

**ELECTRIC SERVICE AGREEMENT
BETWEEN
ROCKY MOUNTAIN POWER
AND
KENNECOTT UTAH COPPER LLC**

THIS **ELECTRIC SERVICE AGREEMENT** ("Agreement"), made this ____ day of August, 2009 is by and between PacifiCorp, an Oregon corporation doing business in Utah as Rocky Mountain Power (the "Company"), and Kennecott Utah Copper LLC, a Utah limited liability company ("Kennecott") having a place of business within the State of Utah, in and about the town of Magna, Utah and located within the county of Salt Lake.

WHEREAS, the Company is currently the provider of electric energy and power to Kennecott's mining and copper production facilities ("Facilities") within the State of Utah; and

WHEREAS, Kennecott both generates and consumes large quantities of electric power and energy, is interconnected at transmission voltage levels with the Company's system in the western half of Salt Lake County, and through its generation significantly reduces demand on the Company's system during its peak season; and

WHEREAS, Kennecott desires to purchase back-up, maintenance and supplementary power; and

WHEREAS, the Company desires to be the provider of back-up, maintenance and supplementary power.

NOW, THEREFORE, the Parties hereto agree as follows:

SECTION 1: DEFINITIONS

- 1.1 "Back-up Contract Demand" means the specified Demand in kilowatts, as determined in accordance with Section 9, but not to exceed the 207 MW total output capacity of Kennecott's on-site generation facilities, of Back-up Power for the supply of which Kennecott contracts with the Company and which the Company agrees to have available for delivery to Kennecott in excess of which the Company is under no obligation to supply.
- 1.2 "Back-up Power" means the kW of Back-up Contract Demand supplied by the Company to Kennecott. Back-up Power shall be determined for each day of the Billing Period containing Heavy Load Hours. The kW of Back-up Power each day shall be the kW for the fifteen-minute period of Kennecott's greatest use of Back-up Power during the Heavy Load Hours of the day. The Back-up Power for the Billing Period shall be the sum of the Back-up Power for each day of the

Billing Period. For each fifteen minute period, Back-up Power shall equal the Measured Demand minus the Supplementary Contract Demand but shall not be less than zero nor greater than the Back-up Contract Demand.

- 1.3 “Billing Period” means the period of approximately thirty days intervening between regular successive meter reading dates. In those years when the Power Plant generation begins in March, the Billing Periods for February will be based on a meter reading at the hour ending 0000 Mountain Prevailing Time (MPT) on March 4. In those years when the Power Plant generation ceases at the end of October, the Billing Periods for October will be based upon a meter reading at the hour ending 2400 MPT on October 28.
- 1.4 “Change in Law” means any change in any international, federal, state, or foreign law, treaty, convention, rule, regulation, ruling, directive, requirement, determination, or decision of any Governmental Authority, including any of the same concerning GHGs, including amendments to the Clean Air Act Amendments of 1990 or any regulations promulgated thereunder, passage of the Waxman-Markey American Clean Energy and Security bill or any variant, conference report, or replacement thereof, regulation of any GHGs by the Environmental Protection Agency or any successor agency, or any ratification or implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change or any aspect thereof.
- 1.5 “Commission” means the Utah Public Service Commission.
- 1.6 “Company” means Rocky Mountain Power.
- 1.7 “Contract Period” means the term of the Agreement defined as January 1, 2010 through December 31, 2010.
- 1.8 “Contract Year” means each twelve-month period beginning January 1 of each calendar year and ending December 31 of the same calendar year.
- 1.9 “Demand” means the rate in kilowatts at which electricity is generated, transferred or used. Demand measurements are calculated based on the average (integrated) usage over fifteen-minute periods of time, starting at 00, 15, 30 or 45 minutes past each hour. Demands may be adjusted for Power Factor. Abnormally high demands established as a result of extraordinary conditions existing on the interconnected system or as a result of accidents caused by negligence resulting in temporary separation of the Parties’ systems shall be excluded from the determination of demand.
- 1.10 “Excess Power” means power supplied by the Company to Kennecott in excess of the Total Contract Demand. The kW of Excess Power for the Billing Period shall be the kW for the fifteen-minute period of Kennecott’s greatest use of Excess Power during the Billing Period. For each fifteen-minute period, Excess Power shall be equal to the Measured Demand minus the Total Contract

Demand but shall not be less than zero. No charge for excess power shall be applied so long as Kennecott has provided notice as provided elsewhere in this Agreement.

