



825 NE Multnomah Street
Portland, OR 97232

ORIGINAL

March 28, 2013

UNITED STATES PUBLIC
SERVICE COMMISSION

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

2013 APR -3 A 8:27

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RECEIVED

RE: *PacifiCorp*
Docket No. ER13-____-000

Dear Secretary Bose:

Docket No. 13-999-01

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2006), Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35 (2011), and Order No. 714¹ regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Project Construction Agreement ("Construction Agreement"), dated March 27, 2013, between PacifiCorp Energy ("PacifiCorp Energy") and PacifiCorp's Transmission Function ("PacifiCorp Transmission"), to be designated as PacifiCorp Rate Schedule No.693.

1. Background and Reason for Filing

PacifiCorp Energy is in the process of removing a generation facility at a site in Carbon County, Utah and has made a request to PacifiCorp Transmission for the decommissioning of 172 megawatts of electrical generation facilities.

On May 31, 2012, to advance the implementation of the decommissioning, PacifiCorp Transmission filed an Engineering and Procurement Agreement which had been executed with PacifiCorp Energy.² PacifiCorp Transmission's submittal was accepted by the Commission with an effective date of June 1, 2012.

In its May 31, 2012 filing, PacifiCorp Transmission advised the Commission that the parties were using an Engineering and Procurement Agreement to begin engineering and procurement work prior to the execution of a Construction Agreement, which is the subject of this filing.

¹ *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008).

² Designated by PacifiCorp as Rate Schedule FERC No. 685.

On June 29, 2012, pursuant to section 205 of the Federal Power Act,³ PacifiCorp Transmission filed a proposed revision to Article 2.5 of its Standard Large Generator Interconnection Agreement (LGIA), Attachment N, Appendix 6, under its Open Access Transmission Tariff (OATT), to provide clarity on cost allocation issues related to the disconnection of generating facilities. In an order dated November 20, 2012, the Commission denied PacifiCorp Transmission's proposed revision (the "November 2012 Order").⁴

In the November 2012 Order, the Commission stated that a generic one-size-fits-all approach to this issue would not consider, for instance, the physical or operational limitations of the transmission system when the interconnection customer initially entered into its LGIA with the transmission provider or developments that occurred thereafter. The Commission therefore decided to review such requests on a case-by-case basis to determine that costs assigned to the terminating party are just and reasonable, both for LGIAs and for interconnection agreements that pre-date Order No. 2003.

On March 27, 2013, PacifiCorp Energy and PacifiCorp Transmission entered into the Construction Agreement. Under the Construction Agreement, PacifiCorp Transmission agrees to perform, and PacifiCorp Energy agrees to pay for, such modifications identified as necessary to accommodate PacifiCorp Energy's request to disconnect the Carbon thermal generating facility from the interconnection at the Carbon Substation, including modifications which are necessary to maintain system reliability following disconnection, consistent with any final FERC order on cost allocation for the project.

In developing the Construction Agreement, PacifiCorp Transmission has analyzed and incorporated the Commission's guidance provided in the November 2012 Order. In this case, the costs assigned to PacifiCorp Energy as the terminating party are just and reasonable because the modifications required to facilitate the decommissioning of the facility do not provide a benefit to other users of the transmission system which would necessitate that the costs be allocated as network upgrades. The modifications merely maintain the status quo reliability of the system. With the Carbon facility on line, the system was reliable and no system investments were needed to maintain reliability.

While PacifiCorp is cognizant of the Commission's guidance that it should consider the physical or operational limitations of the transmission system when the interconnection customer initially entered into its LGIA, including any developments that occurred thereafter, the Carbon facility pre-dates the Commission's standardized LGIA requirements and no interconnection agreement exists. The Carbon facility units were placed in service in 1954 and 1957, and at the time, there was no requirement for an interconnection agreement. Additionally, no upgrades have subsequently occurred at the

³ 16 U.S.C. § 824d (2006).

⁴ *PacifiCorp*, Letter Order, Docket No. ER12-2154-000 (Nov. 20, 2012).

generating facility which would have necessitated entrance into an LGIA. Accordingly, because of the lack of documentation of any physical or operational limitations of the transmission system when the interconnection customer initially connected the facility, PacifiCorp Transmission is not able to perform the specific analysis suggested by the Commission. PacifiCorp Transmission has analyzed whether the modifications required to facilitate the decommissioning of the facility provide a benefit to other users of the transmission system and based on this analysis, has determined that the costs should not be allocated as network upgrades.

In the interconnection context, the Commission has articulated an important distinction between the interconnection customer's interconnection facilities and network upgrades. The former are sole use facilities that benefit only the interconnection customer, while the latter are part of the integrated grid and benefit all users of the transmission system. Because interconnection facilities benefit only the interconnection customer, Commission policy has long held that the cost of such facilities should be directly assigned to the interconnection customer.⁵ On the other hand, Commission policy has also long held that the cost of network upgrades may not be directly assigned to the interconnection customer because network upgrades provide a benefit to all transmission system users.⁶ In this case, the decommissioning modifications required for the Carbon facility are more like interconnection facilities than network upgrades. The interconnection customer's decision to decommission the facility will require investments which are being assigned to PacifiCorp Energy in order to *maintain* system reliability – not to improve it or to otherwise benefit the integrated grid. The modifications will not provide a benefit to other users of the transmission system; rather, treating such modifications as network upgrades would burden other users of the transmission system with costs which were driven by one customer's decision to decommission its interconnected facility. Under these circumstances, disconnection costs are appropriately allocated to PacifiCorp Energy rather than to other users of the transmission system.

PacifiCorp Transmission completed two decommissioning studies for the Carbon facility. The first study included modifications needed to maintain current system reliability once the Carbon facility was decommissioned and incorporated network upgrades such as a transmission line from Mathington substation to Helper substation, as well as a spare phase shifter. The total cost was estimated to be \$79 million.

