billed monthly.

(b) *Adjustment to Coal Price.* Effective May 1, 1999 and annually on each succeeding May 1, the price paid by Deseret for coal shall be adjusted to equal 104.35% of the annual average cost of coal consumed (as expressed in \$/MMBtu) for PacifiCorp's share of Hunter II for the calendar year immediately preceding the year in which the calculation and adjustment is being made. The annual average cost of coal consumed shall include any and all items that may be recorded as expenses for coal consumed in accordance with 18 CFR Part 101, Section 151 Fuel Stock (Major Only) (4-1-97 Edition). (For example, the calculation and adjustment effective on May 1, 1999 shall be based upon PacifiCorp's annual average cost of coal consumed for its share of Hunter II for the year ending December 31, 1998.). The coal price adjustment for each year shall be calculated and notice thereof given to Deseret within thirty (30) days of the date on which

PacifiCorp files its FERC Form No. 1 (or if, for any reason, PacifiCorp is not required to file FERC Form No. 1, as soon as reasonably possible within the applicable calendar year). The adjusted coal price shall be effective on May 1 of the calendar year in which the calculation is made. In the event that 18 CFR Part 101, Section 151 is deleted, amended, or otherwise altered, the annual coal price adjustment shall nevertheless be calculated and adjusted in accordance with calculation methods and practices existing at the time this Agreement was executed.

(c) *Source of Coal and Deseret's Right to Supply Coal.* PacifiCorp shall provide all coal to be consumed at Hunter II pursuant to paragraph (a) above for so long as PacifiCorp owns coal reserves within the Central Utah Coal Fields (consisting of the Wasatch Plateau and Book Cliffs coal fields). During such time, PacifiCorp may supply coal to Hunter II from the source(s) or origin(s) of PacifiCorp's choosing. In the event PacifiCorp (or its subsidiaries) ceases to own coal reserves within the Central Utah Coal Fields, then (i) PacifiCorp shall notify Deseret of PacifiCorp's cessation of ownership within sixty (60) days of the date of such cessation of ownership, and (ii) Deseret, at its option, but subject to the prior written approval of PacifiCorp of any coal supply agreement, may, pursuant to the conditions herein set forth, supply up to 25.108% of the coal requirements for operation of Hunter II. If Deseret elects to supply coal hereunder, (i) the supply of such coal shall not disrupt deliveries of coal to either Hunter II or any other generating units at the Hunter Station or, in the opinion of PacifiCorp, directly or indirectly impair or adversely affect PacifiCorp's operations as a result of labor, labor-related or similar problems; and (ii) all coal so supplied will be (1) of a kind and quality that will be comparable to the coal supplied by PacifiCorp for Hunter II and will be compatible with the design characteristics and environmental requirements of Hunter II, (2) delivered and unloaded at the Hunter Station coal handling facilities or at the adjacent preparation plant (as directed by PacifiCorp) at such times and in such amounts as PacifiCorp may reasonably specify in order to permit the continuous operation of Hunter II, and (3) supplied for the remaining Estimated Useful Life of Hunter II, or such lesser period as may be mutually agreed upon. If Deseret should supply coal hereunder, inventories of coal shall be shared and losses adjusted proportionately. The right of Deseret to supply coal as provided in this paragraph 5.5(c) may be exercised only by written notice given to PacifiCorp within one hundred twenty (120) days of the date that PacifiCorp shall give to Deseret written notice that PacifiCorp no longer owns coal reserves within the Central Utah Coal Fields. Notice of Deseret's election shall be accompanied by a coal supply agreement executed by the supplier. In the event Deseret elects hereunder to supply less than 25.108% of the Hunter II coal supply, the provisions of paragraphs (a) and (b) above shall apply to all coal supplied by PacifiCorp, over and above that supplied by Deseret, required for operation of Deseret's portion of the Ownership Interest, and Operation and Maintenance Expenses under paragraph (e) of Section 5.3 shall be appropriately adjusted. If deliveries of coal by Deseret shall commence, but shall thereafter be interrupted, PacifiCorp and Deseret shall attempt to agree on means for the continued operation of the Ownership Interest at its most efficient load. During any period of interruption of coal deliveries arranged by Deseret hereunder, Deseret's right to the output of Power and Energy from the Ownership Interest shall be

limited to that part of such output as shall be generated by coal furnished by Deseret hereunder, and Deseret shall reimburse PacifiCorp for any losses incurred during such period in the course of maintaining an efficient load on Hunter II.