- 1.11 “Greenhouse Gas Costs” means any and all federal, state or local costs, expenses, assessments, taxes, or charges, losses, charges, payments, amounts due, fines, penalties, and obligations of any kind or nature, however named or designated, and on whomever assessed, payable to or payable by (including any now or hereafter imposed by any Governmental Authority on Counterparty or any PacifiCorp Indemnitee or their assets), whether or not contestable, whether or not currently anticipated or predictable, with respect to or on account of any matter or thing respecting GHGs or actual or potential emissions to the air, water or ground of GHGs, including any (A) due to a Change in Law; (B) relating to or arising from emissions from the generating facility or the existence, transportation, generation, transmission, purchase, sale or use of fuel, capacity, or energy; (C) mandating GHG sequestration; (D) concerning or taxing the GHG content, emissions potential or molecular composition of fuel or emissions; (E) so-called “cap and trade” regime respecting GHGs, including the cost of auctioned, or value of allocated, allowance permits, or alternative compliance payments; or (F) changing the emissions baseline of a PacifiCorp Indemnitee’s GHG emissions; and all reasonable legal and accounting costs and expenses respecting any of the foregoing.
- 1.12 “Heavy Load Hours (“HLH”)” and Light Load Hours (“LLH”) shall have the meanings contained in the Electric Service Schedule No. 9.
- 1.13 “Holidays” means New Year’s Day, President’s Day, Memorial Day, Independence Day, Pioneer Day, Labor Day, Thanksgiving Day and Christmas Day. When a Holiday falls on a Saturday or Sunday, the Friday before the Holiday (if the Holiday falls on a Saturday) or the Monday following the Holiday (if the Holiday falls on a Sunday) will be considered a Holiday and consequently off peak (Light Load Hours).
- 1.14 “Kennecott” means Kennecott Utah Copper LLC.
- 1.15 “Maintenance Power” means the electric power and energy made available by the Company to Kennecott Utah Copper LLC during scheduled maintenance periods established in accordance with this Agreement to replace Back-up Power. Maintenance Power shall not exceed the Back-up Contract Demand.
- 1.16 “Measured Demand” means, for any fifteen-minute period, the algebraic sum of the separate coincident Demands as shown or computed from the Demand meters located at the Points of Delivery for that fifteen minute period.

- 1.17 "Measured Energy" means, for any period, the algebraic sum of the electric energy in kilowatt-hours as shown by or computed from the readings of the kilowatt-hour meters located at the Points of Delivery.
- 1.18 "Party" means Rocky Mountain Power or Kennecott.
- 1.19 "Point of Delivery" means the location where the Company's service wires connect to Kennecott's wires and apparatus as set forth in Appendix I hereto and all other points where service is received at 46KV or greater as measured on the Company's standard system for Kennecott.
- 1.20 "Power Plant" means the generation facilities of Kennecott that are not certified with FERC as a qualifying facility ("QF").
- 1.21 "Prudent Electrical Practices" means those practices, methods and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully with safety, and that are in accordance with the IEEE Standards utilized in the Company's Engineering Handbook ("Handbook"), the National Electrical Safety Code, the National Electric Code or any other applicable government code in effect during the term of this Agreement.
- 1.22 "Summer Season" shall mean the period from May 1 through September 30.
- 1.23 "Supplementary Contract Demand" means the specified monthly Demand in kilowatts, as from time to time may be changed in accordance with Section 9, of Supplementary Power for the supply of which Kennecott contracts with the Company and which the Company agrees to have available for delivery to Kennecott, in excess of which the Company is under no obligation to supply.
- 1.24 "Supplementary Power" means the kW of Supplementary Contract Demand supplied by Company to Kennecott. The kW of Supplementary Power for the Billing Period shall be the kW for the fifteen-minute period of Kennecott's greatest use of Supplementary Power during the Billing Period. For each fifteen minute period, Supplementary Power shall equal the Measured Demand but shall not be less than zero nor greater than the Supplementary Contract Demand.
- 1.25 "Total Contract Demand" means the sum of the Supplementary Contract Demand and the Back-up Contract Demand.
- 1.26 "Winter Season" shall mean the period from October 1 through April 30.