PacifiCorp Transmission conducted the second study with a narrowed scope, focused only on modifications needed to maintain the current transmission system reliability once the Carbon facility was decommissioned. The study concluded that to maintain the current system reliability, no network customer benefits would be realized, and, therefore, all costs associated with the decommissioning project would be directly assigned to the disconnecting generator. The total cost was estimated to be \$43,640,751.

The network upgrades associated with the first study were determined to be unnecessary for the purpose of maintaining the status quo environment. Therefore, the

⁵ *Nevada Power Company*, 111 FERC ¶ 61,161 at P 12 (2005).

⁶ *Id.*

executed Construction Agreement reflects the scope and cost of the second study. A detailed cost breakdown from the second study is provided below:

Carbon 138kV Substation Disconnection The work consists of disconnecting the Carbon Plant from the 138kV substation.	\$404,166
Carbon 46kV Substation removal This substation is no longer needed once the plant is shut down.	\$312,310
Carbon Plant Communications; 138kV Substation This consists of the removal of the microwave communications from the Carbon Plant building. This microwave is used for the transmission-service-related protective relaying at the 138kV substation to communicate to the other protective devices on the transmission system. Due to this removal and no line of sight communication from the 138kV substation to the rest of the transmission system, and to maintain the current level of transmission reliability, an alternate cost effective means of communication for the 138kV Carbon substation is needed and has been identified as fiber-optic cable. To continue with microwave would require the addition of a new microwave site, a more costly solution, to be constructed within line of sight of the Carbon 138kV Substation and another part of the system.	\$36,743
Helper Substation To maintain the current level of transmission system reliability, the work at the Helper substation is related to the communication and controls for the Static VAR compensator ("SVC") to control the capacitor bank at the Helper substation.	\$284,753
Mathington Substation The SVC and capacitor banks are required to maintain current system performance by providing dynamic voltage support and prevent voltage collapse.	\$21,769,856
Upalco Substation Phase Shifting Transformer Without the Carbon generation, the addition of a phase shifting transformer at the Upalco substation is required to limit the initial flow results in the resolution of the steady-state and single contingency overload problems.	\$18,731,186
Sunnyside, Columbia, Price, Sigurd, Oquirrh, Beaver Mountain, Lake Mountain, Salt Lake Control Center and Portland Control Center. Communication modifications will be needed when the microwave communication is removed at the Carbon facility.	\$82,670
Spanish Fork Substation The work entails moving a series reactor at Spanish Fork to Upalco to provide limited back up in the event the phase shifting transformer fails.	\$137,784
Emma Park Substation. Communication fiber work due to the removal of	\$284,753

the microwave communication at the Carbon Plant. This restores communication between protection devices at the Carbon 138kV substation and the rest of the transmission system.

Carbon 138kV Substation to Mathington, fiber. Due to the proposed removal of the microwave communication system at the Carbon Plant, and no line of sight communication from the 138kV substation to the rest of the transmission system, an alternate cost effective means of communication for the Carbon 138kV substation is needed to maintain the current level of reliability. The solution has been identified as fiber. To continue with microwave would require the addition of a new microwave site, a more costly solution, to be constructed within line of sight of the Carbon 138kV substation and another part of the system. \$1,102,271

Carbon – Upalco 138 kV Loop in at Upalco. Transmission work needed to insert the Upalco phase shifting transformer required to maintain reliability. \$578,692

Ashley – Upalco 138 kV Loop in at Upalco. Transmission work needed to insert the Upalco phase shifting transformer required to maintain reliability. \$275,567

Total **\$43,640,751**

PacifiCorp Transmission respectfully requests that the Commission accept the Construction Agreement, attached hereto, for filing.

2. Effective Date and Request for Waiver

PacifiCorp respectfully requests waiver of the Commission's prior notice and filing requirements so as to permit a March 29, 2013, effective date for the Construction Agreement. The Commission has determined that it will grant waiver of such prior notice requirements for good cause shown.⁷ Good cause exists to grant this waiver request because this filing is uncontested and there is no change in rates resulting from the Construction Agreement under the cost allocation proposed. In addition, the requested effective date for the Construction Agreement is needed to ensure PacifiCorp can support its critical path schedule to achieve an April 15, 2015 decommissioning date. This date is the established deadline for the Carbon facility to demonstrate compliance with Mercury and Air Toxics Standards promulgated by the U.S. Environmental Protection Agency.

⁷ *Central Hudson Gas & Electric Corporation, et al.*, 60 FERC ¶ 61,106 (allowing waiver of prior notice for filings that are uncontested and do not change rates or reduce rates), *order on reh'g*, 61 FERC ¶ 61,089 (1992).

To the extent that any filing requirement in Part 35 of the Commission's regulations is not satisfied by this filing and the materials enclosed herewith, PacifiCorp Transmission respectfully requests waiver of such requirements.

3. Designation

PacifiCorp Transmission requests that the Construction Agreement be designated as PacifiCorp Rate Schedule No. 693.

4. Enclosure

The following enclosure is attached hereto:

Project Construction Agreement between PacifiCorp Energy and PacifiCorp Transmission, to be designated as PacifiCorp Rate Schedule FERC No. 693.