(d) *Right of Deseret to Supply Water and Coal Under Limited Circumstances.* For the period, if any, after the end of the Estimated Useful Life of Hunter II and prior to the Final Shutdown Date, during which period PacifiCorp shall be obligated to provide water and coal to Hunter II on a best efforts basis pursuant to Sections 5.4 and 5.5 hereof, if PacifiCorp shall fail to provide such water and coal in sufficient quantities to permit the operation of Hunter II, including the Ownership Interest, at its projected Capacity Factor, Deseret may, at its option, supply sufficient quantities of water and/or coal to permit such operation under a contract approved by PacifiCorp and PacifiCorp agrees to reimburse Deseret for its costs for such water and/or coal to the extent that Deseret furnishes more than 25.108% of the water and coal requirements for such operation.

(e) *Fuel Other than Coal.* Consistent with current practice, fuel other than coal shall be supplied by PacifiCorp to Hunter II and billed to Deseret at a cost for any month equal to the cost to PacifiCorp of purchasing, delivering, and stockpiling such fuel.

(f) *Allocation and Payment of Operation and Maintenance Expenses.* Nothing contained in Sections 5.5(a), (b), (c), (d), and/or (e) is intended to alter, nor shall it alter, the allocation and payment of Operation and Maintenance Expenses (other than Deseret's coal costs, which shall be calculated in accordance with Sections 5.5(a), (b), (c), (d), and (e) above), and/or any other costs or expenses allocated under the O&M Agreement.

2. PacifiCorp's Use of Unscheduled Deseret Percentage Share of Power and Energy. Notwithstanding any provision to the contrary in Section 2.7, Section 5.6, and/or in any other Section of the O&M Agreement, and notwithstanding any provision to the contrary in Section 9.2 and/or in any other Section of the Transmission Service and Operating Agreement between Deseret and PacifiCorp, dated May 1, 1992 ("TS&O Agreement"), but subject to the provisions of the Power Marketing and Resource Management Services Agreement Between Deseret Generation & Transmission Co-operative and PacifiCorp, dated July 26, 1996 (the "Marketing Agreement"), for so long as the Marketing Agreement is in effect, PacifiCorp shall be fully entitled to use all or any portion of Deseret's percentage share of Power and Energy from Hunter II at any time when all or any portion of such percentage share is not scheduled by Deseret; provided, however, that PacifiCorp must notify Deseret of any changes in unit availability during such periods of use by PacifiCorp. PacifiCorp shall supply fuel and pay for all Energy-Related Costs associated with its use of Deseret's percentage share of Power and Energy from Hunter II.

3. Deseret's Minimum Schedule of Hunter II. Effective as of the date the Marketing Agreement is terminated, and notwithstanding any provision in the O&M Agreement to the contrary, Deseret shall not be required to schedule its percentage share of the minimum capability of Hunter II.