SECTION 2: TERM AND TERMINATION

- 2.1 This Agreement shall be effective beginning on January 1, 2010, and shall continue in full force and effect through December 31, 2010.

SECTION 3: LOAD ESTIMATES

- 3.1 No later than November 1, 2009, Kennecott shall provide the Company with an estimate of its anticipated demand and energy during each month of the ensuing Contract Year commencing January 1. The estimates shall also include approximations of power demands for backup and maintenance. All such estimates may be modified from time to time. In the event that Kennecott desires to modify its power usage estimates, Kennecott shall submit changes to the Company on or before the 15th day of the month in which the change is intended to take effect. Kennecott's estimates of its future demand and energy requirements will not modify Kennecott's Supplementary Contract Demand, Back-up Contract Demand or Total Contract Demand under this Agreement. At the request of the Company, Kennecott will provide an estimate of generation and demand.

SECTION 4: RATES, BILLING, PAYMENTS AND ADJUSTMENTS

- 4.1 The Company shall sell and deliver and Kennecott shall purchase and receive service at the Charges defined in Exhibit 1, which is attached hereto and incorporated herein. All Charges applicable under this Agreement shall be firm and fixed for the initial Contract Year of the Agreement.
- 4.2 **Power Factor Adjustment**
These rates are based on Kennecott's maintaining at all times a Power Factor of 90% lagging, or higher, as determined by the measurement and averaging of all Points of Delivery. If the average Power Factor is found to be less than 90% lagging, the Measured Demand as recorded by the Company's meter will be increased by 3/4 of 1% for every 1% that the Power Factor is less than 90%.
- 4.3 All billing statements for power and energy shall show the amount due for the type and quantity of power and energy purchased and charged in accordance with the Agreement.
- 4.5 All billing statements shall be paid within thirty days after receipt by Kennecott thereof. In the event that a portion of a billing statement or adjustment arising hereunder is disputed, payment of the portion not in dispute shall be made when due. Kennecott and Company shall seek to make a determination on any disputed amount within sixty days after issuance of Kennecott's notice of dispute. Should the parties be unable to resolve the dispute, then resolution shall be by arbitration in accordance with the Rule of Arbitration of the American Arbitration Association for commercial disputes. Each Party may offset amounts owing to the other Party pursuant to this Agreement, the QF Power Purchase Agreement, the Generation Interconnection Agreement, or any other agreement between the parties or otherwise.

- 4.6 If at any time Kennecott publicly discloses information which Rocky Mountain Power, exercising its reasonable commercial judgment, believes will impact Kennecott's ability to pay its electric service bills, Company may request deposits to the extent permitted under the applicable Electric Service Regulations. Such an event would be limited to public disclosure of significant financial losses; inability to make scheduled debt payments; foreclosure of assets, or disclosure that the company is considering filing for bankruptcy. In the event Kennecott defaults in any of its obligations under this Agreement or the applicable Electric Service Regulations, Company may exercise any or all of its rights and remedies under this Agreement, the applicable Electric Service Regulations, and under any applicable laws, rules and regulations with respect to any such deposits.
- 4.7 Energy Cost Adjustment Mechanism. Kennecott agrees, upon implementation of an energy cost adjustment mechanism ("ECAM") approved by the Commission, to pay its portion of the Commission determined ECAM surcharge, to be implemented concurrently with the Commission ordered effective date for customers under Schedule 9 and 31. The parties acknowledge that all customers should be subject to an ECAM and should be treated fairly based on their usage and cost-causing characteristics. The parties further recognize that different rate schedules and different special contract customers have different seasonal usage characteristics that must be taken into consideration.
- 4.8 Demand-Side Management Surcharge. Kennecott represents that it has and will continue to implement demand-side management measures and practices. Company and Kennecott agree that Kennecott will be subject to demand-side management surcharges if so ordered by the Commission.
- 4.9 Greenhouse Gas Emissions. Kennecott agrees to be charged, and to pay on the timeline set forth by the Commission, as approved in any rate case, ECAM proceeding, or other order by the Commission, Kennecott's proportionate share of any and all Greenhouse Gas Costs. Company and Kennecott agree to discuss Greenhouse Gas costs in the future as more details regarding such costs become known. Kennecott's obligation will be reduced by any offsets, allowances, credits or other cost mitigation provisions pursuant to any Change in Law available to Kennecott, or available to the Company pursuant to an order of the Commission.