5. Communications

All communications and correspondence regarding this filing should be forwarded to the following persons:

Patrick C. Cannon
Senior Counsel
PacifiCorp
825 N.E. Multnomah, Suite 1800
Portland, OR 97232
(503) 813-5613
(503) 813-7252 (facsimile)
Patrick.Cannon@PacifiCorp.com

Rick Vail
Vice President, Transmission
PacifiCorp
825 N.E. Multnomah, Suite 1600
Portland, OR 97232
(503) 813-6938
(503) 813- 6893 (facsimile)
Rick.Vail@PacifiCorp.com

6. Service List

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, a copy of this filing is being served on each of the following:

Chad Teply
PacifiCorp Energy
1407 West North Temple
Salt Lake City, Utah 84116
Chad.Teply@PacifiCorp.com

Jeff Erb
PacifiCorp Energy
825 NE Multnomah Street, LCT 600
Portland, Oregon 97232
Jeff.Erb@PacifiCorp.com

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114

If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

Respectfully Submitted,

/s/ Patrick C. Cannon
Patrick C. Cannon

Attorney for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused a copy of the foregoing document to be served via first-class mail or electronic mail upon each of the parties listed in the enclosed Service List.

Dated at Portland, Oregon this 28th day of March, 2013.

/s/ Patrick C. Cannon

Patrick C. Cannon

PacifiCorp

825 N.E. Multnomah, Suite 1800

Portland, OR 97232

(503) 813-5613

(503) 813-7252 (facsimile)

patrick.cannon@pacificorp.com

PROJECT CONSTRUCTION AGREEMENT
PROJECT TITLE: PACIFICORP ENERGY / CARBON DECOMMISSIONING
PROJECT / OTPQ 0075

This Project Construction Agreement (the "Agreement") made and entered into this 27th day of March, 2013, between PacifiCorp, on behalf of its PacifiCorp Energy Business Division, hereinafter called "PAC Energy" or "Customer," and PacifiCorp, on behalf of its Transmission Function, hereinafter called "PacifiCorp" or "Company," is for work to be performed by Company for Customer (hereinafter referred to as the "Project"). Hereinafter, PAC Energy and PacifiCorp may be individually referred to as a "Party" or collectively referred to as the "Parties."

RECITALS:

- A. WHEREAS, PacifiCorp is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah;
- B. WHEREAS, PAC Energy owns and operates the Carbon thermal generating facility currently interconnected with PacifiCorp's 138 kV transmission system at the Carbon Substation in Carbon County, Utah, which PAC Energy is considering decommissioning and disconnection from the transmission system;
- C. WHEREAS, PAC Energy has requested and PacifiCorp has completed a System Impact and Facilities Study ("Study") to determine the impact on the transmission system and the system modifications required to disconnect the Carbon thermal generating facility from the interconnection at the Carbon Substation;
- D. WHEREAS, PacifiCorp has completed the Study and issued a redlined Study Report, dated August 24, 2012, that contains the Study results and outlines the modifications required to accommodate PAC Energy's request, as further described and detailed in this Agreement;
- E. WHEREAS, the Parties will file this Agreement with the Federal Energy Regulatory Commission and will allocate the costs related to the disconnection of generating facilities, including costs associated with any modifications to the transmission system that are required to maintain system reliability following the disconnection of the facilities, between the transmission operator and the terminating interconnection customer, consistent with any final order;
- F. WHEREAS, PacifiCorp has agreed to perform the work required to complete the modifications according to the terms set forth herein.

NOW THEREFORE, the Parties enter into this Agreement with the understanding that each mutually benefits from this Agreement. The parties further agree to the following:

1. TERM & TERMINATION

The term of this Agreement shall commence on the later of the date of this Agreement or another date designated by the Federal Energy Regulatory Commission ("Commission" or "FERC"), if filed at the Commission and accepted for filing ("Effective Date"). This Agreement shall terminate ninety (90) days following Company's receipt of final payment of actual costs by Customer.

2. SCOPE AND PERFORMANCE OF WORK:

- a. **Project Description and Scope.** The Project shall consist of the design, procurement and installation of identified equipment and modifications to the interconnected transmission system to accommodate the decommissioning and disconnection of the Carbon thermal generating facility (the "Project Facilities") as outlined in the attached Exhibit A, Carbon Decommissioning Project Requirements Summary.
- b. **Company Responsibilities.** Company agrees to perform the work to be completed by the Transmission Provider as outlined in the attached Exhibit B, Scope of Work. Company agrees to provide a bi-weekly update upon effective date of this Agreement on progress and key dates of work to support the completion of the attached Scope of Work. If requested by Customer, Company also agrees to a weekly meeting or conference call to review the status of the Project.
- c. **Customer Responsibilities.** PAC Energy agrees to complete the work to be completed by the Interconnection Customer as outlined in the attached Exhibit B, Scope of Work.
- d. **Performance Standards.** Each Party shall perform all its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice (as such terms are defined in the Company's Open Access Transmission Tariff), and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in breach of this Agreement for compliance therewith.

3. OWNERSHIP/RESPONSIBILITY FOR COSTS:

3.1 Ownership

PacifiCorp shall own, operate and maintain all substation and transmission system modifications required to complete the Project.

3.2 Estimated Costs

The Company's estimated cost to complete the Scope of Work for the Project Facilities is \$43,640,751 broken down as shown in the attached Exhibit C, Cost Estimate.

3.3 Payment of Actual Costs

Customer shall reimburse Company for the actual cost to complete the Project pursuant to the delineation of scope and costs provided in Exhibits B and C. Company will send a monthly invoice to Customer for progress payments following the Effective Date until the completion of the Project. Company will issue invoices no later than the tenth day of each month. Customer's payment of invoices is due no later than 30 days after the invoice is received.

Following completion of the Project, Company shall calculate its actual costs for the Project Facilities completed. Company's actual costs shall include all direct costs plus applicable overheads. Company will forward a copy of the calculation to Customer along with an invoice one hundred twenty (120) calendar days after completion of construction. Customer will have thirty (30) calendar days after receiving any invoice to make a payment.

