

June 1, 2018

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

RE: *PacifiCorp*
Docket No. ER18-_____-000

Dear Secretary Bose:

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 (2017), and Order No. 714¹ regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Project Construction Agreement ("Construction Agreement") between Utah Associated Municipal Power Systems ("UAMPS") and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 733.

1. Background and Reason for Filing

PacifiCorp is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah. UAMPS is a joint action agency that provides wholesale electric energy to municipal and cooperative electric utilities in the western United States. Heber Light & Power ("HL&P") is a member of UAMPS.

UAMPS is a party to the Fourth Amended and Restated Transmission Service and Operating Agreement² ("TSOA") with PacifiCorp dated August 20, 2014. UAMPS has requested that PacifiCorp perform certain work to accommodate a second point of delivery under the TSOA supporting HL&P. PacifiCorp has agreed to perform the work and the Construction Agreement sets forth the terms and conditions to complete the work. PacifiCorp respectfully requests that the Commission accept the Construction Agreement, attached hereto, for filing.

2. Effective Date and Request for Waiver

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

² The Commission accepted this agreement via letter order on October 8, 2014. *PacifiCorp*, Letter Order, Docket No. ER14-2690-000 (Oct. 8, 2014).

In accordance with 18 C.F.R. § 35.3(a)(1), PacifiCorp respectfully requests that the Commission establish an effective date of August 1, 2018 for the Construction Agreement.

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 respectfully requests waiver of such requirements.

3. Designation

PacifiCorp requests that the Construction Agreement be designated as PacifiCorp Rate Schedule No. 733.

4. Enclosure

The following enclosure is attached hereto:

Construction Agreement between UAMPS and PacifiCorp, to be designated as Rate Schedule No. 733.

5. Communications

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

Thomas C. Woodworth
Assistant General Counsel
PacifiCorp
825 N.E. Multnomah, Suite 1800
Portland, OR 97232
(503) 813-5356
(503) 813-7252 (facsimile)
Tom.Woodworth@PacifiCorp.com

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

Marshall Empey
Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, UT 84103
marshall@uamps.com

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

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

Respectfully Submitted,

/s/ Thomas C. Woodworth
Thomas C. Woodworth
Counsel 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 1st day of June, 2018.

/s/ Thomas C. Woodworth

Thomas C. Woodworth
Assistant General Counsel
PacifiCorp
825 N.E. Multnomah, Suite 1800
Portland, OR 97232
(503) 813-5356
(503) 813-7252 (facsimile)
Tom.Woodworth@PacifiCorp.com

PROJECT CONSTRUCTION AGREEMENT
PROJECT TITLE: PACIFICORP/UAMPS / HEBER LIGHT & POWER 2ND POINT OF DELIVERY

This Project Construction Agreement (“Agreement”) is made and entered into this 14th day of February, 2017, between Utah Associated Municipal Power Systems (“UAMPS”), and PacifiCorp (“Company”), is for work to be performed by PacifiCorp on certain facilities (as described below) for UAMPS on behalf of its member, Heber Light & Power (“HL&P”). Hereinafter, UAMPS and PacifiCorp may be individually referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS:

- A. WHEREAS, Company is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah; and
- B. WHEREAS, HL&P is a member of UAMPS and subject to the terms and conditions of the Fourth Amended and Restated Transmission Service and Operating Agreement (“TSOA”) between Company and UAMPS, dated August 20, 2014; and
- C. WHEREAS, UAMPS has requested a second point of delivery under the TSOA for HL&P (“Project”); and
- D. WHEREAS, with respect to the Project, Company has completed and provided to UAMPS copies of the Q1803 System Impact and Facilities Study report dated December 11, 2017; and
- E. WHEREAS, as part of the Project, Company will construct the Q1803 substation (to be renamed by PacifiCorp at a future date but referred to in this Agreement as the “Q1803 Substation”) on the Midway – Silver Creek 138 kV transmission line now being constructed; and
- F. WHEREAS, as part of the Project, HL&P will be constructing and expanding a new 138-46 kV substation (“Ray Farrell Substation”) adjacent to the Q1803 Substation to accommodate the Project; and
- G. WHEREAS, completion of the Project subject to this Agreement is contingent upon the completion of the work under the Construction Agreement for Midway – Silver Creek 138 kV Line dated April 3, 2017, between Heber Light & Power Company and PacifiCorp (“RMP Agreement”); and
- H. WHEREAS, the Parties have agreed to perform the work required to complete the

Project;

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree to the following:

1. DEFINITIONS.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Standards shall mean the requirements and guidelines of the North American Electric Reliability Corporation (“NERC”), the Western Electricity Coordinating Council (“WECC”), and the balancing authority area of the transmission systems to which the facilities subject to this Agreement are directly interconnected.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

2. TERM & TERMINATION.

2.1. This Agreement shall be effective upon the later of the following: (1) the date of execution by both Parties, or (2) the effective date established by the Federal Energy Regulatory Commission (“FERC”) upon acceptance for filing.

2.2. This Agreement shall terminate ninety (90) calendar days after the earliest of the following to occur:

(i) Company’s receipt of final payment under this Agreement of UAMPS’ share of actual costs; or

(ii) Termination of the Agreement as provided in Section 4.3 of this Agreement (Authorization of Additional Amounts for Project Costs); or

(iii) Termination of the Agreement as provided in Section 12 of this Agreement (Right to Stop Work).

3. SCOPE AND PERFORMANCE OF WORK:

Project Description and Scope.

- 3.1 Q1803 Substation - Midway- Silver Creek 138 kV Line loop through
The engineering, procurement and construction of transmission facilities on the Company's system side of the point of interconnection are covered by the "Tie Line" under the RMP Agreement.
- (i) UAMPS shall obtain all rights of way, fee property, licenses, permits, and governmental approvals, and transfer to Company, to loop the Midway – Silver Creek line through the Q1803 Substation.
 - (ii) Rough grade Q1803 Substation to subgrade.
 - (iii) Company shall coordinate all requirements and interfaces of transmission facilities required to loop the Midway – Silver Creek line through the Q1803 Substation.
- 3.2 Ray Farrell Substation – UAMPS shall:
- (i) Obtain fee property title, licenses, permits, and governmental approvals required for the Ray Farrell Substation expansion
 - (ii) Rough grade to Ray Farrell expansion Substation to subgrade
 - (iii) Design Ray Farrell expansion ground grid and provide design to Company for ground grid coordination. Coordinate, as required, with Company for the interface of the Ray Farrell Substation's existing and future facilities.
 - (iv) Install Ray Farrell Substation ground grid connection between Ray Farrell expansion and existing Ray Farrell Substation.
 - (v) Coordinate design, provide and install conduits between the Ray Farrell Substation marshalling cabinet and the Q1803 Substation facilities.
 - (vi) Provide and install conductor, static, insulators, and four (4) hole terminal pads between Ray Farrell Substation's first load-side structure and the Q1803 Substation facilities.
 - (vii) Provide and install Ray Farrell Substation fencing as required for permitting. Substation fencing shall meet Company standards.
 - (viii) Engineer, procure, and install the protection and control as listed in Exhibit B.
 - (ix) Provide circuit transformer outputs from the HL&P owned 138kV circuit breaker located in the Ray Farrell Substation for the bus differential protection associated with the connection between the Ray Farrell Substation and the Ray Farrell expansion substation facilities.
 - (x) Provide conduit and control cable from the Ray Farrell Substation to Company's marshalling cabinet.
 - (xi) Provide the Company with interchange meter data. The metering interface is subject to all requirements under Section 13 of the TSOA.
 - (xii) Engineer, procure, and construct underground facilities necessary to

support obtaining metering data from the UAMPS interchange meters and deliver to Company's marshalling cabinet.

- (xiii) Provide metering data from the 138kV metering located in the Ray Farrell Substation to the Q1803 Substation marshalling cabinet.
- (xiv) Provide conduit and control cable from the Ray Farrell Substation to Company's marshalling cabinet for metering data.

3.3 Q1803 Substation – Company Shall:

- (i) Engineer, procure, and construct all substation facilities within the Ray Farrell Substation fence.
- (ii) Provide and install conductor, termination, insulators, and insulator terminal paddles for transmission connection between Q1803 Substation dead-end and the transmission dead-end structure.
- (iv) Engineer, procure, and install the protection and control as listed in Exhibit B.
- (v) Engineer, procure, and construct facilities necessary to support obtaining metering data from the Company marshalling cabinet.
- (vi) Engineer, procure, and construct any necessary communications infrastructure within the Q1803 Substation required for this project.

3.4 Performance Standards. The Company shall perform all its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. To the extent the Company is required or prevented or limited in taking any action by such regulations and standards, the Company shall not be deemed to be in breach of this Agreement for compliance therewith.

4. OWNERSHIP/RESPONSIBILITY FOR COSTS:

4.1. Ownership. Each Party shall retain ownership and maintain equipment installed by the respective Party.

4.2. Estimated Costs. The Company's estimated cost for Company's Scope of Work for the Project is \$4,460,000, which includes \$660,000 in Direct Assignment Facilities costs and \$3,800,000 in Network Upgrade costs. Direct Assignment Facilities costs are those costs associated with the installation of Direct Assignment Facilities, while Network Upgrade costs are those costs associated with the installation of Network Upgrades. Company shall notify UAMPS, in writing, within thirty (30) calendar days if, at any time during the course of the Project, Company expects the cost of performing the work identified under this Agreement to exceed \$4,460,000.

The estimated cost includes engineering, labor, materials, and subcontracts. The cost estimate is based on the following assumptions:

- Cost estimate is based on calendar year 2016 dollars.
- If construction is delayed, the cost estimate will likely need to be adjusted.
- Estimate assumes no exceptional site preparation will be needed.
- Estimate assumes project will be built during normal hours and will not require schedule compression or overtime.
- Estimate assumes no new permitting, property, right of way or easements will be required.

4.2.1. Direct Assignment Facilities Costs. In consideration of the work to be performed by Company, UAMPS agrees to pay the estimated Direct Assignment Facilities costs of \$660,000 within thirty (30) calendar days after the Effective Date. UAMPS shall reimburse Company for the actual cost to complete the work. Following completion of the Project, Company shall determine its actual costs for the Direct Assignment Facilities identified in the Scope of Work. Company's actual costs shall include all direct costs plus applicable overheads. If the actual costs are more than the estimated costs, Company will forward a copy of the actual costs to UAMPS along with an invoice for the additional amount within one hundred twenty (120) calendar days after completion of construction. If the actual costs are less than the estimated costs, Company will forward a copy of the actual costs to UAMPS along with a refund to cover the overage within one hundred twenty (120) calendar days after completion of construction. UAMPS will have thirty (30) calendar days after receiving any invoice to make payment in full.

4.2.2. Network Upgrade Costs. Company agrees to pay the estimated Network Upgrade costs of \$3,800,000. Company will commence work following filing of this Agreement at FERC and receipt of Direct Assignment Facilities Costs from UAMPS.

4.3. Authorization of Additional Amounts for Project Costs. In the event that Company determines the Project Costs may exceed \$4,460,000, Company shall notify UAMPS and request that UAMPS provide written approval authorizing such additional amounts for Project Costs within thirty (30) days of such notice. Company's obligation to proceed with the Project associated with such additional amounts shall be contingent upon receipt of such approval, along with a prepayment in such additional amount. UAMPS shall be responsible for such estimated costs, as increased pursuant to such written authorization. If UAMPS does not authorize such additional amounts within such thirty (30) day period, this Agreement shall terminate after Company gives UAMPS written notice and an additional fifteen (15) days to cure. If UAMPS agrees to the cost increase, a modification to this Agreement will be prepared to indicate the additional funding amount.

Company shall keep accurate and complete accounting records in support of all costs, billings and claims in accordance with generally accepted accounting principles. If UAMPS discovers discrepancies in an invoice and upon request, Company shall provide

accounting records to UAMPS as required to clarify the discrepancy. Following completion of Project and upon UAMPS request the Company shall provide complete accounting records for the Project.

5. TAXES:

5.1. UAMPS Payments Not Taxable. The Parties intend that all payments made by UAMPS to Company for the installation of the Project 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.

5.2. Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Company. Notwithstanding Section 5.1, UAMPS shall protect, indemnify and hold harmless Company from the cost consequences of any current tax liability imposed against Company as the result of payments made by UAMPS to Company under this Agreement for the Project, 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 UAMPS under this Agreement unless (i) Company has determined, in good faith, that the payments or property transfers made by UAMPS 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. UAMPS shall reimburse Company for such costs on a fully grossed-up basis, in accordance with Section 5.3, within thirty (30) calendar days of receiving written notification from Company of the amount due, including detail about how the amount was calculated.