SECTION 5: OTHER EXCHANGES OF VALUE

- 5.1 From time to time, the Parties may engage in activities that provide for separate consideration to flow to a Party. Subjects which may be considered include (but are not limited to): maximizing the availability of generation assets at Kennecott thereby reducing the amount of energy which Company is required to supply; expanding the time periods in which Kennecott operates its generation assets into time frames normally reserved for maintenance; shifting planned maintenance periods to better coincide with Company's energy needs etc.

Demand management opportunities may also be addressed, including load shifting, load shedding or voluntary curtailment to reduce demand at the expense of requisite changes in Kennecott operations.

SECTION 6: OPERATIONS AND MAINTENANCE

6.1 Cooperation in Operation

6.1.1 Kennecott shall make reasonable commercial efforts to notify the Company in advance regarding conditions affecting Kennecott's load that may aid Company in load dispatching and in planning Company's power system operation, such as the probable schedule and duration of substantial daily load changes. Following an unexpected outage, Kennecott shall notify Company's dispatcher as quickly as possible of the expected duration of such outage. Such estimates or advance information shall not be binding on either party.

6.1.2 Kennecott shall, upon reasonable request and to the extent practicable, cooperate in the operation of its generators through voltage adjustments, power factor moderation and other means mutually agreed upon by the Parties. The parties shall agree to the level of compensation to be paid to Kennecott before Kennecott must honor such a request.

6.1.3 In the absence of an agreement pursuant to Section 5 of this Agreement, the Company may temporarily interrupt or curtail service of power and energy when; (i) the Company's system providing service in the Wasatch Front has actually become out of balance through inadvertent or unplanned sudden occurrences and interruption or curtailment is necessary to maintain service to those Utah customers (including Kennecott) receiving firm service from the Company; and/or (ii) when, in the opinion of the Company, exercising reasonable commercial judgment and pursuant to Prudent Electrical Practice, an interruption or curtailment of power and energy to Kennecott is necessary to maintain service to those Utah customers (including Kennecott) receiving firm service from the Company. Except under emergency conditions, the Company shall give Kennecott at least two hours' advance notice of desired interruption and/or curtailment and at least one hour's notice when interruption and/or curtailment are to be discontinued.

6.2 Access and License

Kennecott hereby grants the Company a license for the Company to use sufficient space in Kennecott's substations to operate and maintain metering equipment and associated facilities necessary or convenient for the Company's provision of electric service to Kennecott, which license shall include reasonable rights of ingress and egress. In the exercise of this license and the rights associated therewith, the Company shall not interfere with the operations of Kennecott, shall schedule and coordinate its activities to avoid such interference, and shall abide by Kennecott's safety requirements.

6.3 Kennecott Substations

Except as may otherwise be provided herein, Kennecott shall operate and maintain all of its facilities and equipment within its existing substations.

6.4 Operation of Kennecott Facilities

In order to minimize hazards to both the Company's and Kennecott's systems, Kennecott shall not, except as provided in Section 6.5, operate the circuit breakers interconnected with the Company without first notifying the Company's Dispatcher. These circuit breakers are listed in Section 8. Kennecott may operate the circuit breakers without prior notification when necessary to protect persons or property at Kennecott's facilities or to allow for the continuity of operation of Kennecott's facilities.

The Company may operate the circuit breakers feeding Kennecott interconnections to accommodate operation of the Company's and Kennecott's systems for matters concerning safe operation; provided, that, except as provided in Section 6.5, the Company shall notify Kennecott prior to operating such circuit breakers and shall keep Kennecott informed as to the operating status of such breakers. These circuit breakers are identified in Section 8 of this Agreement.

Kennecott will allow the Company reasonable access to Kennecott's substation control buildings. The Company personnel shall comply with all health, safety, and confidentiality rules, regulations and practices that Kennecott makes known to the Company.

6.5 Emergency Conditions

In the event of an emergency resulting in danger to persons or property, or potential danger to Kennecott and/or the Company's systems, either the Company or Kennecott may open Kennecott's or the Company's circuit breakers without notice to the other party. Whenever possible, the acting party shall notify the other party prior to opening any such device, and in any event notification shall be made as soon as possible after the device has been opened. When corrective actions have been completed, the Company shall restore service upon receiving notice and being satisfied that all necessary corrections have been made.