Company shall keep accurate and complete accounting records in support of all cost billings and claims in accordance with generally accepted accounting principles. Customer will receive a summary of the costs with every monthly invoice and upon request, will be provided with accounting in reasonable detail for Customer's review and verification.

The Parties agree to adjust the cost allocation for the Project Facilities pursuant to the Changes provision in Section 8 in the event that FERC issues definitive guidance regarding cost allocation for the Project Facilities different than that described herein after the effective date of the Agreement.

3.4 Audit Rights

Each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, and each Party's actions in an Emergency Condition (as defined in the Open Access Transmission Tariff).

Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights.

Any disputes under this provision shall be resolved in accordance with the Dispute Resolution Procedures outlined in Section 12 of PacifiCorp's Open Access Transmission Tariff.

3.5 Right to Stop/Suspend Work

In the event the Carbon Plant will continue to operate with no impact to the transmission system, the customer reserves the right, upon seven (7) days advance written notice to Company, to require Company at any time to stop/suspend all work by Company pursuant to this Agreement. Upon issuance of any such stop-work/suspend-work order, Customer shall pay in accordance with Section 3.3 above, the Project Costs Company has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the suspension or cancellation of third-party contracts, any suspension or cancellation costs for equipment that is already ordered for the Project Facilities, and contingent on when the work stoppage occurs, costs associated with ensuring system reliability is maintained.

4. TAXES

4.1 Customer Payments Not Taxable

The Parties intend that all payments or property transfers made by Customer to Company for the installation of Company's system modifications shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code ("IRC") and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the IRC and any applicable state income tax laws.

4.2 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Company

Notwithstanding Section 4.1, Customer shall protect, indemnify and hold harmless Company from the cost consequences of any current tax liability imposed against Company as the result of payments or property transfers made by Customer to Company under this Agreement for Project Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Company.

Company shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Customer under this Agreement unless (i) Company has determined, in good faith, that the payments or property transfers made by Customer to Company should be reported as income subject to taxation or (ii) any governmental authority directs Company to report payments or property as income subject to taxation. Customer shall reimburse Company for such costs on a fully grossed-up basis, in accordance with Section 4.3, within thirty (30) calendar days of receiving written notification from Company of the amount due, including detail about how the amount was calculated.

4.3 Tax Gross-up Amount

Customer's liability for the cost consequences of any current tax liability under this Section 4 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Customer will pay Company, in addition to the amount paid for the Project Facilities an amount equal to (1) the current taxes imposed on Company ("Current Taxes") on the excess of (a) the gross income realized by Company as a result of payments or property transfers made by Customer to Company under this Agreement (without regard to any payments under this Article) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Company to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Company's composite federal and state tax rates at the time the payments or property transfers are received and Company will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Company's anticipated tax depreciation deductions as a result of such payments or property transfers by Company's current weighted average cost of capital. Thus, the formula for calculating Customer's liability to Company pursuant to this Article can be expressed as follows:

(Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation)) / (1 - Current Tax Rate).

4.4 Contests

In the event any governmental authority determines that Company's receipt of payments or property constitutes income that is subject to taxation, Company shall notify Customer, in writing, within thirty (30) calendar days of receiving notification of such determination by a governmental authority.

4.5 Refund

In the event that (a) a private letter ruling is issued to Company which holds that any amount paid or the value of any property transferred by Customer to Company under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company in good faith that any amount paid or the value of any property transferred by Customer to Company under the terms of this Agreement is not taxable to Company, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Customer to Company are not subject to federal income tax, or (d) if Company receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Customer to Company pursuant to this Agreement, Company shall promptly refund to Customer the following:

(i) any payment made by Customer under this Section 4 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;

(ii) interest on any amounts paid by Customer to Company for such taxes which Company did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Customer to the date Company refunds such payment to Customer; and

(iii) with respect to any such taxes paid by Company, any refund or credit Company receives or to which it may be entitled from any governmental authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Company for such overpayment of taxes (including any reduction in interest otherwise payable by Company to any governmental authority resulting from an offset or credit); provided, however, that Company will remit such amount promptly to Customer only after and to the extent that Company has received a tax refund, credit or offset from any governmental authority for any applicable overpayment of income tax related to the Project Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for the Project Facilities hereunder, in the same position they would have been in had no such tax payments been made.

5. PROJECT SCHEDULE:

The Parties mutually agree to the schedule for the completion of the Project Facilities outlined in Exhibit D, Schedule. All project schedule milestones are best estimates of the Company at the time the schedule was developed.

6. OPERATION AND MAINTENANCE:

Operation and maintenance of the Project Facilities shall be the responsibility of the Company.

7. STANDARD OF WORK:

All work performed pursuant to this Agreement by either Party or their agents shall be performed in a good and workmanlike manner in accordance with Good Utility Practice and with any and all prudent and applicable safety and reliability standards.

8. CHANGES:

The Parties may at any time, in writing, mutually agree to changes and/or additions within the general scope of this Agreement or any amendment hereto, direct the omission of or variation in the Scope of Work attached hereto as Exhibit A, or alter the Schedule attached as Exhibit D. If such direction results in a material change in the amount or character of the Scope of Work, an equitable adjustment in estimated costs and other such provisions of this Agreement as may be affected shall be made and this Agreement shall be modified in writing accordingly.

No change shall be binding upon the Parties until a change order is executed by each Party which is in writing and expressly states that it constitutes a change order to this agreement. The issuance of information, advice, approvals, or instructions verbally or by an exchange of e-mail or in any other manner short of a writing executed by both parties shall not constitute an authorized change order pursuant to this provision.

All revisions to this Agreement, if originally filed at FERC, will be filed by Company as a restated agreement.

9. INSPECTION:

Customer may, at its discretion, inspect Company construction work in progress upon reasonable notice and with supervision by Company.

