

# Attachment Q

**AGREEMENT FOR ELECTRIC SERVICE TO EXISTING CUSTOMERS  
AS OF JUNE 15, 2013 WITHIN A MUNICIPAL BOUNDARY**

This Agreement for Electric Service to Existing Customers as of June 15, 2013 Within a Municipal Boundary (“Agreement”) is made and entered into between Parowan City Corporation, a municipal corporation organized under the laws of the state of Utah (the “Municipality”), and PacifiCorp, an Oregon corporation d/b/a in Utah as Rocky Mountain Power (“Rocky Mountain Power”). The Municipality and Rocky Mountain Power each may be referred to as a “Party” or collectively as the “Parties.”

**RECITALS**

A. The Legislature of the State of Utah passed Senate Bill 180 (the “Bill”) during the 2013 General Session of the Legislature amending Title 54, Chapter 3 of the Utah Code to add a new Section 31 regarding electric service of a public utility to customers located within a municipal boundary. The Bill became law on May 13, 2013.

B. The Municipality owns and operates a local electric utility system that provides electric service to customers located within its municipal boundary.

C. Rocky Mountain Power is a public utility and an electrical corporation in the state of Utah authorized by a certificate of public convenience and necessity (the “Certificate”) issued by the Public Service Commission of Utah (“Commission”) to provide electric service to an area adjacent to the Municipality.

D. On or before June 15, 2013, Rocky Mountain Power was providing electric service to certain customers located within the municipal boundary of the Municipality (individually a “Customer” and collectively, the “Customers”).

E. Pursuant to Utah Code Ann. § 54-3-31(2), Rocky Mountain Power provided the Municipality with an accurate and complete verified written notice, on or before December 15, 2013, identifying each such Customer, which is attached hereto as Appendix 1 (the “Written Notice of Existing Customers”).

F. The Parties enter into this Agreement subject to the Commission’s approval, in compliance with Utah Code Ann. §§ 54-3-31 and 54-4-40 to allow Rocky Mountain Power to continue to provide electric service to the Customers, subject to, and in accordance with, the terms and conditions of this Agreement.

**TERMS AND CONDITIONS**

In consideration of the following agreements and conditions, the Parties agree as follows:

1. **Service to Customers.** Unless otherwise agreed by the Parties in writing as provided in with Utah Code Ann. §§ 54-3-31(4):

a. From and after the Effective Date, Rocky Mountain Power shall exclusively provide electric service to the Customers subject to, and in accordance with,

the terms and provisions of this Agreement and Rocky Mountain Power's tariffs and regulations approved the Commission (as the same may be amended or subsequently approved by the Commission from time to time, the "Approved Tariffs and Regulations") unless Rocky Mountain Power terminates this Agreement in accordance with Utah Code Ann. § 54-3-31(5).

b. Unless a term is otherwise agreed in writing by the Parties, upon termination of this Agreement for any of the reasons set forth above or otherwise, Rocky Mountain Power shall transfer to the Municipality electric service to the Customers, together with the facilities used by Rocky Mountain Power to serve such Customers, all in accordance with Utah Code Ann. § 10-2-421(3) – (7), as the same may be amended.

2. **Service to Additional Customers Within Municipal Boundary.** Rocky Mountain Power shall not provide service to any customer located within the municipal boundary other than the Customers except pursuant to the procedures and in accordance with a written agreement as provided in Utah Code Ann. §§ 54-3-31(4) and 54-4-40.

3. **Application; Effective Date.**

a. Within 45 days of execution of this Agreement or such longer time as the Parties may mutually agree, Rocky Mountain Power shall file an application ("Application") with the Commission pursuant to Utah Code Ann. § 54-4-40 seeking the Commission's approval of this Agreement. Rocky Mountain Power shall, and, upon request by Rocky Mountain Power, the Municipality shall, support approval of the Application before the Commission, including responding to discovery requests, providing written and oral testimony and other evidence, and providing written and oral argument. Neither Party shall directly or indirectly oppose the Application or support any petition for review, rehearing or reconsideration in the Commission of an order of the Commission approving the Application ("Order") or any petition for review in court of the Order.

b. This Agreement shall be effective from and after the date the Commission approves the Application (the "Effective Date"). In the event, however, that the Commission issues an order disapproving the Application, this Agreement shall terminate and be of no further force or effect.

4. **Cooperation.** In providing material written information to any third party or government entity or in obtaining any approval of any government entity in connection with this Agreement, the Parties agree to mutually support each other in obtaining regulatory approvals of the Agreement and in gaining any required franchise, providing information to regulators and parties in regulatory proceedings and to other government entities required to issue franchises, and cooperating in responding to parties that may oppose approval of the Agreement or issuance of any required franchises. Notwithstanding the foregoing, neither Party shall be required to disclose to the other Party information that is privileged or is competitively sensitive and confidential, including internal analyses, even if the Party is required to disclose the information subject to the terms of a protective order or rule to another government entity or third party.

5. **Franchise or Other Agreements.** Nothing in this Agreement shall be construed as modifying, terminating or otherwise amending any written franchise or other agreement entered into between the Parties on or before June 15, 2013 that expressly provides for electric service by Rocky Mountain Power to customers within the Municipality (in any case, an "Existing Agreement").