5.3. Tax Gross-up Amount. UAMPS's liability for the cost consequences of any current tax liability under this Section 5 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that UAMPS will pay Company, in addition to the amount paid for the Project, 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 made by UAMPS 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 (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 by Company's current weighted average cost of capital. Thus, the formula for calculating UAMPS'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).

5.4. 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 UAMPS, in writing, within thirty (30) calendar days of receiving notification of such determination by a governmental authority.

5.5. Refund. In the event that (a) a private letter ruling is issued to Company which holds that any amount paid by UAMPS 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 by UAMPS 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 made by UAMPS 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 by UAMPS to Company pursuant to this Agreement, Company shall promptly refund to UAMPS the following:

- (i) any payment made by UAMPS under this Section 5 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;
- (ii) interest on any amounts paid by UAMPS 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 UAMPS to the date Company refunds such payment to UAMPS; 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 UAMPS 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 Company's Project.

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 hereunder, in the same position they would have been in had no such tax payments been made.

6. PROJECT SCHEDULE. The Parties have agreed to the Estimated Schedule and Milestones attached as Exhibit C, Estimated Schedule and Milestones, for the completion of the Project. All project schedule milestones shall be best estimates of the time required to complete each Parties task at the time the schedule was developed.

7. STANDARD OF WORK. All work performed pursuant to this Agreement by the Company or its agents shall be performed in a good and workmanlike manner in accordance with Good Utility Practice and with any and all prudent and Applicable 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 work, or alter the schedule. If such direction results in a material change in the amount or character of the 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 an amended and restated agreement.

9. INSPECTION. UAMPS may, at its discretion and expense, inspect Company's construction work of the Project in progress upon reasonable notice and with supervision by Company.

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, UAMPS shall bear the cost of all such modifications in accordance with the cost allocation in Section 4 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. Either Party shall grant the other Party reasonable escorted access to the Project consistent with such access rights as established in prior agreements between the Parties, provided that each party provides reasonable notice and comply with the other Parties safety and security rules.

12. RIGHT TO STOP WORK. UAMPS reserves the right, upon thirty (30) days advance written notice to Company, to require Company at any time to stop all work by Company pursuant to this Agreement, provided that such stop-work order is the result of suspension or termination of the Project. Issuance of any such stop-work order shall terminate this Agreement. Upon issuance of any such stop-work order, UAMPS shall pay the Project Costs Company has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts and any cancellation costs for equipment that is already ordered for the Project.

13. 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.

14. 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.

15. ASSIGNMENT. Company may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest with respect to the Project, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which Company is a party. Affiliate of Company includes any entity in which Berkshire Hathaway, Inc. owns more than a 5% interest, over which Berkshire Hathaway exercises management control. Should such assignment take place, Company will provide written notice to UAMPS. UAMPS may assign its rights and delegate its obligations under this agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to Heber Light & Power

16. 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.

17. 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.

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

UAMPS: Marshall Empey
Chief Operating Officer
Utah Associated Municipal Power Systems
155 North 400 West
Salt Lake City, UT 84103

Company: Director, Transmission Services
825 NE Multnomah St., Suite 1600
Portland, OR 97232

19. BILLING. Any Billing regarding this work shall be directed to the appropriate party (or parties) as shown below:

UAMPS: Accounts Payable
Utah Associated Municipal Power Systems
155 North 400 West
Salt Lake City, UT 84103

20. PAYMENT. Payments shall be sent to:

US Mail Deliveries: PacifiCorp Transmission
P.O. Box 2757
Portland, OR 97208

Other Deliveries: PacifiCorp Transmission
Attn: Central Cashiers
1033 NE 6th Ave
Portland, OR 97232-2017

21. INDEMNIFICATION. Each Party agrees to protect, defend, indemnify and hold harmless the other Party, including its officers, employees and agents against and from any and all liability, suits, loss, damage, claims, actions, costs and expenses of any nature, including court costs and attorney's fees, even if such actions or claims are completely groundless, growing out of injury to or death of such Party's subcontractors of any tier, 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, such Party'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 sole negligence of the other Party.

The indemnification obligations set forth herein shall not be limited by amounts or types of damages, compensation or benefits payable by or for the Party, contractors, subcontractors, sub-subcontractors, material suppliers or any person or entity for which any of them may be liable, under workers compensation acts, or any disability or employee benefit acts, in the event claims are asserted against persons or entities indemnified under this section by an employee of the Party, a contractor, a subcontractor, a sub-subcontractor, a material supplier, anyone directly or indirectly employed by any of them or anyone (or for whose acts they may be liable.)

Moreover, at the request of the Party, the Party shall defend any action, claim or suit asserting a claim that might be covered by this indemnity. The Indemnifying Party shall pay all costs and expenses that may be incurred by the Indemnified Party in enforcing his indemnity and defense agreement, including attorney's fees actually paid by the Indemnified Party.

22. 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. 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.

23. 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 FERC, 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.

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.

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

25. 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.

26. 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.

27. 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.

28. CONTRACTORS AND SUBCONTRACTORS. Nothing in this Agreement shall prevent Company or UAMPS 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 UAMPS 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.

29. 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.

30. SURVIVAL. All payment obligations and liabilities incurred before the termination or expiration of this Agreement, will survive its termination or expiration.

31. 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.

32. RECITALS. The above stated recitals are incorporated into and made part of this

Agreement by this reference to the same extent as if these recitals were set forth in full at this point.

33. WAIVER. Waiver of any right, privilege, claim, obligation, condition, or default shall be in writing and signed by the waiving Party. No waiver by a Party of any breach of this Agreement shall be a waiver of any preceding or succeeding breach, and no waiver by a party of any right under this Agreement shall be construed as a waiver of any other right.

34. DISPUTE RESOLUTION.

34.1. Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in a Federal court under Federal law.

34.2. Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

34.3. Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any

court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service.

34.4. Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by 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

UTAH ASSOCIATED MUNICIPAL
POWER SYSTEMS

/s/ Rick Vail
Signature

/s/ Marshall Empey
Signature

Rick Vail
Printed Name of Signor

Marshall Empey
Printed Name of Signor

VP, Transmission
Title of Signor

Chief Operations Officer
Title of Signor

2/14/18
Date

February 5, 2018
Date

Exhibit A – One Line Diagram

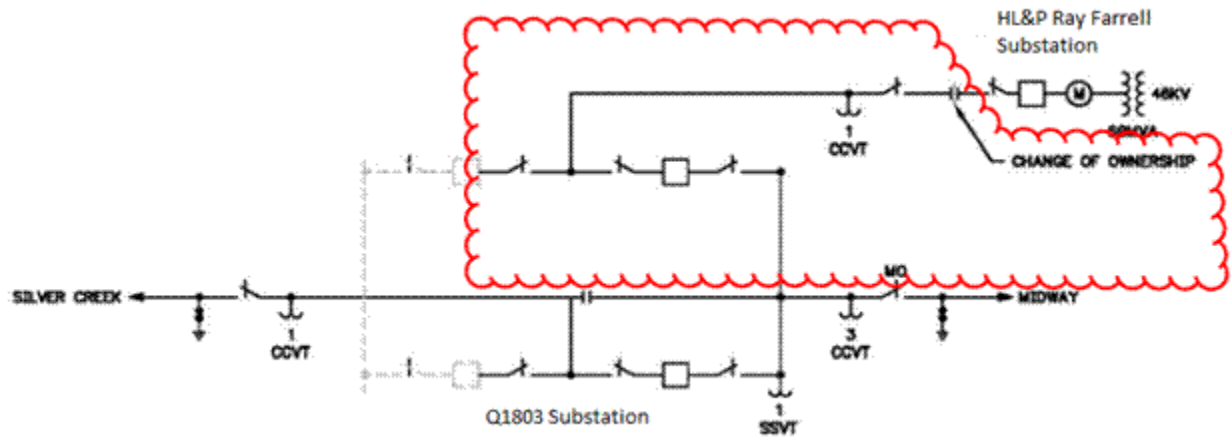


Exhibit A – One Line Diagram

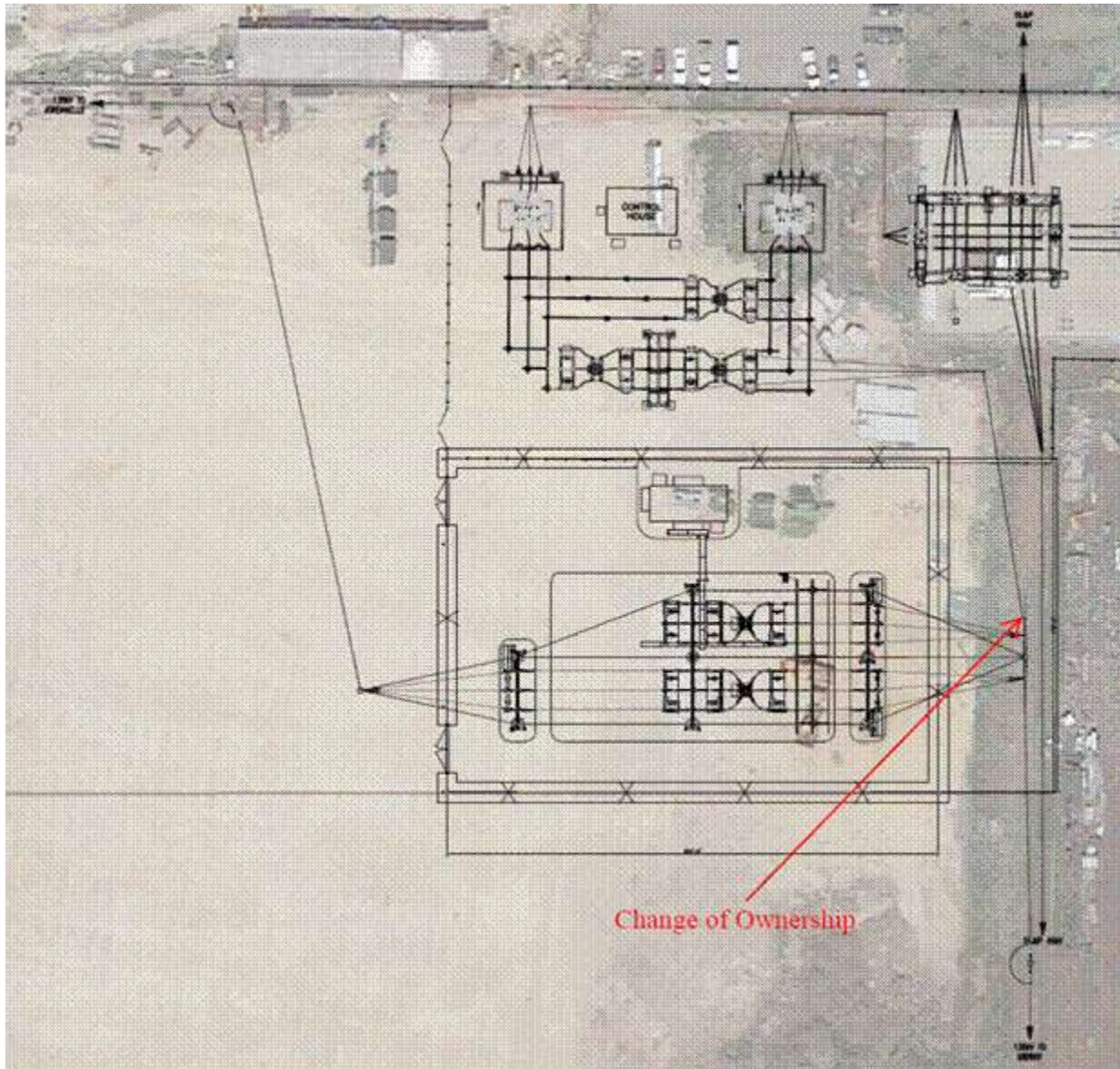


Exhibit B – Protection & Control, Metering and Communications Requirements

PacifiCorp’s Network Facility Modifications-Additions

The network facility modifications and additions outlined below support the current request for interconnection. UAMPS has requested 138 kV interconnection to the Transmission Provider’s planned Midway – Silver Creek Line.

Q1803 Substation Requirements

HL&P Substation will be established for the POD.