Company may inspect Customer's construction work of Project Facilities being constructed at Customer's expense upon reasonable notice and with Customer supervision. Customer will provide Company with a reasonable schedule of construction to allow inspection coordination. Customer will provide testing results to Company as specified in the technical specifications.

10. TESTING:

Before the new facilities required for the Project are energized, such new facilities shall be tested by Company to ensure their safe and reliable operation in accordance with Good Utility Practice, all applicable FERC, North American Electric Reliability Corporation and Western Electricity Coordinating Council criteria and requirements, and all applicable federal, state, and local law, regulations, and requirements. If testing indicates that modifications are required to conform to the aforementioned regulations and requirements, Customer shall bear the cost of all such modifications in accordance with the cost allocation in Section 3 above, except to the extent that any such modifications are required as a result of Company's or its agents' or its subcontractors' negligence, willful misconduct, or failure to comply with Good Utility Practice.

11. ACCESS:

Company shall grant Customer and its designees reasonable escorted access to the Project Facilities consistent with such access rights as are established in prior agreements between the Parties, provided that Customer provides Company with reasonable notice and complies with Company's safety and security rules.

12. GOVERNING LAW:

Enforcement or interpretation of this Agreement shall be in the state court of the State of Utah, and all parties hereby submit to the jurisdiction of said court for the stated purpose. Furthermore, this Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

13. NO PARTNERSHIP:

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

14. NON-ASSIGNABILITY:

Neither this Agreement, nor any part thereof, may be assigned, without the express written consent of the other Party which consent will not be unreasonably withheld. Any attempt to assign this Agreement that lacks express written consent will be deemed voidable.

15. PROVISIONAL REMEDIES:

Either party may seek provisional legal remedies, if in such party's judgment such action is necessary to avoid irreparable damage or preserve the status quo.

16. ENTIRE CONTRACT:

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and there are no oral or written understandings, representations or commitments of any kind, express or implied, which are not expressly set forth herein.

17. NOTICES:

Any correspondence regarding this work shall be directed to the appropriate party (or parties) as shown below:

Customer:

PacifiCorp Energy
Attn: Robert Van Engelenhoven
1407 West North Temple, Ste 210
Salt Lake City, UT 84116
Phone: (801) 220-4402
Fax: (801) 220-4676
e-mail: Bob.VanEngelenhoven@Pacifcorp.com

With cc to:

Irene Heng
PacifiCorp Energy
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Phone: (503) 813-5589
Fax: (503) 813-5378
e-mail Irene.Heng@Pacifcorp.com

PacifiCorp:

Director, Transmission Customer Services
Attn: Nathan Ortega
PacifiCorp
825 NE Multnomah Street, Suite 1600
Portland, OR 97232
Phone (503) 813-5191
Fax (503) 813-6893

18. BILLING AND PAYMENT:

Billings and payments shall be sent to the address(es) set out below:

Customer:

Attention: Robert Van Engelenhoven
Address: 1407 West North Temple, Ste 210
Salt Lake City, UT 84116
Fax No.: (801) 220-4676

with a copy by e-mail to: Bob.VanEngelenhoven@Pacifcorp.com

Transmission Provider:

US Mail Deliveries: PacifiCorp Transmission
PO Box 2757
Portland, OR 97208-2757

Other Deliveries: PacifiCorp Transmission
Attn: Central Cashiers
1033 NE 6th Ave
Portland OR 97232

Phone Number (503) 813-6774

19. INDEMNIFICATION:

Company agrees to protect, defend, indemnify and hold harmless Customer, its officers, employees and agents (collectively the "Customer Indemnitees") against and from any and all third party liability, suits, loss, damage, claims, actions, costs and expenses of any nature, including court costs and attorney's fees, arising out of injury to or death of the Customer Indemnitees or their employees, agents or guests, or any other person or persons, or any and all destruction, loss or damage to property arising in any way in connection with, or related to, the Company's performance of any work or any of its obligations under the Agreement, except as to injury to persons or damage to property on the work site caused by the negligence of the Customer Indemnitees.

Customer agrees to protect, defend, indemnify and hold harmless Company, its officers, employees and agents (collectively the "Company Indemnitees") against and from any and all third party liability, suits, loss, damage, claims, actions, costs and expenses of any nature, including court costs and attorney's fees, arising out of injury to or death of the Company Indemnitees or their employees, agents or guests, or any other person or persons, or any and all destruction, loss or damage to property arising in any way in connection with, or related to, the Company Indemnitees performance of any work or any of its obligations under the Agreement, except as to injury to persons or damage to property on the work site caused by the negligence of the Company Indemnitees.

20. LIMITATION OF LIABILITY:

Except as otherwise expressly provided in this Agreement, each Party's liability to the other Party for any loss, cost, claim, injury, damage, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred which shall not exceed the estimated cost in section 3.2 under this Agreement. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as specifically authorized by this Agreement.

21. FORCE MAJEURE:

A Party shall not be subject to any liability or damages for inability to meet its obligations under this Agreement to the extent that such failure shall be due to causes beyond the control of the Party, including, but not limited to the following: (a) the operation and effect of any new or modified rules, regulations and orders promulgated by the Commission, any applicable state public utility commission, any municipality, or any governmental agency of the United States, or subdivision thereof (so long as the claiming party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such government action); (b) restraining order, injunction or similar decree of any court; (c) any Force Majeure event.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure. Should a Force Majeure event occur, the Party claiming Force Majeure shall notify the other party as soon as practicable following the event.

Provided, the Party claiming Force Majeure shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible. Except for the obligation to pay amounts owed when due, time periods for performance obligations of either Party herein shall be extended for the period during which Force Majeure was in effect.

22. SUCCESSORS:

This Agreement will be binding upon the Parties and will inure to the benefit of their respective successors.