6. **Miscellaneous.**

a. **General Representations and Warranties.** Each of the Parties represents and warrants to the other Party that the Party has the power and authority to enter into this Agreement and to perform its obligations under this Agreement and that the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by the governing body of the Party, and, except as stated otherwise in this Agreement, no other actions or proceedings on the part of the Party are necessary to authorize this Agreement and the transactions contemplated by this Agreement.

b. **Each Party to Bear Own Expenses.** Except as otherwise expressly provided in this Agreement, all expenses incurred by or on behalf of the Parties in connection with the authorization, preparation, execution and consummation of this Agreement, including, without limitation, all fees and expenses of agents, representatives, counsel, and accountants employed by the Parties, shall be borne solely by the Party that incurred the expenses.

c. **Waiver of Jury Trial and Limitation on Damages.** THE PARTIES EXPRESSLY WAIVE THEIR RIGHT TO TRIAL BY JURY ON ANY CLAIM ARISING UNDER THIS AGREEMENT AND AGREE THAT ANY SUCH CLAIM MAY NOT BE JOINED OR CONSOLIDATED IN ANOTHER ACTION BEING TRIED TO A JURY. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, PROVIDED BY STATUTE, OR IN TORT OR CONTRACT.

d. **Notices.**

i. **Permitted Methods of Notice.** Any notice, or other communication required under this Agreement shall be in writing, shall be delivered as per the contact information provided below, and shall be deemed properly given: (1) upon delivery if delivered in person; (2) three days after deposit in the mail, if sent by registered first class United States mail, postage prepaid; or (3) upon delivery if delivered by a commercial courier service.

ii. **Contact Information.**

Municipality

Parowan City Corporation  
Electrical Department Director  
P.O. Box 576  
Parowan, UT 84761

Rocky Mountain Power:

Service Area Manager  
Rocky Mountain Power  
201 South Main Street, 23rd Floor  
Salt Lake City, UT 84111-4904

cc: Office of the General Counsel  
Rocky Mountain Power  
201 South Main Street, 24th Floor  
Salt Lake City, UT 84111-4904

iii. **Change of Contact Information.** Either Party may change its contact person or address specified above by giving the other Party notice of the change in accordance with subparagraph 5.d.i, above.

e. **Assignments.** Except as otherwise provided below, neither Party may, without the other Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, assign, pledge, or transfer all or any part of this Agreement or any right or obligation under this Agreement, whether voluntarily or by operation of law; provided, however, that either Party may, without the other Party's consent, assign its rights and obligations under this Agreement to an entity with which the Party is merged or consolidated, so long as the assignor consents in writing to be bound by all obligations of the assignee under this Agreement.

f. **Binding on Successors.** This Agreement shall inure to the benefit of the Parties hereto, their respective successors and permitted assigns, and shall be binding upon the successors and permitted assigns of each.

g. **Waivers.** Any waiver of a Party's rights with respect to any breach of this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute a waiver with respect to any other breach or matter arising in connection with this Agreement. All waivers must be in writing and signed by an authorized representative of the Party granting the waiver.

h. **Governing Law.** This Agreement is made under and will be governed by and construed in accordance with the internal laws of the State of Utah.

i. **Headings and Construction.** The headings and subtitles in this Agreement are for the convenience of the Parties and are not to be used for its construction or interpretation. Any use of the singular in this Agreement also includes the plural, and any use of the plural also includes the singular.

j. **Not Construed Against Either Party.** This Agreement was entered into by the Parties after consultation with counsel, and shall be considered to have been drafted by both Parties. The language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against either of the Parties.

k. **Severability.** If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

l. **Counterparts.** This Agreement may be executed in counterparts which, taken together, shall constitute one and the same Agreement and shall not be effective unless and until the Commission approves the Application in accordance with the provisions of paragraph 2.

m. **Entire Agreement.** This Agreement, including the recitals stated above and the appendices attached hereto, which are incorporated herein by this reference, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and, except as otherwise expressly provided in this Agreement, supersedes all prior negotiations and agreements, whether written or oral. This Agreement may not be altered or amended except by an instrument in writing executed by both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates indicated below.

**Parowan City Corporation, a municipal corporation organized under the laws of the State of Utah**

**PACIFICORP, an Oregon corporation doing business in Utah as ROCKY MOUNTAIN POWER**

Signature: *Donald G. Landes*

Signature: *Mark C. Moench*

Print Name: DONALD G. LANDES

Name: Mark C. Moench

Title: MAYOR

Title: Senior Vice President and General Counsel

Date: 12/18/13

Date: 1/30/14

ATTEST:

Signature: *Callie Bassett*

Print Name: Callie Bassett

Title: Parowan City Recorder



**APPENDIX 1**

**WRITTEN NOTICE OF EXISTING CUSTOMERS**

(see attached "Written Notice of Existing Customers")



**THIS APPENDIX IS CONFIDENTIAL  
AND IS PROVIDED UNDER  
SEPARATE COVER**