- 1 – 138 kV power circuit breaker(s)
- 5 – 138 kV switch(es), line disconnect and breaker isolation
- 4 – 138 kV CCVT(s)
- 1 – 138 kV SSVT(s)
- 6 – 138 kV surge arrester(s)
- 1 – Control building(s)
- 1 – DC battery system(s)

Q1803 Substation Protection Modification and Addition Requirements

- 1 – Transmission line protection package (Silver Creek 138 kV line)
- 1 – Transmission line protection package (Midway 138 kV line)
- 1 – 138 kV circuit breaker control package
- 1 – Relay communications package
- 1 – Annunciator package

Midway Substation

Relay setting modifications.

Silver Creek Substation

- 1 – 138 kV relay protection package

Data (RTU) Requirements

- 1 – Substation RTU Package

Communication Requirements

1 – Substation Communication Package

Exhibit B – Protection & Control, Metering and Communications Requirements

UAMPS Direct Assigned Facility Additions

The direct assigned facility additions outlined below support UAMPS' request for interconnection.

Ray Farrell Substation Requirements

HL&P Substation will be established for the POD.

- 1 – 138 kV power circuit breaker
- 4 – 138 kV switches, bus disconnect and breaker isolation
- 1 – 138 kV motor operator
- 1 – 138 kV CCVT.

Ray Farrell Protection Requirements

- 1 – 138kV bus differential package
- 1 – Auto-Sectionalizing with motor operator control package
- 1 – 138 kV circuit breaker control package with reverse power protection

Interchange Metering Requirements

The interchange metering will be installed by UAMPS and will be located in the Ray Farrell Substation. The metering interface is subject to all requirements under section 13 of the most recent ARTSOA.

Exhibit C

Estimated Schedule and Milestones

The schedule for construction for TSR Q1803 will, by design and necessity, align, and be controlled by the schedule and sequencing for the construction of the Midway – Silver Creek Line subject to an agreement between Heber Light & Power Company and PacifiCorp called “CONSTRUCTION AGREEMENT FOR HEBER-MIDWAY LINE”, dated April 3, 2017.

Milestone	Date:
Execute Interconnection Agreement	February 15, 2018
Transmission Customer provision of Financial Security	March 1, 2018
Transmission Provider commences Design Support for Transmission Customer Right of Way, Permitting, and Fee Property	February 15, 2018
Transmission Customer Right of Way, Permitting, and Fee Property Acquisition Complete	May 15, 2018
Midway – Silver Creek Line Right of Way, Permitting, and Fee Property Acquisition Complete	May 15, 2018
Transmission Customer Design Information Provided to Transmission Provider	April 1, 2018
*Transmission Provider Engineering & Procurement Commences	April 1, 2018
**Energy Imbalance Market Modeling Data Submittal	May 15, 2018
Transmission Provider Engineering Design Complete	September 15, 2018
Transmission Provider Construction Begins	December 1, 2018
Midway – Silver Creek Line (North or West portion) – In Service	April 15, 2019

Commission and Energize TSR Q1803	May 1, 2019
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*As applicable and determined by the Transmission Provider, within 60 days of the Interconnection Customer's authorization for the Transmission Provider to begin engineering, the Interconnection Customer shall provide a detailed short circuit model of its system. This model must be constructed using the ASPEN OneLine short circuit simulation program and contain all individual electrical components of the Transmission Customer's system.

**Any design modifications to the Transmission Customer's Facility after this date requiring updates to the Transmission Provider's network model will result in a minimum of three (3) months added to all future milestones.

Exhibit D
Q1803 System Impact and Facilities Study Report

Please see the executed pdf agreement for the System Impact and Facilities Study Report.

FEB 13 2018

TRANSMISSION SERVICES
PACIFICORP

PROJECT CONSTRUCTION AGREEMENT
PROJECT TITLE: PACIFICORP/UAMPS / HEBER LIGHT & POWER 2ND POINT OF DELIVERY

This Project Construction Agreement (“Agreement”) is made and entered into this 14th day of February, 2018, between Utah Associated Municipal Power Systems (“UAMPS”), and PacifiCorp (“Company”), is for work to be performed by PacifiCorp on certain facilities (as described below) for UAMPS on behalf of its member, Heber Light & Power (“HL&P”). Hereinafter, UAMPS and PacifiCorp may be individually referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS:

- A. WHEREAS, Company is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah; and
- B. WHEREAS, HL&P is a member of UAMPS and subject to the terms and conditions of the Fourth Amended and Restated Transmission Service and Operating Agreement (“TSOA”) between Company and UAMPS, dated August 20, 2014; and
- C. WHEREAS, UAMPS has requested a second point of delivery under the TSOA for HL&P (“Project”); and
- D. WHEREAS, with respect to the Project, Company has completed and provided to UAMPS copies of the Q1803 System Impact and Facilities Study report dated December 11, 2017; and
- E. WHEREAS, as part of the Project, Company will construct the Q1803 substation (to be renamed by PacifiCorp at a future date but referred to in this Agreement as the “Q1803 Substation”) on the Midway – Silver Creek 138 kV transmission line now being constructed; and
- F. WHEREAS, as part of the Project, HL&P will be constructing and expanding a new 138-46 kV substation (“Ray Farrell Substation”) adjacent to the Q1803 Substation to accommodate the Project; and
- G. WHEREAS, completion of the Project subject to this Agreement is contingent upon the completion of the work under the Construction Agreement for Midway – Silver Creek 138 kV Line dated April 3, 2017, between Heber Light & Power Company and PacifiCorp (“RMP Agreement”); and
- H. WHEREAS, the Parties have agreed to perform the work required to complete the Project;

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree to the following:

1. DEFINITIONS.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Standards shall mean the requirements and guidelines of the North American Electric Reliability Corporation (“NERC”), the Western Electricity Coordinating Council (“WECC”), and the balancing authority area of the transmission systems to which the facilities subject to this Agreement are directly interconnected.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

2. TERM & TERMINATION.

2.1. This Agreement shall be effective upon the later of the following: (1) the date of execution by both Parties, or (2) the effective date established by the Federal Energy Regulatory Commission (“FERC”) upon acceptance for filing.

2.2. This Agreement shall terminate ninety (90) calendar days after the earliest of the following to occur:

(i) Company’s receipt of final payment under this Agreement of UAMPS’ share of actual costs; or

(ii) Termination of the Agreement as provided in Section 4.3 of this Agreement (Authorization of Additional Amounts for Project Costs); or

(iii) Termination of the Agreement as provided in Section 12 of this Agreement (Right to Stop Work).

3. SCOPE AND PERFORMANCE OF WORK:

Project Construction Agreement
UAMPS / Q1803 HEBER LIGHT & POWER 2nd POINT OF DELIVERY

Project Description and Scope.

- 3.1 Q1803 Substation - Midway- Silver Creek 138 kV Line loop through
The engineering, procurement and construction of transmission facilities on the Company's system side of the point of interconnection are covered by the "Tie Line" under the RMP Agreement.
- (i) UAMPS shall obtain all rights of way, fee property, licenses, permits, and governmental approvals, and transfer to Company, to loop the Midway – Silver Creek line through the Q1803 Substation.
 - (ii) Rough grade Q1803 Substation to subgrade.
 - (iii) Company shall coordinate all requirements and interfaces of transmission facilities required to loop the Midway – Silver Creek line through the Q1803 Substation.
- 3.2 Ray Farrell Substation – UAMPS shall:
- (i) Obtain fee property title, licenses, permits, and governmental approvals required for the Ray Farrell Substation expansion
 - (ii) Rough grade to Ray Farrell expansion Substation to subgrade
 - (iii) Design Ray Farrell expansion ground grid and provide design to Company for ground grid coordination. Coordinate, as required, with Company for the interface of the Ray Farrell Substation's existing and future facilities.
 - (iv) Install Ray Farrell Substation ground grid connection between Ray Farrell expansion and existing Ray Farrell Substation.
 - (v) Coordinate design, provide and install conduits between the Ray Farrell Substation marshalling cabinet and the Q1803 Substation facilities.
 - (vi) Provide and install conductor, static, insulators, and four (4) hole terminal pads between Ray Farrell Substation's first load-side structure and the Q1803 Substation facilities.
 - (vii) Provide and install Ray Farrell Substation fencing as required for permitting. Substation fencing shall meet Company standards.
 - (viii) Engineer, procure, and install the protection and control as listed in Exhibit B.
 - (ix) Provide circuit transformer outputs from the HL&P owned 138kV circuit breaker located in the Ray Farrell Substation for the bus differential protection associated with the connection between the Ray Farrell Substation and the Ray Farrell expansion substation facilities.
 - (x) Provide conduit and control cable from the Ray Farrell Substation to Company's marshalling cabinet.
 - (xi) Provide the Company with interchange meter data. The metering interface is subject to all requirements under Section 13 of the TSOA.
 - (xii) Engineer, procure, and construct underground facilities necessary to support obtaining metering data from the UAMPS interchange meters and deliver to Company's marshalling cabinet.
 - (xiii) Provide metering data from the 138kV metering located in the Ray Farrell

- Substation to the Q1803 Substation marshalling cabinet.
- (xiv) Provide conduit and control cable from the Ray Farrell Substation to Company's marshalling cabinet for metering data.

3.3 Q1803 Substation – Company Shall:

- (i) Engineer, procure, and construct all substation facilities within the Ray Farrell Substation fence.
- (ii) Provide and install conductor, termination, insulators, and insulator terminal paddles for transmission connection between Q1803 Substation dead-end and the transmission dead-end structure.
- (iv) Engineer, procure, and install the protection and control as listed in Exhibit B.
- (v) Engineer, procure, and construct facilities necessary to support obtaining metering data from the Company marshalling cabinet.
- (vi) Engineer, procure, and construct any necessary communications infrastructure within the Q1803 Substation required for this project.

3.4 Performance Standards. The Company shall perform all its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. To the extent the Company is required or prevented or limited in taking any action by such regulations and standards, the Company shall not be deemed to be in breach of this Agreement for compliance therewith.

4. OWNERSHIP/RESPONSIBILITY FOR COSTS:

4.1. Ownership. Each Party shall retain ownership and maintain equipment installed by the respective Party.

4.2. Estimated Costs. The Company's estimated cost for Company's Scope of Work for the Project is \$4,460,000, which includes \$660,000 in Direct Assignment Facilities costs and \$3,800,000 in Network Upgrade costs. Direct Assignment Facilities costs are those costs associated with the installation of Direct Assignment Facilities, while Network Upgrade costs are those costs associated with the installation of Network Upgrades. Company shall notify UAMPS, in writing, within thirty (30) calendar days if, at any time during the course of the Project, Company expects the cost of performing the work identified under this Agreement to exceed \$4,460,000.

The estimated cost includes engineering, labor, materials, and subcontracts. The cost estimate is based on the following assumptions:

- Cost estimate is based on calendar year 2016 dollars.
- If construction is delayed, the cost estimate will likely need to be adjusted.
- Estimate assumes no exceptional site preparation will be needed.

- Estimate assumes project will be built during normal hours and will not require schedule compression or overtime.
- Estimate assumes no new permitting, property, right of way or easements will be required.

4.2.1. Direct Assignment Facilities Costs. In consideration of the work to be performed by Company, UAMPS agrees to pay the estimated Direct Assignment Facilities costs of \$660,000 within thirty (30) calendar days after the Effective Date. UAMPS shall reimburse Company for the actual cost to complete the work. Following completion of the Project, Company shall determine its actual costs for the Direct Assignment Facilities identified in the Scope of Work. Company's actual costs shall include all direct costs plus applicable overheads. If the actual costs are more than the estimated costs, Company will forward a copy of the actual costs to UAMPS along with an invoice for the additional amount within one hundred twenty (120) calendar days after completion of construction. If the actual costs are less than the estimated costs, Company will forward a copy of the actual costs to UAMPS along with a refund to cover the overage within one hundred twenty (120) calendar days after completion of construction. UAMPS will have thirty (30) calendar days after receiving any invoice to make payment in full.

4.2.2. Network Upgrade Costs. Company agrees to pay the estimated Network Upgrade costs of \$3,800,000. Company will commence work following filing of this Agreement at FERC and receipt of Direct Assignment Facilities Costs from UAMPS.

4.3. Authorization of Additional Amounts for Project Costs. In the event that Company determines the Project Costs may exceed \$4,460,000, Company shall notify UAMPS and request that UAMPS provide written approval authorizing such additional amounts for Project Costs within thirty (30) days of such notice. Company's obligation to proceed with the Project associated with such additional amounts shall be contingent upon receipt of such approval, along with a prepayment in such additional amount. UAMPS shall be responsible for such estimated costs, as increased pursuant to such written authorization. If UAMPS does not authorize such additional amounts within such thirty (30) day period, this Agreement shall terminate after Company gives UAMPS written notice and an additional fifteen (15) days to cure. If UAMPS agrees to the cost increase, a modification to this Agreement will be prepared to indicate the additional funding amount.