23. SEVERABILITY:

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

24. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE, OR TO REQUEST THE CONSOLIDATION OF, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

25. MULTIPLE COUNTERPARTS:

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

26. CONTRACTORS AND SUBCONTRACTORS:

Nothing in this Agreement shall prevent Company or Customer from utilizing the services of any third party contractor or subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that Company and Customer shall require a third party contractor and subcontractor to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such third party contractor and subcontractor.

27. NO THIRD-PARTY BENEFICIARIES:

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

28. SURVIVAL

The provisions of Section 3, as well as all payment obligations and liabilities incurred before the termination or expiration of this Agreement, will survive its termination or expiration.

29. MODIFICATIONS OR AMENDMENTS

No modification or amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by authorized representative of the Parties.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective as of the day and year first herein above written.

PACIFICORP on behalf of its
Transmission Function

PACIFICORP on behalf of its
PacifiCorp Energy Business Division

/s/ Patrick Reiten
Signature

/s/ Michael G. Dunn
Signature

Patrick Reiten
Printed Name of Signor

Michael G. Dunn
Printed Name of Signor

Pres./CEO Pacific Power
Title of Signor

President and CEO
Title of Signor

3/27/13
Date

March 26, 2013
Date

Exhibit A
Carbon Decommissioning Project Requirements Summary

- 1) Remove the 46 kV Carbon switching substation and replace the existing alternate station service feed to the 138 kV switching station with a new feed.
- 2) Install two (2) 138 kV 15 MVAR capacitor banks at the Transmission Provider's planned Mathington Substation. This work must be performed prior to the decommissioning of the Carbon generating facility.
- 3) Permit an expansion of the planned Transmission Provider owned Mathington Substation for the SVC and design/install one (1) 138 kV + 85 MVAR and -15 MVAR static VAR compensator. This work must be performed prior to the decommissioning of the Carbon generating facility.
- 4) Modify communications and modify the protection and control equipment at multiple Transmission Provider locations including: the Price Service Center, the Columbia Substation, the Lake Mountain and Beaver Mountain communication sites, the Sigurd Substation, the Spanish Fork Substation, the Sunnyside plant, the Oquirrh Substation, the Emma Park Substation, the Salt Lake Control and Portland Control Centers. This work must be performed prior to the decommissioning of the Carbon generating facility.
- 5) Install one (1) substation control building, one (1) phase shifting transformer, relocate the 138kV, 62 ohm series reactor from the Spanish Fork Substation, install six (6) 145 kV, 2000 A, 40 kA circuit breakers with associated CCVTs and switches at the Transmission Provider's Upalco Substation. With the exception of relocating the series reactor from the Spanish Fork Substation to Upalco, which will occur after the Carbon generating facility stops generating, this work must be performed prior to the decommissioning of the Carbon generating facility

- 6) In the case of the implementation of the Contingency Plan the following additional work will be required:
- Add a third new 15 MVAR Cap at the Mathington Substation. This additional work is not included in the scope of work or the cost estimate.
 - Implement a new capacitor tripping scheme to remove 1-2 capacitors for loss of the Carbon to Upalco 138 kV line. This task represents one new incremental cap bank to the permanent scope plus a over voltage protection scheme. Given the communication requirements, for the over voltage protection scheme and equipment, estimate 18 months to complete. If the schedule to the permanent solution is at any risk, this would be in the critical path and should be initiated no later than fall 2013.

EXHIBIT B
Scope of Work

CARBON GENERATING FACILITY AND SUBSTATION

Work to be completed by the Interconnection Customer

- Remove all Interconnection Customer owned equipment on the Carbon generating facility side of 138 kV switches 131A and 132A at the 138 kV Carbon generating facility switchyard.

- Remove all Interconnection Customer owned equipment on the Carbon generating facility side of the 46 kV switches associated with circuit breaker 40 in the Transmission Provider's 46 kV carbon switchyard.

Carbon 46 kV Substation

Work to be completed by the Transmission Provider

- Provide engineering and labor to completely remove all of the Transmission Provider's substation electrical equipment, bus work, potential, ground and 7.5MVA "Crank-up" transformers, fuses and fuse mounts, external mounted current transformers, structures, foundations, control cables, metering, ground wiring and all fencing and gates associated with the switchyard.

- Design, procure and construct a replacement for the existing alternate station service feed going to the Carbon 138 kV Substation.

Carbon 138 kV Substation

Work to be completed by the Transmission Provider

- Design, procure and construct to install fiber to the Helper Substation and to the Emma Park Substation with fiber patch panels. Install fiber node on the ring connecting to Emma Park, Helper and Mathington Substations. Reroute the existing multiplex over the new fiber ring to Mathington and over the Mathington microwave path to the Beaver Mountain Communication Site. Replace the existing battery and charger.

- Provide engineering and labor to remove the SPS that keys the transfer trip to the Columbia Substation and the Sunnyside plant for opening of CB 103 at the Carbon 138 kV Substation and remove panel section G from panel B13. Work with Sunnyside plant owners to cancel the leased circuit.

- Provide engineering and labor to remove channel banks, and miscellaneous communications equipment if useful for spares.
- Design, procure and install replace the existing batteries and battery charger at the Carbon 138 kV Substation.

Carbon generating facility

Work to be completed by the Transmission Provider

- Provide engineering and labor to shut down and remove, if necessary, all Transmission Provider microwave radio equipment, antenna, Loop AM3440-C multiplex, 7.5 kVA generator, propane tank, transfer panel, the communications and the generating facility RTU's, Tait base radio, and Cisco routers. Void all communications documentation associated with the plant.