4. Consent of Deseret for Major Capital Improvements. As between PacifiCorp and Deseret, Section 4.1(a) of the O&M Agreement is hereby deleted in its entirety and replaced with the following:

(a) decisions relating to expenditures for:

(i) Capital Improvements which are to be implemented within six months from the date first reported to the Management Council by PacifiCorp; or,

(ii) any Capital Improvement requiring total expenditures in excess of \$1,000,000.00 ("Major Capital Improvement"), subject to the following procedures:

(1) PacifiCorp shall present any proposed Major Capital Improvement to all members of the Management Council at least thirty (30) days prior to a vote on the proposed Major Capital Improvement by the Management Council. In the event that Deseret withholds its consent to a proposed Major Capital Improvement, PacifiCorp and Deseret shall attempt to agree upon a satisfactory resolution regarding the Major Capital Improvement within sixty (60) days from the date it was voted on by the Management Council. If PacifiCorp and Deseret are unable to agree upon a satisfactory resolution, the matter may be submitted to binding arbitration pursuant to subsections 4.1(a)(ii)(2) through 4.1(a)(ii)(11) below.

(2) The arbitration may be commenced by PacifiCorp or Deseret at any time within one hundred twenty (120) days of the date on which the Major Capital Improvement was voted on by the Management Council, by the party seeking arbitration submitting to the other party a Notice of and Demand for Arbitration ("Arbitration Notice").

(3) The arbitration shall be administered by the Utah office of the American Arbitration Association ("AAA"), shall be conducted before a single arbitrator, and shall be conducted, except as otherwise provided herein, in accordance with the Commercial Arbitration Rules of the AAA.

(4) The arbitrator shall be selected in the following manner: within ten (10) days of the receipt of an Arbitration Notice, the parties shall sign and file a written submission to arbitrate before the Utah office of the AAA. The AAA shall then send simultaneously to both parties an identical list of names of twenty (20) persons chosen from the AAA panel. Both parties shall then each have ten (10) days from the transmittal date in which to select five (5) names and return the list to AAA in order of preference. The AAA shall then send simultaneously to both parties the new combined list of names

selected by each party. Both parties may then each strike three (3) names from the new combined list on a peremptory basis. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the AAA shall have the power to make the appointment from among other members of the AAA panel not previously listed by AAA without the submission of additional lists.

(5) The sole question to be decided either "yes" or "no" by the arbitrator is whether the Major Capital Improvement, as proposed by PacifiCorp for Hunter II, the Common Facilities, and/or the Hunter Station Site, is consistent with Reasonable Utility Practice, as defined by the O&M Agreement. The decision rendered by the arbitrator shall be final and binding, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

(6) The arbitrator shall render a decision regarding whether the Major Capital Improvement, as proposed by PacifiCorp, is consistent with Reasonable Utility Practice not later than one hundred twenty (120) days from the date on which the Arbitration Notice was submitted (or, if it is an earlier date, not later than thirty (30) days after the date of closing of hearings).

(7) The Arbitrator shall set a timetable for the arbitration, including setting the date, time and place of any hearing; provided, however, that, unless PacifiCorp and Deseret agree in writing to the contrary, the arbitration shall be scheduled and conducted so that it is complete, including the rendering of the arbitrator's decision, not later than one hundred twenty (120) days from the date on which the Arbitration Notice was submitted.

(8) All hearings before the arbitrator shall be held in Salt Lake County, Utah.

(9) The arbitrator shall determine procedures for discovery, how evidence shall be taken, what written submittals may be made, and other such procedural matters, taking into account the complexity of the issues involved, the extent to which factual matters are disputed, and the extent to which the credibility of witnesses is relevant to a decision. Such procedures shall ensure that the Arbitrator (i) allows for adequate discovery of the facts, (ii) takes testimony under oath, (iii) transcribes and keeps testimony, (iv) maintains a docket that identifies each document received, and (v) maintains a file of the documents. The arbitrator shall accept relevant and material evidence and may request additional information and testimony. Such additional information shall be furnished by the parties and may be requested from other entities having such information.

(10) During the pendency of the arbitration, PacifiCorp may, at its sole option, implement the proposed Major Capital Improvement, provided that it do so at no immediate capital expense to Deseret and that the benefits to be derived from the Major Capital Improvement (if any) during the pendency of the arbitration shall not be allocated to or shared with Deseret's percentage share of ownership of Hunter II. Upon receipt of the arbitrator's determination, capital expense for the Major Capital Improvement shall be allocated as provided in (11) below.