Company shall keep accurate and complete accounting records in support of all costs, billings and claims in accordance with generally accepted accounting principles. If UAMPS discovers discrepancies in an invoice and upon request, Company shall provide accounting records to UAMPS as required to clarify the discrepancy. Following completion of Project and upon UAMPS request the Company shall provide complete accounting records for the Project.

5. TAXES:

5.1. UAMPS Payments Not Taxable. The Parties intend that all payments made by UAMPS to Company for the installation of the Project 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.

5.2. Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Company. Notwithstanding Section 5.1, UAMPS shall protect, indemnify and hold harmless Company from the cost consequences of any current tax liability imposed against Company as the result of payments made by UAMPS to Company under this Agreement for the Project, 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 UAMPS under this Agreement unless (i) Company has determined, in good faith, that the payments or property transfers made by UAMPS 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. UAMPS shall reimburse Company for such costs on a fully grossed-up basis, in accordance with Section 5.3, within thirty (30) calendar days of receiving written notification from Company of the amount due, including detail about how the amount was calculated.

5.3. Tax Gross-up Amount. UAMPS's liability for the cost consequences of any current tax liability under this Section 5 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that UAMPS will pay Company, in addition to the amount paid for the Project, 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 made by UAMPS 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 (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 by Company's current weighted average cost of capital. Thus,

the formula for calculating UAMPS'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).

5.4. 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 UAMPS, in writing, within thirty (30) calendar days of receiving notification of such determination by a governmental authority.

5.5. Refund. In the event that (a) a private letter ruling is issued to Company which holds that any amount paid by UAMPS 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 by UAMPS 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 made by UAMPS 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 by UAMPS to Company pursuant to this Agreement, Company shall promptly refund to UAMPS the following:

(i) any payment made by UAMPS under this Section 5 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;

(ii) interest on any amounts paid by UAMPS 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 UAMPS to the date Company refunds such payment to UAMPS; 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 UAMPS 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 Company's Project.

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 hereunder, in the same position they would have been in had no such tax payments been made.

6. PROJECT SCHEDULE. The Parties have agreed to the Estimated Schedule and Milestones attached as Exhibit C, Estimated Schedule and Milestones, for the completion of the Project. All project schedule milestones shall be best estimates of the time required to complete each Parties task at the time the schedule was developed.

7. STANDARD OF WORK. All work performed pursuant to this Agreement by the Company or its agents shall be performed in a good and workmanlike manner in accordance with Good Utility Practice and with any and all prudent and Applicable 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 work, or alter the schedule. If such direction results in a material change in the amount or character of the 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 an amended and restated agreement.

9. INSPECTION. UAMPS may, at its discretion and expense, inspect Company's construction work of the Project in progress upon reasonable notice and with supervision by Company.

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, UAMPS shall bear the cost of all such modifications in accordance with the cost allocation in Section 4 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. Either Party shall grant the other Party reasonable escorted access to the Project consistent with such access rights as established in prior agreements between the Parties, provided that each party provides reasonable notice and comply with the other Parties safety and security rules.

12. RIGHT TO STOP WORK. UAMPS reserves the right, upon thirty (30) days advance written notice to Company, to require Company at any time to stop all work by Company pursuant to this Agreement, provided that such stop-work order is the result of suspension or termination of the Project. Issuance of any such stop-work order shall terminate this Agreement. Upon issuance of any such stop-work order, UAMPS shall pay the Project Costs Company has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts and any cancellation costs for equipment that is already ordered for the Project.

13. 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.

14. 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.

15. ASSIGNMENT. Company may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest with respect to the Project, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which Company is a party. Affiliate of Company includes any entity in which Berkshire Hathaway, Inc. owns more than a 5% interest, over which Berkshire Hathaway exercises management control. Should such assignment take place, Company will provide written notice to UAMPS. UAMPS may assign its rights and delegate its obligations under this agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to Heber Light & Power

16. 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.

17. 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.

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

UAMPS: Marshall Empey
 Chief Operating Officer

Utah Associated Municipal Power Systems
155 North 400 West
Salt Lake City, UT 84103

Company: Director, Transmission Services
825 NE Multnomah St., Suite 1600
Portland, OR 97232

19. BILLING. Any Billing regarding this work shall be directed to the appropriate party (or parties) as shown below:

UAMPS: Accounts Payable
Utah Associated Municipal Power Systems
155 North 400 West
Salt Lake City, UT 84103

20. PAYMENT. Payments shall be sent to:

US Mail Deliveries: PacifiCorp Transmission
P.O. Box 2757
Portland, OR 97208

Other Deliveries: PacifiCorp Transmission
Attn: Central Cashiers
1033 NE 6th Ave
Portland, OR 97232-2017

21. INDEMNIFICATION. Each Party agrees to protect, defend, indemnify and hold harmless the other Party, including its officers, employees and agents against and from any and all liability, suits, loss, damage, claims, actions, costs and expenses of any nature, including court costs and attorney's fees, even if such actions or claims are completely groundless, growing out of injury to or death of such Party's subcontractors of any tier, 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, such Party'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 sole negligence of the other Party.

The indemnification obligations set forth herein shall not be limited by amounts or types of damages, compensation or benefits payable by or for the Party, contractors, subcontractors, sub-subcontractors, material suppliers or any person or entity for which any of them may be liable, under workers compensation acts, or any disability or employee benefit acts, in the event claims are asserted against persons or entities indemnified under this section by an employee of the Party, a contractor, a subcontractor, a sub-subcontractor, a material supplier, anyone directly or

indirectly employed by any of them or anyone (or for whose acts they may be liable.)

Moreover, at the request of the Party, the Party shall defend any action, claim or suit asserting a claim that might be covered by this indemnity. The Indemnifying Party shall pay all costs and expenses that may be incurred by the Indemnified Party in enforcing his indemnity and defense agreement, including attorney's fees actually paid by the Indemnified Party.

22. 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. 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.

23. 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 FERC, 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.

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.

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

25. 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.

26. 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.

27. 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.

28. CONTRACTORS AND SUBCONTRACTORS. Nothing in this Agreement shall prevent Company or UAMPS 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 UAMPS 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.

29. 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.

30. SURVIVAL. All payment obligations and liabilities incurred before the termination or expiration of this Agreement, will survive its termination or expiration.

31. 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.

32. RECITALS. The above stated recitals are incorporated into and made part of this Agreement by this reference to the same extent as if these recitals were set forth in full at this point.

33. WAIVER. Waiver of any right, privilege, claim, obligation, condition, or default shall be in writing and signed by the waiving Party. No waiver by a Party of any breach of this Agreement shall be a waiver of any preceding or succeeding breach, and no waiver by a party of any right under this Agreement shall be construed as a waiver of any other right.

34. DISPUTE RESOLUTION.

34.1. Submission. In the event either Party has a dispute, or asserts a claim, that arises

out of or in connection with this Agreement, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in a Federal court under Federal law.

34.2. Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

34.3. Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service.

34.4. Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by 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

UTAH ASSOCIATED MUNICIPAL
POWER SYSTEMS



Signature



Signature

Rick Vail

Printed Name of Signor

MARSHALL EMPES

Printed Name of Signor

UP, Transmission

Title of Signor

CHIEF OPERATIONS OFFICER

Title of Signor

2 / 14 / 18

Date

FEBRUARY 5, 2018

Date

Exhibit A – One Line Diagram

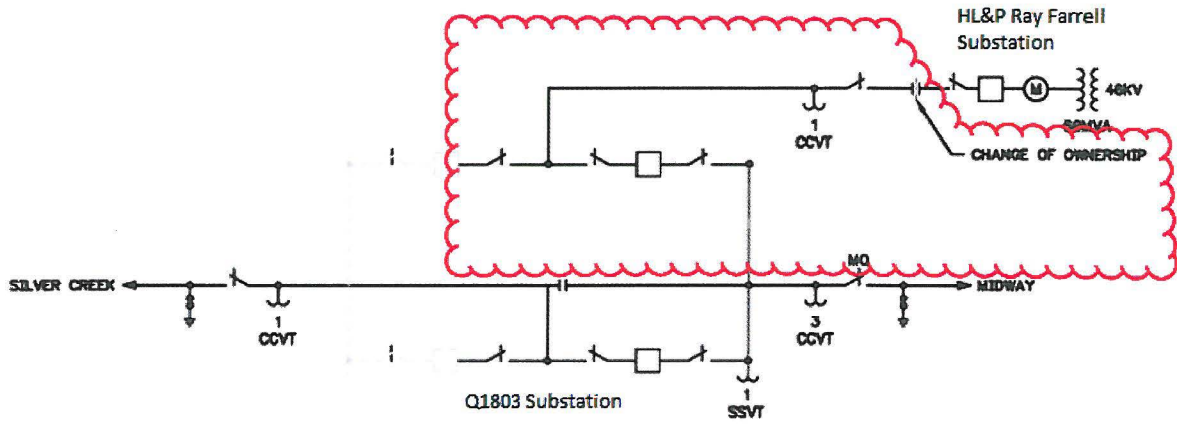


Exhibit A – One Line Diagram

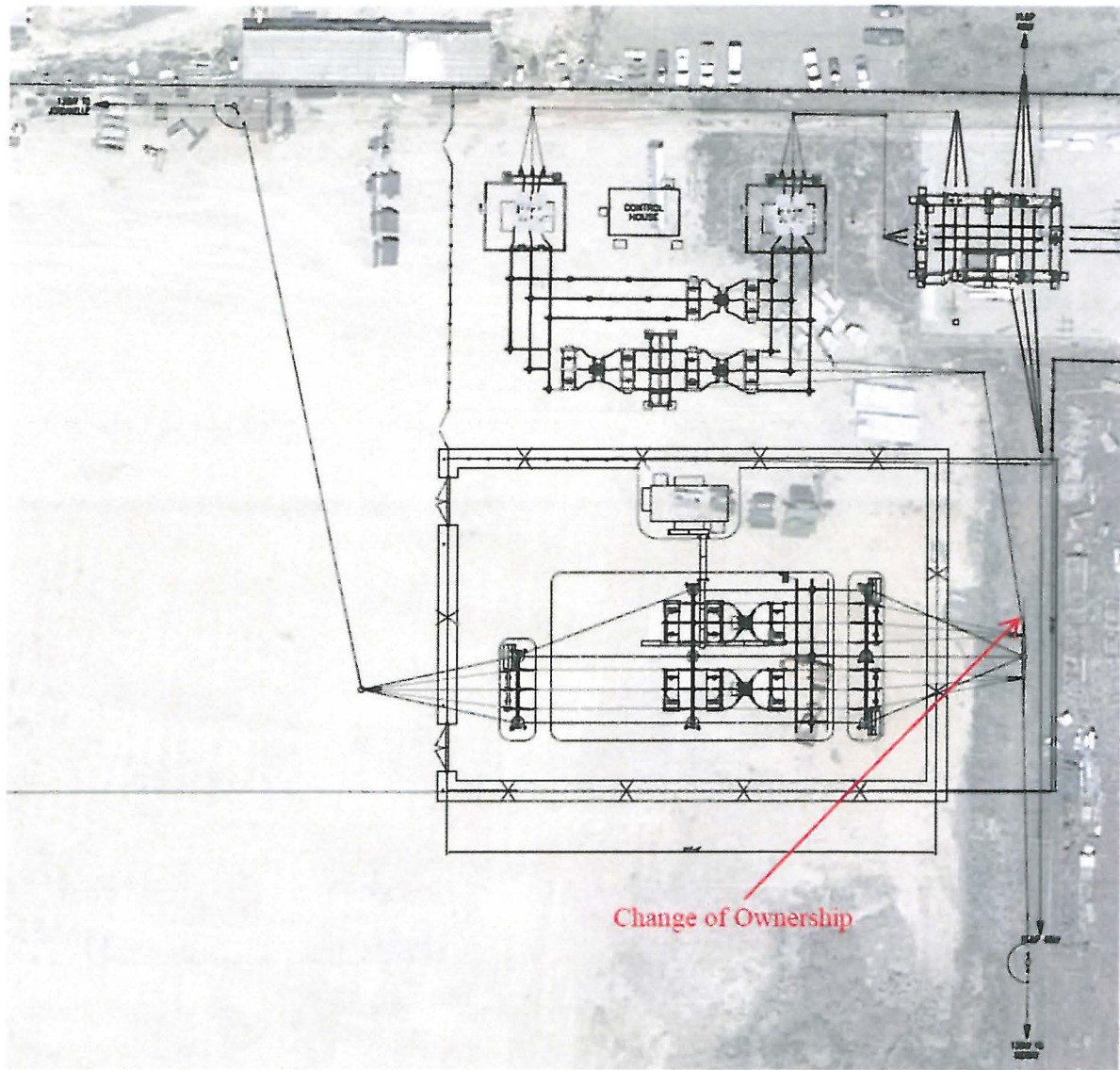


Exhibit B – Protection & Control, Metering and Communications Requirements

PacifiCorp's Network Facility Modifications-Additions

The network facility modifications and additions outlined below support the current request for interconnection. UAMPS has requested 138 kV interconnection to the Transmission Provider's planned Midway – Silver Creek Line.