HELPER SUBSTATION

Work to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Coordinate with the supplier of the SVC for the control of the existing 138 kV shunt capacitor. A control system will be designed to tie the operation of the shunt existing capacitors at the Helper and the new Mathington Substations to the SVC controller.
- Design, procure and deploy pilot line protection on the 138 kV line between the Helper and Mathington Substation to maintain the stability of the Sunnyside generator for fault on this line.
- Design, procure and install fiber to the Carbon and Mathington Substations with fiber patch panels. Provide a fiber node to Mathington, Emma Park, and Carbon Substations and to the new Mathington SVC building. Provide communications channel(s) from the Helper Substation to the Mathington Substation to replace the existing channels currently on the Carbon Plant – Beaver Mountain Communication Site microwave and a channel for the capacitor control from the Mathington SVC.

MATHINGTON SUBSTATIONWork to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Expand the Mathington Substation yard and design, procure and install the following equipment:
 - 1 – 138kV SVC + 85 MVAR and – 15 MVAR.
 - 4 - 145kV, 2000A, 40kA, circuit breakers with pre-insertion resistors.
 - 2 – 138kV, 15 MVAR capacitor banks.
 - 4 – 138kV 2000A, TPST, vertical break, manually operated switches.
 - 9 – 138kV CCVTs.
 - 3 – 98kV, MCOV surge arresters.
- Design and deploy a control system to tie the operation of the existing shunt capacitors at the Helper and the new Mathington Substation capacitors to the SVC controller.
- Design and deploy pilot line protection on the 138 kV line between the Helper and Mathington Substation to maintain the stability of the Sunnyside generator for a fault on this line.
- Design and deploy an over voltage protection scheme to disconnect a shunt capacitor at Mathington Substation for the loss of the power transfer path between the Carbon Substation and the Upalco Substation.
- Update the existing Mathington RTU for the remote control and indication of the operation of the SVC, new line breaker positions and the new shunt capacitor bank.
- Design, procure and install redundant fiber paths from the Mathington Substation control building to the SVC control building. Add a fiber node on the Mathington – Helper fiber ring, as well as multiplex, RTU, router, and other equipment to support the addition of the SVC.
- Design, procure and install communications channel(s) from the Mathington Substation to the Carbon Substation and Emma Park Substation for capacitor bank control.

- Design, procure and install fiber between the Mathington Substation and the Helper Substation over the existing line. Install fiber patch panels and a fiber node. Install fiber patch panels to Mathington SVC Building and tie the SVC fiber node into the Mathington – Carbon – Helper – Emma Park fiber ring. Provide communications channel(s) from the Mathington SVC Substation for capacitor bank control

PRICE SERVICE CENTERWork to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Remove the Carbon generating facility mobile radio base control circuits.

COLUMBIA SUBSTATIONWork to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider.

- Provide engineering and labor to remove any reference to the Columbia – Sunnyside SPS circuit and remove the RFL 9745 equipment and have the leased line canceled.

BEAVER MOUNTAINWork to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Shut down the Carbon generating facility microwave radio and remove the associated antenna, waveguide, and radio. Remove any T1 or channel equipment that was connected to this radio.

SIGURD SUBSTATIONWork to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Provide engineering and labor to remove any reference to the Carbon generating facility net generation circuit and RTU connections.

SPANISH FORK SUBSTATIONWork to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Design, procure and construct the bypass of the Carbon #1 line series reactor by installing a jumper across the in-line insulators in each phase wire associated with the series reactors. Also remove the 765 kCM ACSR tap wires that extend from the line side of the in-line insulators down to the PT and series reactors.
- Remove and relocate the Spanish Fork 138 kV, 62 ohm series reactors to the Upalco Substation. The removal of the Spanish Fork 138 kV, 62 ohm series reactors must occur after the Carbon generation facility stops generating.

Note: The removal of the Spanish Fork 138 kV, 62 ohm series reactors and subsequent installation to Upalco must occur after the Carbon generation facility stops generating.

SUNNYSIDE PLANT

Work to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Provide engineering and labor to remove RFL 9745 equipment and have the leased line canceled.

SCC/PCC//OQUIRRH SUB/ LAKE MOUNTAIN AND BEAVER MOUNTAIN COMM SITES

Work to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Provide engineering and labor to remove any reference to the Carbon generating facility radio, OPXs, RTU channels, and the EMS data base. Add new Upalco Substation RTU channel.

UPALCO SUBSTATIONWork to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Obtain all necessary permits, easements, and rights of way for the expansion of the Upalco Substation. The existing yard will need to be expanded by approximately 120' to the west and 255' to the south.
- Completely remove all existing switches, bus work, support structures, and foundations.
- Remove all cables and raceways running to the yard equipment to the point that they will not interfere with the construction and installation of the new equipment. Re-grade the yard as necessary after equipment removal. Once the new yard is completed, move the 138kV Carbon-Emma line position over to the new yard then remove the existing Transmission Provider owned switches, bus work, structures and foundations.
- Expand the Upalco Substation yard and design, procure and install the following equipment:
 - 1 – 138kV, 150 MVA +/- 30 degree phase shifting transformer.
 - 1 – 138kV, 62 ohm series reactor relocated from the Spanish Fork Substation.
 - 6 – 145kV, 2000A, 40kA, circuit breakers.
 - 17 – 138kV, 2000A, TPST, vertical break, manually operated switches.
 - 8 – 138kV CCVTs.
 - 3 – 138kV free standing current transformers.
 - 1 – 125Volt, 100AH battery with seismic zone 4 battery rack.
 - 1 – 130VDC, 16Amp LaMarche battery charger.
 - 9 – 120kV, MCOV surge arresters.
 - 1 - 28' x 40' the Transmission Provider standard Trachte control building.

Note: The removal of the Spanish Fork 138 kV, 62 ohm series reactors and subsequent installation to Upalco must occur after the Carbon generation facility stops generating.