(11) If the arbitrator determines that the proposed Major Capital Improvement is consistent with Reasonable Utility Practice, the Major Capital Improvement may be implemented forthwith (if it has not been previously implemented pursuant to (10) above) and all expenditures therefor (including expenditures, if any, previously made for implementation pursuant to (10) above) allocated to the owners of Hunter II in proportion to their respective percentage shares of ownership. If the arbitrator determines that the proposed Major Capital Improvement is not consistent with Reasonable Utility Practice, PacifiCorp may implement (or, if applicable, continue to implement) the Major Capital Improvement at no capital or subsequent operational expense to Deseret and without diminishing Deseret's then-current entitlement to Power from Hunter II, and the benefits to be derived from such Major Capital Improvement shall not be allocated to or shared with Deseret's percentage share of ownership of Hunter II.

5. Successors and Assigns. This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

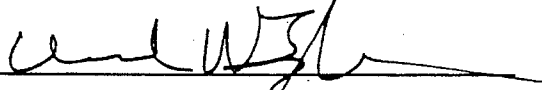
6. Construction of Agreement. This Agreement shall be construed as a whole in accordance with its fair meaning and in accordance with the laws of the State of Utah. The terms of this Agreement have been negotiated by the parties, and the language of the Agreement shall not be construed in favor of or against any particular party. The headings used herein are for reference only and shall not affect the construction of this Agreement.

7. Entire Agreement. This Agreement and any exhibits attached hereto represent the sole and entire agreement between the parties and supersede all prior agreements, negotiations, and discussions between the parties hereto and/or their respective counsel with respect to the subject matter covered hereby.

8. Agreement May Be Executed in Counterparts. This Agreement may be executed in counterparts, which together shall constitute a fully executed original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