Q1803 Substation Requirements

HL&P Substation will be established for the POD.

- 1 – 138 kV power circuit breaker(s)
- 5 – 138 kV switch(es), line disconnect and breaker isolation
- 4 – 138 kV CCVT(s)
- 1 – 138 kV SSVT(s)
- 6 – 138 kV surge arrester(s)
- 1 – Control building(s)
- 1 – DC battery system(s)

Q1803 Substation Protection Modification and Addition Requirements

- 1 – Transmission line protection package (Silver Creek 138 kV line)
- 1 – Transmission line protection package (Midway 138 kV line)
- 1 – 138 kV circuit breaker control package
- 1 – Relay communications package
- 1 – Annunciator package

Midway Substation

Relay setting modifications.

Silver Creek Substation

- 1 – 138 kV relay protection package

Data (RTU) Requirements

- 1 – Substation RTU Package

Communication Requirements

- 1 – Substation Communication Package

Exhibit B – Protection & Control, Metering and Communications Requirements

UAMPS Direct Assigned Facility Additions

The direct assigned facility additions outlined below support UAMPS' request for interconnection.

Ray Farrell Substation Requirements

HL&P Substation will be established for the POD.

- 1 – 138 kV power circuit breaker
- 4 – 138 kV switches, bus disconnect and breaker isolation
- 1 – 138 kV motor operator
- 1 – 138 kV CCVT.

Ray Farrell Protection Requirements

- 1 – 138kV bus differential package
- 1 – Auto-Sectionalizing with motor operator control package
- 1 – 138 kV circuit breaker control package with reverse power protection

Interchange Metering Requirements

The interchange metering will be installed by UAMPS and will be located in the Ray Farrell Substation. The metering interface is subject to all requirements under section 13 of the most recent ARTSOA.

Exhibit C
Estimated Schedule and Milestones

The schedule for construction for TSR Q1803 will, by design and necessity, align, and be controlled by the schedule and sequencing for the construction of the Midway – Silver Creek Line subject to an agreement between Heber Light & Power Company and PacifiCorp called “CONSTRUCTION AGREEMENT FOR HEBER-MIDWAY LINE”, dated April 3, 2017.

Milestone	Date:
Execute Interconnection Agreement	February 15, 2018
Transmission Customer provision of Financial Security	March 1, 2018
Transmission Provider commences Design Support for Transmission Customer Right of Way, Permitting, and Fee Property	February 15, 2018
Transmission Customer Right of Way, Permitting, and Fee Property Acquisition Complete	May 15, 2018
Midway – Silver Creek Line Right of Way, Permitting, and Fee Property Acquisition Complete	May 15, 2018
Transmission Customer Design Information Provided to Transmission Provider	April 1, 2018
*Transmission Provider Engineering & Procurement Commences	April 1, 2018
**Energy Imbalance Market Modeling Data Submittal	May 15, 2018
Transmission Provider Engineering Design Complete	September 15, 2018
Transmission Provider Construction Begins	December 1, 2018
Midway – Silver Creek Line (North or West portion) – In Service	April 15, 2019
Commission and Energize TSR Q1803	May 1, 2019

Project Construction Agreement
UAMPS / Q1803 HEBER LIGHT & POWER 2nd POINT OF DELIVERY

*As applicable and determined by the Transmission Provider, within 60 days of the Interconnection Customer's authorization for the Transmission Provider to begin engineering, the Interconnection Customer shall provide a detailed short circuit model of its system. This model must be constructed using the ASPEN OneLine short circuit simulation program and contain all individual electrical components of the Transmission Customer's system.

**Any design modifications to the Transmission Customer's Facility after this date requiring updates to the Transmission Provider's network model will result in a minimum of three (3) months added to all future milestones.

Exhibit D
Q1803 System Impact and Facilities Study Report

Load Service Request
Facilities Study
Report

Completed for
Utah Associated Municipal Power Systems
("Transmission Customer")

TSR Q1803
UAMPS AREF NA 2nd POD for Heber Light & Power

138 kV Interconnection
To
PacifiCorp's Midway - Silver Creek 138kV Transmission Line

December 04, 2017

FINAL

1.0 Description

Utah Associated Municipal Power Systems (“Transmission Customer”) has submitted a request pursuant to Section 10 of the Third Amended and Restated Transmission Service Operating Agreement (“ARTSOA”) between Transmission Customer and Transmission Provider for a 138 kV Point of Delivery (“POD”) for Heber Light & Power. This POD is in addition to the existing 46 kV Point of Delivery.

The requested POD will interconnect onto a future PacifiCorp 138 kV transmission line, hereinafter referred to as the “Midway – Silver Creek Line”. The construction of the Midway – Silver Creek Line is controlled by an agreement called “CONSTRUCTION AGREEMENT FOR HEBER-MIDWAY LINE”, dated April 3, 2017, between Heber Light & Power Company and PacifiCorp.

The requested POD will be sited immediately west and southwest of Heber Light & Power Company’s existing Ray Farrell Substation, approximately one quarter of a mile southwest of the 300 South and 600 West intersection.

2.0 Scope of the Study

This facilities study identifies the system improvements and additions based on the evaluation of PacifiCorp's ("Transmission Provider") main grid, sub-transmission, and distribution systems for the incorporation of the POD. Creating a POD will be accomplished by establishing a Transmission Provider substation and looping in and out the new Midway – Silver Creek 138 kV transmission line. This study report refers to the Transmission Provider's POD substation as "Q1803 Substation" and the Transmission Provider will formally name the substation after an agreement is signed with the Transmission Customer.

The Q1803 Substation will be sited immediately southwest of the Heber Light & Power Company's Ray Farrell Generation Substation, approximately one quarter mile southwest of the 300 South and 600 West intersection in Heber, Utah. Transmission Provider understands the Ray Farrell Substation will be expanded by Heber Light & Power Company to house the Transmission Customer's facilities identified in this study report.

This study identifies the infrastructure requirements and scope of work to establish the POD. The study also provides a scoped estimated cost (+/- 30%) to complete the identified scope of work. The study will outline all required network and direct assigned facilities necessary to support the identified request.

The change of ownership will occur on the inter-tie line between Q1803 Substation and the Heber Light & Power Ray Farrell Substation Expansion. The change of ownership will be the paddle terminals on the north strain insulators of the first transmission structure out of Q1803 Substation. The transmission structure will be owned by the Transmission Provider.

3.0 Study Assumptions and Conclusions

The customer has requested an in-service date of November 30, 2019. It is estimated to take 22 months after executed agreement to complete the work outlined in this report which includes other ongoing PacifiCorp system upgrades identified in Section 3.1. Major schedule considerations include but are not limited to: property acquisition, permitting, long-lead material delivery, outage coordination, and construction windows.

The study has been based on a request of 138 kV service to serve additional load as outlined in Figure 1.

Queue	OASIS AREF	Completed Request Received	Type of Service	POR	POD	MW	Start	End
Q1803	N/A	2/10/14	NT	Heber	Heber	37.6	12/1/2019	NA

Per the letter from Intermountain Consumer Professional Engineers, Inc. to Heber Light and Power dated December 7, 2017 the proposed load distribution under normal operation is 29.9 MW at the Ray Farrell Substation and 8 MW at the Midway Substation. The Ray Farrell Substation or Midway Substation could see the full load during contingency situations.

Figure 1. Load Forecast

3.1 *Study Assumptions*

The facility study results are based on the information provided by the Transmission Customer. If any of the information changes, the Transmission Provider reserves the right to restudy this request, as the results and conclusions contained within this study could significantly change.

All active higher-priority transmission service requests and system improvements necessary to serve the interconnect customer have been considered in this study. ***If any of the active higher-queued requests are withdrawn or changed, PacifiCorp reserves the right to restudy this request, and the results and conclusions could significantly change.***

All facilities will meet or exceed the minimum Western Electricity Coordinating Council (“WECC”), North American Electric Reliability Corporation (“NERC”), and the Transmission Provider’s performance and design standards.

The Transmission Provider’s Midway – Silver Creek Line and Midway Substation expansion is scheduled to be in-service before November 15, 2019. This includes, but is not limited to, obtaining all governmental approvals, acquiring fee property

and easements, design, material acquisition, and construction of the Transmission Provider's Midway – Silver Creek Line and Midway Substation expansion project.

Transmission Customer shall obtain permitting, fee property, and easements to meet the project requirements and schedule.

Transmission Customer shall not parallel Customer sub-transmission system with Provider's transmission system.

Transmission Customer and Transmission Provider will create an operation and maintenance agreement for the facilities in this study prior to energization.

3.2 Study Conclusions

Transmission Provider anticipates, based on the assumptions stated in 3.1, the Transmission Customer's requested schedule for initial in-service date is feasible.

Transmission Provider estimates it will require approximately 22 months after a signed agreement to provide the interconnection and system facilities identified in this study.

Transmission Provider estimates it will require approximately 18 months after Transmission Customer deliver's all rights of way, fee property, licenses, permits, governmental approvals for Transmission Provider to deliver the Transmission Provider interconnection and system facilities identified in this study.

4.0 PacifiCorp's Network Facility Modifications-Additions

The network facility modifications and additions outlined below support the current request for interconnection. The Transmission Customer has requested 138 kV interconnection to the Transmission Provider's planned Midway – Silver Creek Line.

4.1 *Transmission Modifications*

Midway – Silver Creek 138 kV Transmission Line

Transmission Provider is in the process of routing and designing the Midway – Silver Creek Line. This is the line that will be looped into the POD, Q1803 Substation.

4.2 *Substation Requirements*

Q1803 Substation

Q1803 Substation will be established for the POD. The substation will be constructed based on the one line diagram shown in **Figure 9.2**. The following major equipment has been preliminarily identified:

- 1 – 138 kV power circuit breaker(s)
- 5 – 138 kV switch(es), line disconnect and breaker isolation
- 4 – 138 kV CCVT(s)
- 1 – 138 kV SSVT(s)
- 6 – 138 kV surge arrester(s)
- 1 – Control building(s)
- 1 – DC battery system(s)

4.3 *Protection Modification and Addition Requirements*

Q1803 Substation

1. Install the following protection packages:
 - 1 – Transmission line protection package (Silver Creek 138 kV line)
 - 1 – Transmission line protection package (Midway 138 kV line)
2. Install the following control packages:
 - 1 – 138 kV circuit breaker control package
3. Install the following miscellaneous packages:

- 1 – Relay communications package
- 1 – Annunciator package

Midway Substation

Relay setting modifications.

Silver Creek Substation

Install the following protection and control packages:

- 1 – 138 kV relay protection package

4.4 *Interchange Metering Requirements*

Q1803 Substation

Reference Section 5.3.

4.5 *Data (RTU) Requirements*

Q1803 Substation

1. Install the following SCADA package(s):

- 1 – Substation RTU Package

4.6 *Communication Requirements*

Q1803 Substation

1. Install the following Communication package(s):

- 1 – Substation Communication Package

5.0 Transmission Customer's Direct Assigned Facility Additions

The direct assigned facility additions outlined below support the Transmission Customer's request for interconnection.

5.1 *Substation Requirements*

Q1803 Substation

Q1803 Substation will be established for the POD. The substation will be constructed based on the one line diagram shown in **Figure 9.2**. The following major equipment has been preliminarily identified:

- 1 – 138 kV power circuit breaker
- 4 – 138 kV switches, bus disconnect and breaker isolation
- 1 – 138 kV motor operator
- 1 – 138 kV CCVT.