- Design, procure and install the following protection and control equipment:
 - Add new line relays for the line to Ashley.
 - Add new bus relays for the tie line to Deseret G&T – Upalco.
 - Add new line relays for the line to Emma Park.
 - Add new transformer relays for the phase shifting transformer.
 - Add new relays for the series reactor.
 - Add new bus relays for the multiple bus sections in the new Upalco Substation.
- Design, procure and install a new RTU at the Upalco Substation. The RTU will provide remote control and indication for the six 138 kV breakers and remote control and indication of the phase shifting transformer.
- Design, procure, install/deploy SCADA RTU, voice OPX, and relay OPX channels through Deseret Power's communications system. Install a multiplex cabinet in the existing Upalco Substation building and the new Transmission Provider Substation building with an outdoor rated fiber jumper.
- Design, procure and install the DC-DC converters to power the multiplex cabinet and any other communications equipment in the Upalco control building.

EMMA PARK SUBSTATION

Work to be completed by the Interconnection Customer

- No work required.

Work to be completed by the Transmission Provider

- Design, procure and install logic devices at the Emma Park Substation to disconnect the Mathington shunt capacitor bank if a line loss is detected.
- Design, procure, and install fiber to the Carbon 138 kV Substation with fiber patch panels. Provide a fiber node to Mathington, Helper and 138 kV Carbon Substations and to the new Mathington SVC building. Provide communications channel(s) from the Emma Park Substation to the Mathington SVC Substation for capacitor bank control, voice, and to replace the MAS radio and connect existing RTU to new multiplex.

TRANSMISSIONWork to be completed by the Interconnection Customer

- No Work Required

Work to be completed by the Transmission Provider

- Design, procure and construct approximately 13.56 miles of 3/8" OPGW in the shield wire position on existing transmission structures between the Carbon and Mathington 138 kV Substations on the Helper -Mathington and the Carbon – Helper #2 (D062) 138 kV transmission lines.
- Design, procure and install approximately 7.02 miles of 3/8" OPGW in the shield wire position on existing transmission structures between the Carbon 138 kV Substation and the Emma Park Substation.
- Design, procure and construct a new Carbon – Upalco loop in into the Upalco Substation and install a TG 451 guyed structure to connect the new line to the new Upalco Substation tower.
- Design, procure and construct a new Ashley – Upalco loop in into the Upalco Substation. To accommodate the loop in the following transmission work will be required: install one (1) TG451 guyed transmission structure, install one (1) TG452 guyed transmission structure, install one (1) TG 403 transmission structure and terminate the Ashley – Upalco transmission line to the new substation take off structure.

METERINGWork to be completed by the Interconnection Customer

- No work required

Work to be completed by the Transmission Provider

- Remove all Transmission Provider owned metering equipment at the Carbon generation facility.

EXHIBIT C
Cost Estimate

The following estimate represents only scopes of work that will be performed by the Transmission Provider. Costs for any work being performed by the Interconnection Customer are not included.

Carbon Substation	\$404,166
Carbon Substation 46 kV removal	\$312,310
Carbon generating facility communications	\$36,743
Helper Substation	\$284,753
Mathington Substation	\$21,769,856
Upalco Substation – phase shifting transformer	\$18,371,186
Sunnyside, Columbia, Price, Sigurd, Oquirrh, Beaver Mountain, Lake Mountain, SCC and PCC	\$82,670
Spanish Fork	\$137,784
Emma Park	\$284,753
Mathington - Carbon – Emma Park Fiber.	\$1,102,271
Carbon – Upalco 138 kV loop in at Upalco	\$578,692
Ashley – Upalco 138 kV Loop in at Upalco	\$275,567
Total	<u>\$43,640,751</u>

EXHIBIT D
ScheduleCarbon Pre - Retirement Schedule

Initiating task	Date
Interconnection Customer executes a Engineering and Procurement Agreement to allow the Transmission Provider to begin the long lead material procurement process.	5/31/2012
Interconnection Customer and Transmission Provider execute the Construction Agreement.	12/13/2012
Upalco Substation 138kV, 150 MVA +/- 30 degree phase shifting Transformer ordered.	3/8/2013
Mathington Substation 138kV SVC + 85 MVAR and – 15 MVAR	4/3/2013 ordered.
Mathington Substation expansion permit (BLM) or Right of way purchase (Carbon County) must be issued.	5/1/2013
Upalco Substation rebuild, property procured and permits issued.	5/1/2013
Mathington Substation 138kV, 15 MVAR capacitor banks shunt capacitor banks ordered.	7/8/2013
Upalco 138kV, 150 MVA +/- 30 degree phase shifting transformer received.	7/1//2014
Mathington Substation 138kV SVC + 85 MVAR and – 15 MVAR received.	11/4/2014
Mathington Substation 138kV, 15 MVAR shunt capacitor banks received.	6/24/2014
All Transmission Provider work required for the Carbon generating facility decommissioning complete.	4/15/2015

Carbon Post Retirement Schedule

Initiating task	Date
Relocation of a 138kV, 62 ohm series reactor relocated from the Spanish Fork Substation to the Upalco Substation complete.	5/15/2016
Remove the Transmission Provider's portion of the 46kV Substation located at the Carbon generating facility complete.	5/15/2016

Carbon County Reinforcement Project

Initiating task	Date
Work required to design and construct the new Mathington Substation is complete.	5/10/2013

Assumptions:

Currently one project is scheduled to be in service as listed below. Any changes to the current planned in-service date could impact the ability to provide adequate and reliable service in the area during non-operation of the Carbon generating facility.

- Mathington Substation May 10, 2013

If the Carbon generating facility were to close today or in the future prior to installation of the recommended system modifications, the contingency plan identified in the revised study dated August 24, 2012 would need to be invoked no later than September 1, 2013.