PACIFICORP

By: 
Senior Vice President and
Its: General Counsel

DESERET GENERATION & TRANSMISSION
CO-OPERATIVE

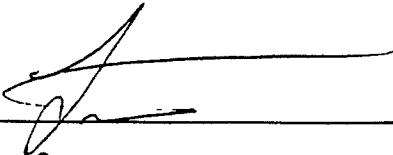
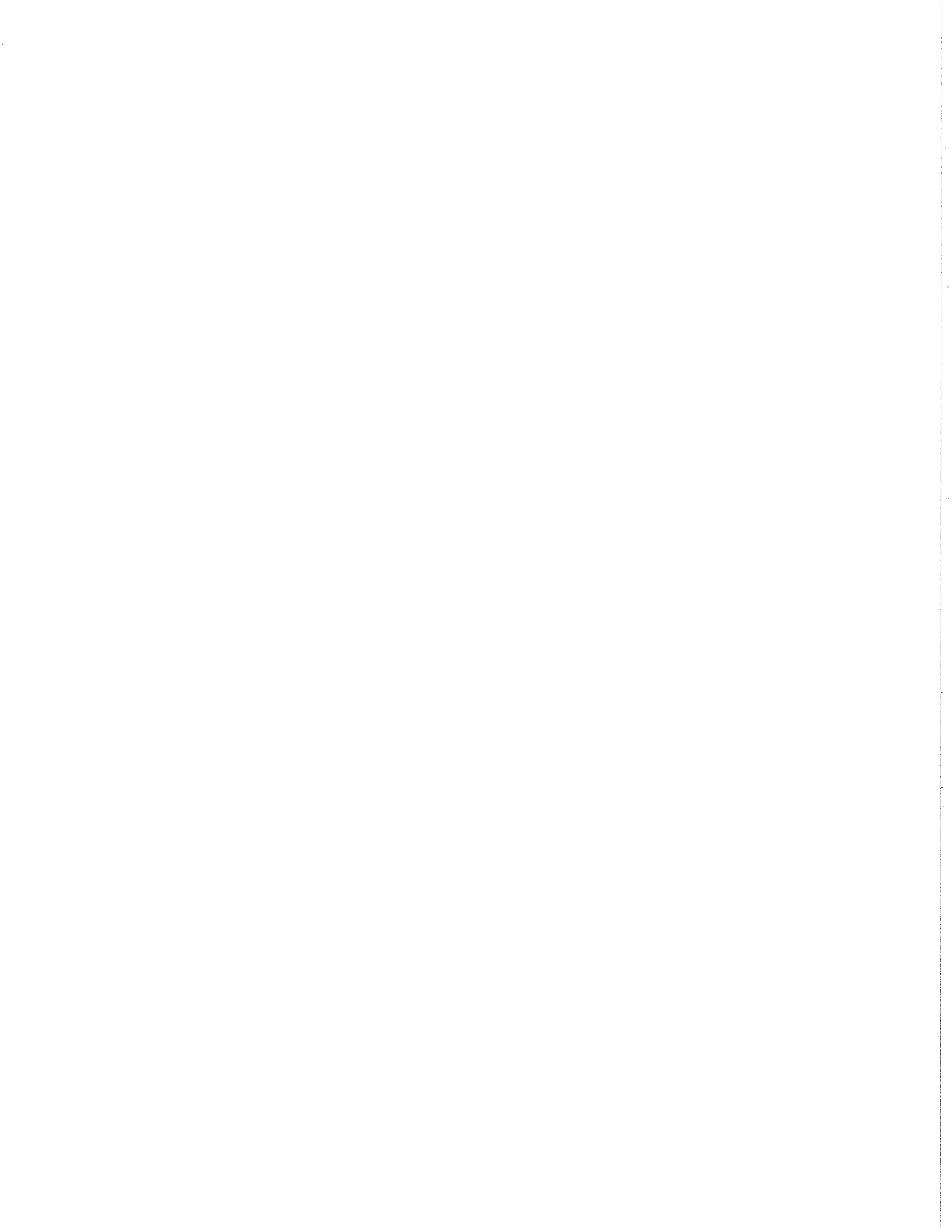
By: 
Its: General Mgr./CEO

Exhibit C



**Exhibit "C"
To Complaint**

**Hunter Plant Capital Projects --
Unapproved**

Project	Total Estimated Cost
302 Clean Air - PM ESP/Baghouse	81,920,721*
U2 Clean Air - SO2 Scrubber Work	52,808,205*
302 Turbine Upgrade HP/IP/LP	30,948,126*
<u>Add'l Projects**:</u>	
302 Economizer Replacement	6,444,015
302 Low Temp. SH Replacement	6,244,645
300 HUNTER NERC CIP Compliance Work	2,762,240
300 Cond Pol/WT/Ash DCS Replacements	1,824,337
305 1&2 High Fidelity Simulator	1,577,431
300 Turbine Crane Controls	873,375
302 Mercury CEMS ***	690,272
305 Load Center XFMR Replacement	586,880
300 Load Center XFMR replacement	340,600
300 Overhaul Dozer	186,183
300 Plant Roof Replacement - CY10	154,995
300 Asphalt Pavement Repair - CY10	103,330
300 Asphalt Pavement Repair - CY11	103,330
300 Treated Raw Water Power Cables	65,240
300 Belt Replacement - #2 Plow Feeder Be	45,465
300 Belt Replacement Truck Hopper	37,728

Note: Not Listed: Various Other Unapproved
Capital Projects Completed or Substantially
Complete as of 01/01/10.

* Deseret has specifically disputed these projects

** Deseret was never presented opportunity to review and approve the
Remaining projects listed; Deseret is Uncertain Which of the Projects
Would have been approved had Deseret's input been sought.

*** Deseret believes the Mercury CEMS project may have been
motivated in large part due to Clean Air Mercury Rules that
no longer apply – calling into serious question the
investment on this equipment.