5.2 *Protection Requirements*

Q1803 Substation

1. Install the following protection packages:
 - 1 – 138kV bus differential package
 - 1 – Auto-Sectionalizing with motor operator control package
2. Install the following control packages:
 - 1 – 138 kV circuit breaker control package with reverse power protection

5.3 *Interchange Metering Requirements*

Q1803 Substation

The interchange metering will be installed by the Transmission Customer and will be located in the Transmission Customer's facility. The metering interface is subject to all requirements under section 13 of the most recent ARTSOA.

5.4 *Data (RTU) Requirements*

Q1803 Substation

Nothing identified at this time.

5.5 Communication Requirements

Q1803 Substation

Nothing identified at this time.

6.0 Scope of Work

6.1 Transmission – Midway – Silver Creek 138 kV Line loop through Q1803 Substation

The engineering, procurement and construction of transmission facilities on the Transmission Provider's system side of the POD are covered by the "Tie Line" under the "CONSTRUCTION AGREEMENT FOR HEBER-MIDWAY LINE", dated April 3, 2017, between Heber Light & Power Company and Rocky Mountain Power.

TRANSMISSION CUSTOMER SHALL

- Obtain all rights of way, fee property, licenses, permits, and governmental approvals, and transfer to Transmission Provider, to loop the Transmission Provider's Midway – Silver Creek Line through the Q1803 Substation.

TRANSMISSION PROVIDER WILL

- Coordinate all requirements and interfaces of transmission facilities required to loop the Transmission Provider's Midway – Silver Creek Line through the Q1803 Substation.

6.2 Substation – Q1803 Substation

TRANSMISSION CUSTOMER SHALL

- Obtain fee property, licenses, permits, and governmental approvals.
- Transfer fee property title, licenses, permits, and governmental approvals required for the Q1803 Substation to the Transmission Provider.
- Rough grade to Q1803 Substation site to subgrade.
- Design Transmission Customer ground grid and provide design to Transmission Provider for ground grid coordination. Coordinate, as required, with the Transmission Provider for the interface of the Q1803 Substation ground grid with Transmission Customer's Ray Farrell existing and future facilities.
- Install Transmission Customer ground grid connections between Q1803 Substation and Ray Farrell Substation.
- Coordinate design, provide and install conduits between the Q1803 Substation marshalling cabinet and the Transmission Customer substation facilities.
- Provide and install conductor, static, insulators, and four (4) hole terminal pads between Q1803 Substation's first load-side structure and the Transmission Customer substation facilities.

- Provide and install Q1803 Substation fencing as required for permitting. Substation fencing shall meet Transmission Provider’s standards.

TRANSMISSION PROVIDER WILL

- Engineer, procure, and construct all substation facilities within the Transmission Provider’s Q1803 Substation fence.
- Provide and install conductor, terminations, insulators, and insulator terminal paddles (conductor) for transmission connection between Q1803 Substation dead-end and the transmission dead-end structure. (Note: The transmission dead-end structure is within the scope of the “Tie Line” under the “CONSTRUCTION AGREEMENT FOR HEBER-MIDWAY LINE”, dated April 3, 2017, between Heber Light & Power Company and Rocky Mountain Power.)

6.3 **Protection and Control – Q1803 Substation**

TRANSMISSION CUSTOMER SHALL

- Provide CT outputs from Transmission Customer owned 138kV circuit breaker located in Ray Farrell Substation for the bus differential protection associated with the connection between the Q1803 Substation and the Transmission Customer’s substation facilities.
- Provide conduit and control cable from Customer’s Ray Farrell Substation to Transmission Provider’s marshalling cabinet.

TRANSMISSION PROVIDER WILL

- Engineer, procure, and install the protection and control as listed in Sections 4 and 5.

6.4 **Interchange Metering – Q1803 Substation**

TRANSMISSION CUSTOMER SHALL

- Provide the Transmission Provider with interchange meter data. The metering interface is subject to all requirements under section 13 of the most recent ARTSOA.
- Engineer, procure, and construct underground facilities (i.e. conduit, cabling, etc.) necessary to support obtaining metering data from the Transmission Customer’s interchange meters and deliver to Transmission Provider’s marshalling cabinet.

TRANSMISSION PROVIDER WILL

- Engineer, procure, and construct facilities (i.e. conduit, cabling, etc.) necessary to support obtaining metering data from the marshalling cabinet.

6.5 **Communications – Q1803 Substation**

TRANSMISSION CUSTOMER SHALL

- Provide metering data from 138kV metering located in Ray Farrell Substation to the Q1803 Substation marshalling cabinet.
- Provide conduit and control cable from Customer's Ray Farrell Substation to Transmission Provider's marshalling cabinet for metering data.

TRANSMISSION PROVIDER WILL

- Engineer, procure, and construct any necessary communications infrastructure within Q1803 Substation required for this project.

7.0 Additional Customer Requirements

1. Power factor at the POD identified in Figure 1 shall meet specified requirements identified in Section 17 of the UAMPS ARTSOA.
2. All harmonics and flicker criteria must meet IEEE 519 standard.
3. Customer provide voltage regulation on their substation transformers, since the transmission system voltage criteria allow the voltage to vary over 10%.

8.0 Cost Estimate

Below are the estimated costs associated with the installation of network and direct assigned facilities associated with the Q1803 Substation installation.

Direct Assigned (UAMPS)

DA: Q1803 Substation - New 138kV Delivery Point	\$470,000
DA: Ray Farrell to Q1803 Substation - 138kV Interconnect	\$190,000
TOTAL DIRECT ASSIGNED	\$660,000

Network (PacifiCorp)

NU: Q1803 Substation - New 138kV Delivery Point	\$3,620,000
NU: Midway Substation - P&C	\$140,000
NU: Silver Creek Substation - P&C	\$40,000
TOTAL NETWORK	\$3,800,000

9.0 Appendix

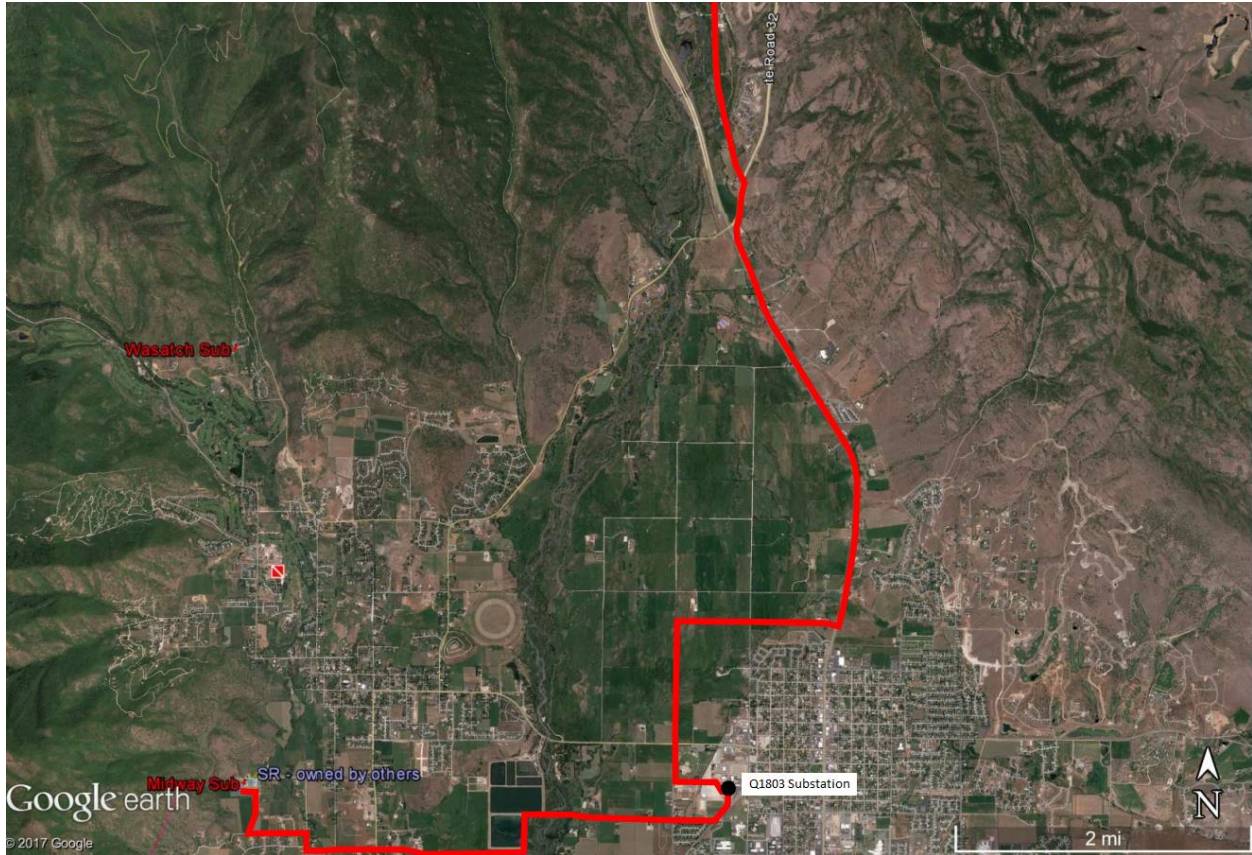


Figure 9.1
2019 Planned Area Transmission Map

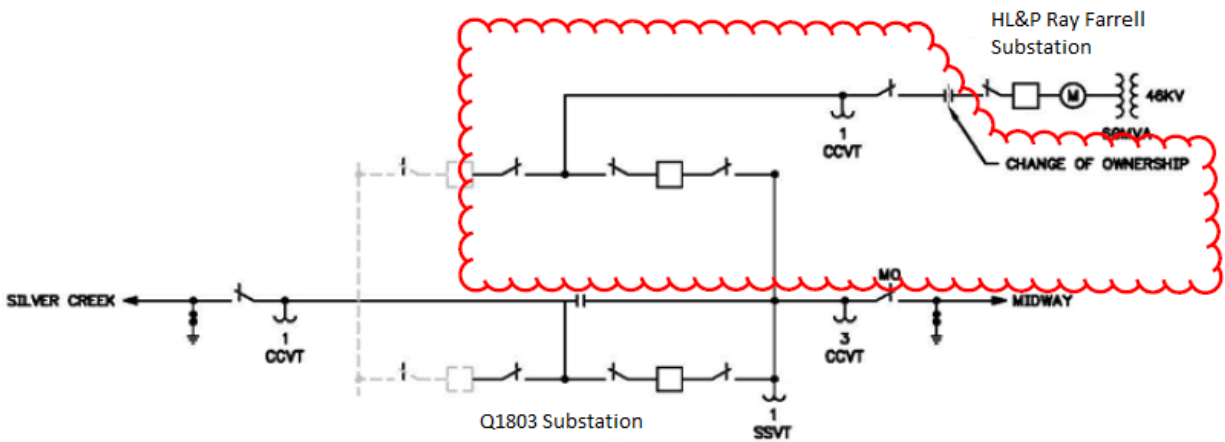


Figure 9.2
Q1803 [Name TBD] Substation One Line Diagram
(Red clouded area is Direct Assigned)

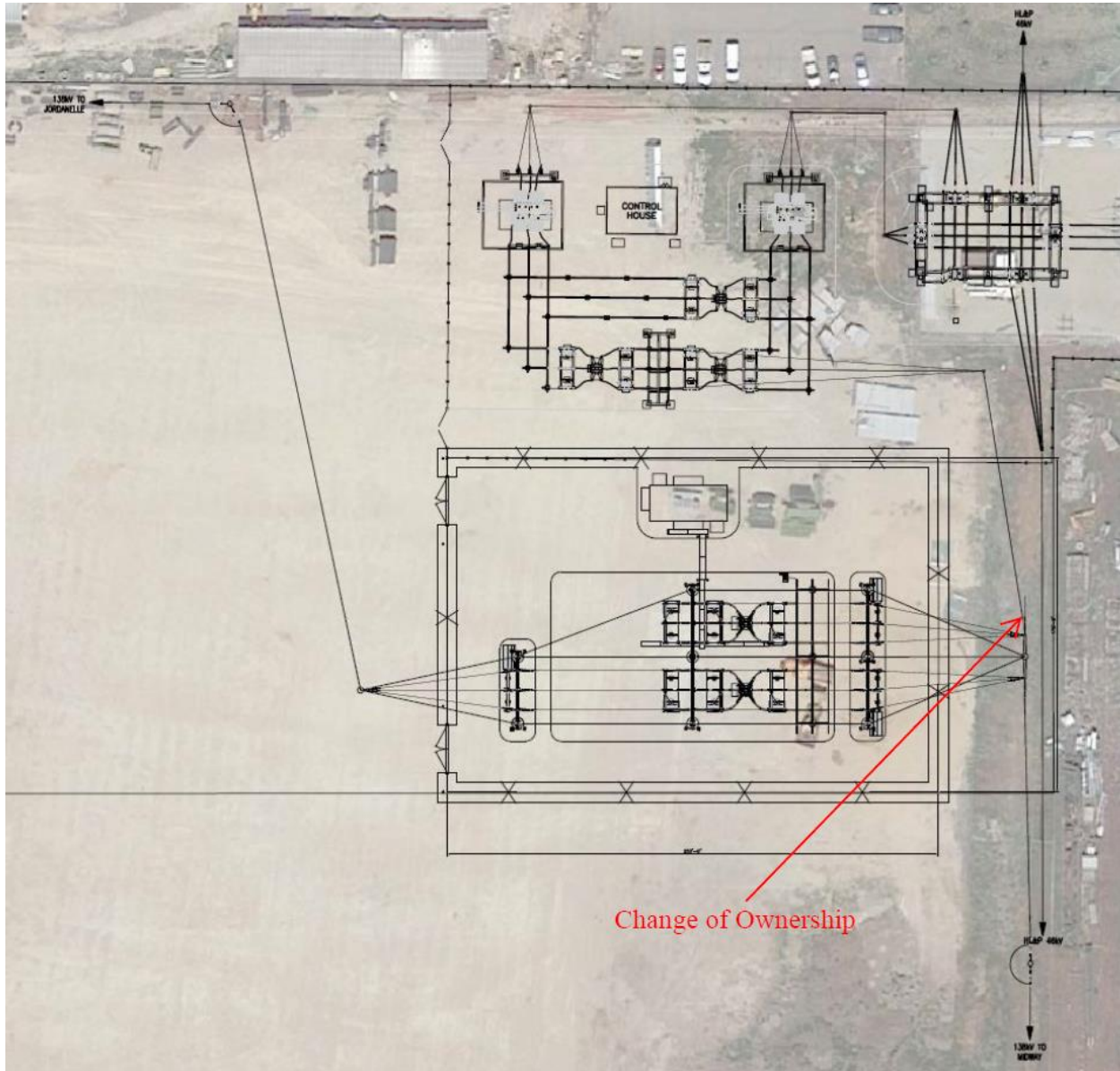


Figure 9.3
Q1803 [Name TBD] Substation / Ray Farrell Substation General Arrangement & Transmission Concept

Load Service Request
**Facilities Study
Report**

Completed for
Utah Associated Municipal Power Systems
("Transmission Customer")

TSR Q1803
UAMPS AREF NA 2nd POD for Heber Light & Power

**138 kV Interconnection
To
PacifiCorp's Midway - Silver Creek 138kV Transmission Line**

December 04, 2017

FINAL

1.0 Description

Utah Associated Municipal Power Systems (“Transmission Customer”) has submitted a request pursuant to Section 10 of the Third Amended and Restated Transmission Service Operating Agreement (“ARTSOA”) between Transmission Customer and Transmission Provider for a 138 kV Point of Delivery (“POD”) for Heber Light & Power. This POD is in addition to the existing 46 kV Point of Delivery.

The requested POD will interconnect onto a future PacifiCorp 138 kV transmission line, hereinafter referred to as the “Midway – Silver Creek Line”. The construction of the Midway – Silver Creek Line is controlled by an agreement called “CONSTRUCTION AGREEMENT FOR HEBER-MIDWAY LINE”, dated April 3, 2017, between Heber Light & Power Company and PacifiCorp.

The requested POD will be sited immediately west and southwest of Heber Light & Power Company’s existing Ray Farrell Substation, approximately one quarter of a mile southwest of the 300 South and 600 West intersection.

2.0 Scope of the Study

This facilities study identifies the system improvements and additions based on the evaluation of PacifiCorp's ("Transmission Provider") main grid, sub-transmission, and distribution systems for the incorporation of the POD. Creating a POD will be accomplished by establishing a Transmission Provider substation and looping in and out the new Midway – Silver Creek 138 kV transmission line. This study report refers to the Transmission Provider's POD substation as "Q1803 Substation" and the Transmission Provider will formally name the substation after an agreement is signed with the Transmission Customer.

The Q1803 Substation will be sited immediately southwest of the Heber Light & Power Company's Ray Farrell Generation Substation, approximately one quarter mile southwest of the 300 South and 600 West intersection in Heber, Utah. Transmission Provider understands the Ray Farrell Substation will be expanded by Heber Light & Power Company to house the Transmission Customer's facilities identified in this study report.

This study identifies the infrastructure requirements and scope of work to establish the POD. The study also provides a scoped estimated cost (+/- 30%) to complete the identified scope of work. The study will outline all required network and direct assigned facilities necessary to support the identified request.

The change of ownership will occur on the inter-tie line between Q1803 Substation and the Heber Light & Power Ray Farrell Substation Expansion. The change of ownership will be the paddle terminals on the north strain insulators of the first transmission structure out of Q1803 Substation. The transmission structure will be owned by the Transmission Provider.

3.0 Study Assumptions and Conclusions

The customer has requested an in-service date of November 30, 2019. It is estimated to take 22 months after executed agreement to complete the work outlined in this report which includes other ongoing PacifiCorp system upgrades identified in Section 3.1. Major schedule considerations include but are not limited to: property acquisition, permitting, long-lead material delivery, outage coordination, and construction windows.

The study has been based on a request of 138 kV service to serve additional load as outlined in Figure 1.

Queue	OASIS AREF	Completed Request Received	Type of Service	POR	POD	MW	Start	End
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Per the letter from Intermountain Consumer Professional Engineers, Inc. to Heber Light and Power dated December 7, 2017 the proposed load distribution under normal operation is 29.9 MW at the Ray Farrell Substation and 8 MW at the Midway Substation. The Ray Farrell Substation or Midway Substation could see the full load during contingency situations.

Figure 1. Load Forecast

3.1 *Study Assumptions*

The facility study results are based on the information provided by the Transmission Customer. If any of the information changes, the Transmission Provider reserves the right to restudy this request, as the results and conclusions contained within this study could significantly change.

All active higher-priority transmission service requests and system improvements necessary to serve the interconnect customer have been considered in this study. ***If any of the active higher-queued requests are withdrawn or changed, PacifiCorp reserves the right to restudy this request, and the results and conclusions could significantly change.***

All facilities will meet or exceed the minimum Western Electricity Coordinating Council (“WECC”), North American Electric Reliability Corporation (“NERC”), and the Transmission Provider’s performance and design standards.

The Transmission Provider’s Midway – Silver Creek Line and Midway Substation expansion is scheduled to be in-service before November 15, 2019. This includes, but is not limited to, obtaining all governmental approvals, acquiring fee property

and easements, design, material acquisition, and construction of the Transmission Provider's Midway – Silver Creek Line and Midway Substation expansion project.

Transmission Customer shall obtain permitting, fee property, and easements to meet the project requirements and schedule.

Transmission Customer shall not parallel Customer sub-transmission system with Provider's transmission system.

Transmission Customer and Transmission Provider will create an operation and maintenance agreement for the facilities in this study prior to energization.

3.2 Study Conclusions

Transmission Provider anticipates, based on the assumptions stated in 3.1, the Transmission Customer's requested schedule for initial in-service date is feasible.

Transmission Provider estimates it will require approximately 22 months after a signed agreement to provide the interconnection and system facilities identified in this study.

Transmission Provider estimates it will require approximately 18 months after Transmission Customer deliver's all rights of way, fee property, licenses, permits, governmental approvals for Transmission Provider to deliver the Transmission Provider interconnection and system facilities identified in this study.

4.0 PacifiCorp's Network Facility Modifications-Additions

The network facility modifications and additions outlined below support the current request for interconnection. The Transmission Customer has requested 138 kV interconnection to the Transmission Provider's planned Midway – Silver Creek Line.

4.1 *Transmission Modifications*

Midway – Silver Creek 138 kV Transmission Line

Transmission Provider is in the process of routing and designing the Midway – Silver Creek Line. This is the line that will be looped into the POD, Q1803 Substation.

4.2 *Substation Requirements*

Q1803 Substation

Q1803 Substation will be established for the POD. The substation will be constructed based on the one line diagram shown in **Figure 9.2**. The following major equipment has been preliminarily identified:

- 1 – 138 kV power circuit breaker(s)
- 5 – 138 kV switch(es), line disconnect and breaker isolation
- 4 – 138 kV CCVT(s)
- 1 – 138 kV SSVT(s)
- 6 – 138 kV surge arrester(s)
- 1 – Control building(s)
- 1 – DC battery system(s)

4.3 *Protection Modification and Addition Requirements*

Q1803 Substation

1. Install the following protection packages:
 - 1 – Transmission line protection package (Silver Creek 138 kV line)
 - 1 – Transmission line protection package (Midway 138 kV line)
2. Install the following control packages:
 - 1 – 138 kV circuit breaker control package
3. Install the following miscellaneous packages:

- 1 – Relay communications package
- 1 – Annunciator package

Midway Substation

Relay setting modifications.

Silver Creek Substation

Install the following protection and control packages:

- 1 – 138 kV relay protection package

4.4 *Interchange Metering Requirements*

Q1803 Substation

Reference Section 5.3.

4.5 *Data (RTU) Requirements*

Q1803 Substation

1. Install the following SCADA package(s):

- 1 – Substation RTU Package

4.6 *Communication Requirements*

Q1803 Substation

1. Install the following Communication package(s):

- 1 – Substation Communication Package

5.0 Transmission Customer's Direct Assigned Facility Additions

The direct assigned facility additions outlined below support the Transmission Customer's request for interconnection.

5.1 Substation Requirements

Q1803 Substation

Q1803 Substation will be established for the POD. The substation will be constructed based on the one line diagram shown in **Figure 9.2**. The following major equipment has been preliminarily identified:

- 1 – 138 kV power circuit breaker
- 4 – 138 kV switches, bus disconnect and breaker isolation
- 1 – 138 kV motor operator
- 1 – 138 kV CCVT.

5.2 Protection Requirements

Q1803 Substation

1. Install the following protection packages:
 - 1 – 138kV bus differential package
 - 1 – Auto-Sectionalizing with motor operator control package
2. Install the following control packages:
 - 1 – 138 kV circuit breaker control package with reverse power protection

5.3 Interchange Metering Requirements

Q1803 Substation

The interchange metering will be installed by the Transmission Customer and will be located in the Transmission Customer's facility. The metering interface is subject to all requirements under section 13 of the most recent ARTSOA.

5.4 Data (RTU) Requirements

Q1803 Substation

Nothing identified at this time.

5.5 Communication Requirements

Q1803 Substation

Nothing identified at this time.

6.0 Scope of Work

6.1 Transmission – Midway – Silver Creek 138 kV Line loop through Q1803 Substation

The engineering, procurement and construction of transmission facilities on the Transmission Provider’s system side of the POD are covered by the “Tie Line” under the “CONSTRUCTION AGREEMENT FOR HEBER-MIDWAY LINE”, dated April 3, 2017, between Heber Light & Power Company and Rocky Mountain Power.

TRANSMISSION CUSTOMER SHALL

- Obtain all rights of way, fee property, licenses, permits, and governmental approvals, and transfer to Transmission Provider, to loop the Transmission Provider’s Midway – Silver Creek Line through the Q1803 Substation.

TRANSMISSION PROVIDER WILL

- Coordinate all requirements and interfaces of transmission facilities required to loop the Transmission Provider’s Midway – Silver Creek Line through the Q1803 Substation.

6.2 Substation – Q1803 Substation

TRANSMISSION CUSTOMER SHALL

- Obtain fee property, licenses, permits, and governmental approvals.
- Transfer fee property title, licenses, permits, and governmental approvals required for the Q1803 Substation to the Transmission Provider.
- Rough grade to Q1803 Substation site to subgrade.
- Design Transmission Customer ground grid and provide design to Transmission Provider for ground grid coordination. Coordinate, as required, with the Transmission Provider for the interface of the Q1803 Substation ground grid with Transmission Customer’s Ray Farrell existing and future facilities.
- Install Transmission Customer ground grid connections between Q1803 Substation and Ray Farrell Substation.
- Coordinate design, provide and install conduits between the Q1803 Substation marshalling cabinet and the Transmission Customer substation facilities.
- Provide and install conductor, static, insulators, and four (4) hole terminal pads between Q1803 Substation’s first load-side structure and the Transmission Customer substation facilities.

- Provide and install Q1803 Substation fencing as required for permitting. Substation fencing shall meet Transmission Provider’s standards.

TRANSMISSION PROVIDER WILL

- Engineer, procure, and construct all substation facilities within the Transmission Provider’s Q1803 Substation fence.
- Provide and install conductor, terminations, insulators, and insulator terminal paddles (conductor) for transmission connection between Q1803 Substation dead-end and the transmission dead-end structure. (Note: The transmission dead-end structure is within the scope of the “Tie Line” under the “CONSTRUCTION AGREEMENT FOR HEBER-MIDWAY LINE”, dated April 3, 2017, between Heber Light & Power Company and Rocky Mountain Power.)

6.3 **Protection and Control – Q1803 Substation**

TRANSMISSION CUSTOMER SHALL

- Provide CT outputs from Transmission Customer owned 138kV circuit breaker located in Ray Farrell Substation for the bus differential protection associated with the connection between the Q1803 Substation and the Transmission Customer’s substation facilities.
- Provide conduit and control cable from Customer’s Ray Farrell Substation to Transmission Provider’s marshalling cabinet.

TRANSMISSION PROVIDER WILL

- Engineer, procure, and install the protection and control as listed in Sections 4 and 5.

6.4 **Interchange Metering – Q1803 Substation**

TRANSMISSION CUSTOMER SHALL

- Provide the Transmission Provider with interchange meter data. The metering interface is subject to all requirements under section 13 of the most recent ARTSOA.
- Engineer, procure, and construct underground facilities (i.e. conduit, cabling, etc.) necessary to support obtaining metering data from the Transmission Customer’s interchange meters and deliver to Transmission Provider’s marshalling cabinet.

TRANSMISSION PROVIDER WILL

- Engineer, procure, and construct facilities (i.e. conduit, cabling, etc.) necessary to support obtaining metering data from the marshalling cabinet.

6.5 **Communications – Q1803 Substation**

TRANSMISSION CUSTOMER SHALL

- Provide metering data from 138kV metering located in Ray Farrell Substation to the Q1803 Substation marshalling cabinet.
- Provide conduit and control cable from Customer's Ray Farrell Substation to Transmission Provider's marshalling cabinet for metering data.

TRANSMISSION PROVIDER WILL

- Engineer, procure, and construct any necessary communications infrastructure within Q1803 Substation required for this project.

7.0 Additional Customer Requirements

1. Power factor at the POD identified in Figure 1 shall meet specified requirements identified in Section 17 of the UAMPS ARTSOA.
2. All harmonics and flicker criteria must meet IEEE 519 standard.
3. Customer provide voltage regulation on their substation transformers, since the transmission system voltage criteria allow the voltage to vary over 10%.

8.0 Cost Estimate

Below are the estimated costs associated with the installation of network and direct assigned facilities associated with the Q1803 Substation installation.

Direct Assigned (UAMPS)

DA: Q1803 Substation - New 138kV Delivery Point	\$470,000
DA: Ray Farrell to Q1803 Substation - 138kV Interconnect	\$190,000
TOTAL DIRECT ASSIGNED	\$660,000

Network (PacifiCorp)

NU: Q1803 Substation - New 138kV Delivery Point	\$3,620,000
NU: Midway Substation - P&C	\$140,000
NU: Silver Creek Substation - P&C	\$40,000
TOTAL NETWORK	\$3,800,000

9.0 Appendix

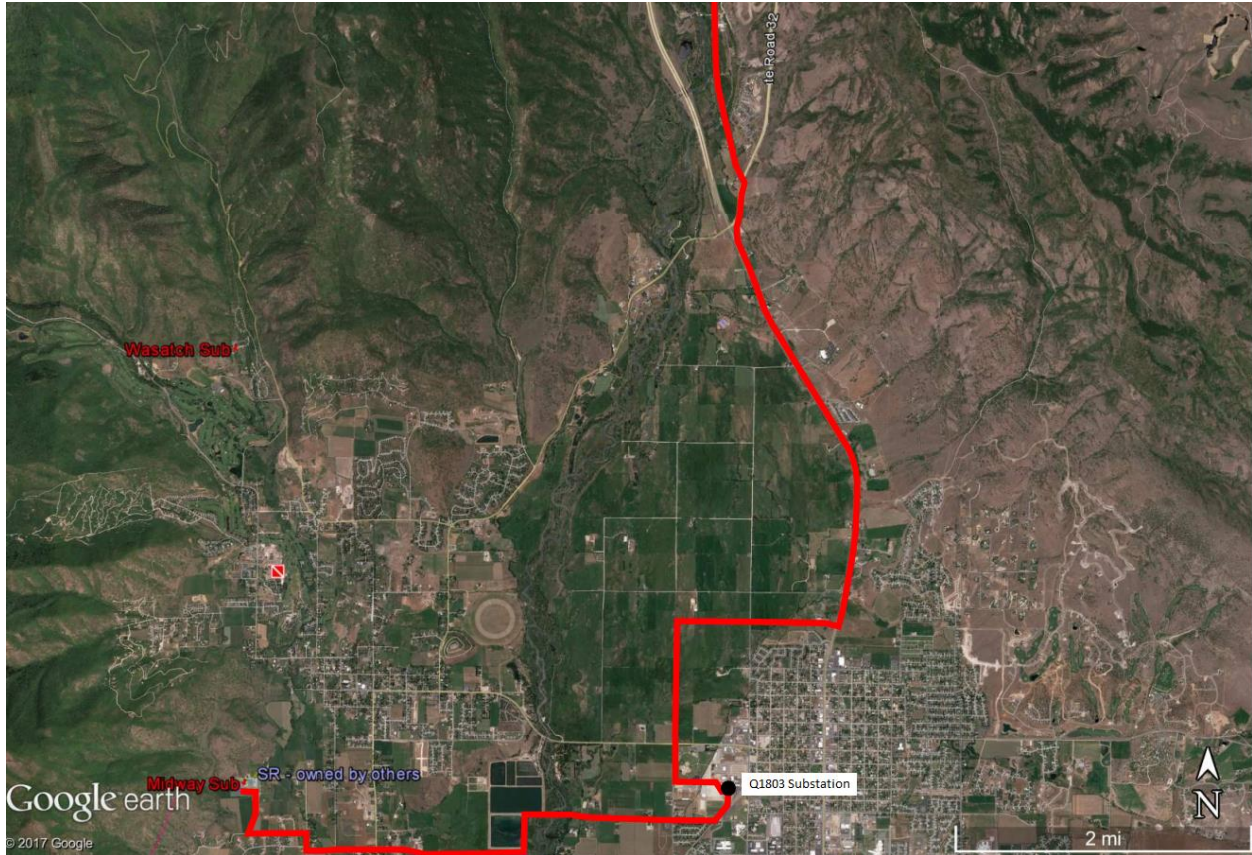


Figure 9.1
2019 Planned Area Transmission Map

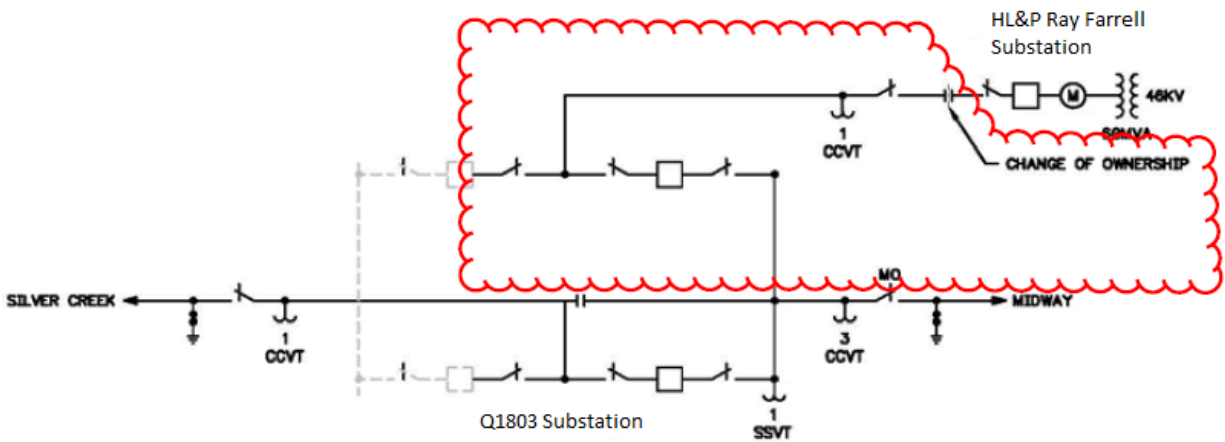


Figure 9.2
Q1803 [Name TBD] Substation One Line Diagram
(Red clouded area is Direct Assigned)

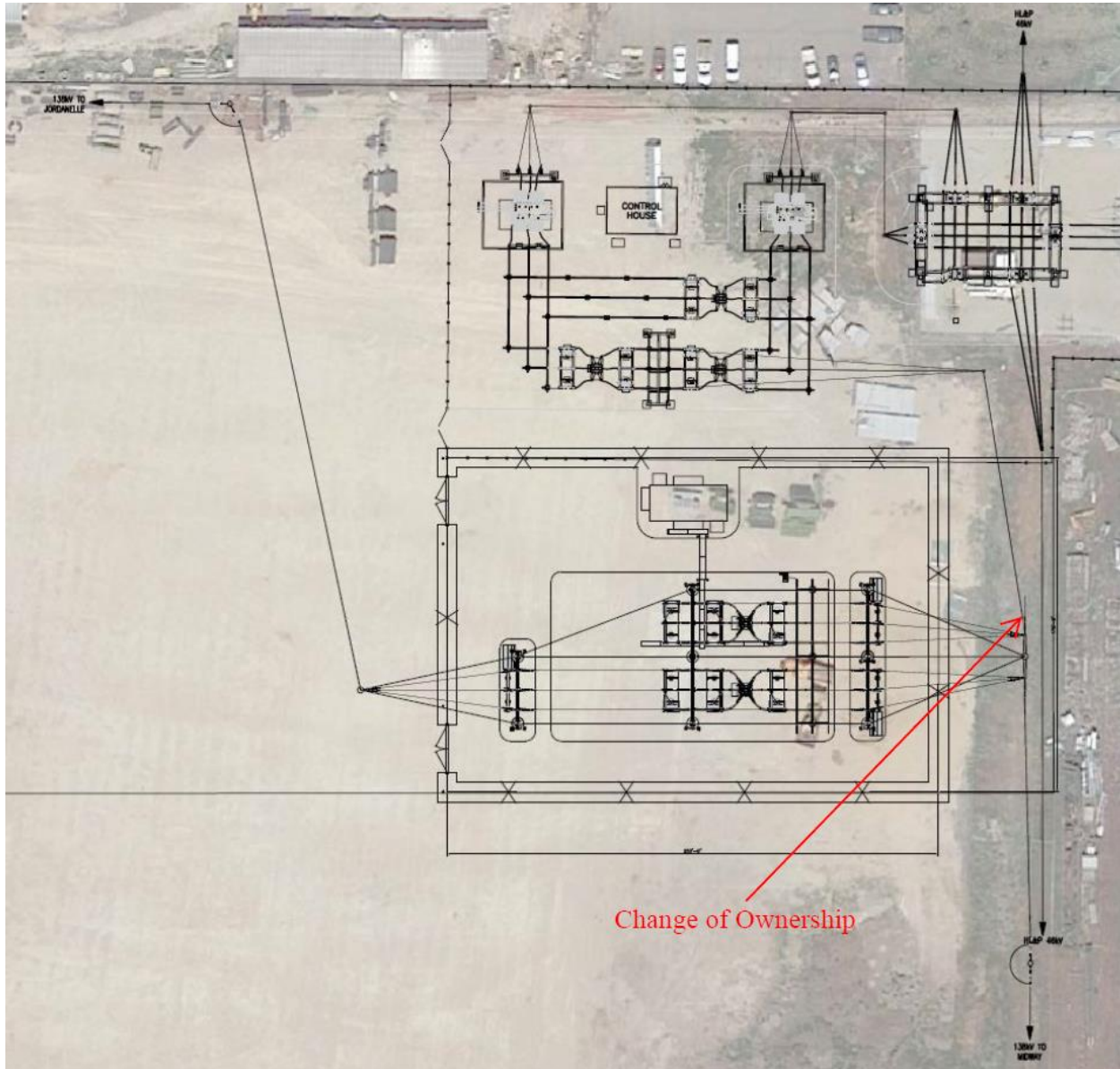


Figure 9.3
Q1803 [Name TBD] Substation / Ray Farrell Substation General Arrangement & Transmission Concept