6.6 Maintenance of Facilities

The Parties shall operate and maintain the interconnection equipment in a safe condition and shall inspect the same on a regularly scheduled basis.

At its option and with prior reasonable notification, the Company may inspect Kennecott's interconnection equipment during reasonable business hours provided that such inspections shall be performed by persons that have been certified as safety trained, when required, and shall be in full compliance with all

Kennecott rules and regulations including authorization of photographs and the drug and alcohol policy. The Company will advise Kennecott of the names and titles of persons to be admitted to the Kennecott site. If, in the Company's reasonable commercial judgment, Kennecott's interconnection equipment creates a hazard to persons or property or to the operation of the Company's system, the Company shall notify Kennecott promptly stating the recommended maintenance, replacement, or repair necessary to put Kennecott's interconnection equipment in safe operating condition.

All employees of the Company or its contractors entering upon the property of Kennecott shall comply with the rules and regulations applicable to such property and comply with the drug and alcohol policies in effect for such property.

SECTION 7: METERING

- 7.1 Kennecott shall be metered with profile metering equipment. The metering equipment has been installed such that both power and energy provided by the Company can be measured during time intervals of not more than fifteen minutes. Kennecott has provided, at the identified metering point(s), telephone line(s) so that the meters can call periodically to report their measurements to the Company facilities, or so that the meter(s) can be interrogated by the Company facilities. Dedicated telephone line(s) have been provided where necessary.
- 7.2 The Company has provided and installed suitable metering equipment, including panels, to obtain measurements needed for its operating purposes and in connection with settlements hereunder. The metering equipment is installed in Kennecott's substations and is made available by Kennecott without charge. The metering equipment, including panels, the location of the substations, and the installation, have been approved by Kennecott and any changes contemplated to the metering equipment shall require Kennecott's prior approval.
- 7.3 The Company shall provide, maintain, and test meters and metering equipment required for purposes of settlement hereunder except any potential transformer and current transformers owned by Kennecott. The Company shall maintain and periodically test such meters and metering equipment in accordance with generally accepted practices and the rules and standards established by the Commission. The Company shall furnish to Kennecott upon request all results of its periodic tests without additional charge. In addition to the Company's periodic tests, the Company will make special tests if requested and paid for by Kennecott. Kennecott shall furnish without charge reasonable incidental service, such as removal of tapes and charts, and shall communicate to the Company the meter readings necessary for operation of such tests. The Company will furnish to Kennecott all the results of special tests without additional charge. Kennecott will allow the Company's designated agents access to such metering equipment at all reasonable times and shall permit the Company to install and operate from time to time any testing equipment needed in conjunction with operations or

settlements hereunder. In exercise of the rights granted by this Section, the Company shall not interfere with the operation of Kennecott and shall schedule any activity to minimize any interference with Kennecott operations.

- 7.4 If, at any test of any meter or metering equipment, an inaccuracy is disclosed exceeding two percent, the account for service therefor supplied shall be adjusted to correct the inaccuracy from the last periodic test to the date of such test or for the period during which such inaccuracy may be determined to have existed, whichever period is shorter. Under no circumstance shall adjustments be enacted for a period greater than six months. Should any meter at any time fail to register, or should registration be so erratic as to be meaningless, the quantities shall be determined from check meters, if installed, or otherwise from the best data available.

SECTION 8: INTERCONNECTIONS

- 8.1 Circuit breakers feeding Kennecott interconnections shall be:

Terminal substation	OCB 101
Oquirrh substation	OCB's 143,148 and 149
Copperton concentrator	OCB's 142,144 and 146
South Main Substation	OCB's 142 and 143

OCB's 143 and 146 are owned by Kennecott. All others in the above list are owned by Company.

SECTION 9: TOTAL CONTRACT DEMAND, SUPPLEMENTARY CONTRACT DEMAND, AND BACK-UP CONTRACT DEMAND

- 9.1 Kennecott shall contract for Total Contract Demand ("TCD") by specifying Supplementary Contract Demand ("SCD") and Backup Contract Demand ("BCD"); SCD and BCD may vary seasonally, and such variation may only take effect from the beginning of a Billing Period. TCD during the period from January 1, 2010 through December 31, 2010, shall be 175 MW. Kennecott may elect to change its TCD when the Power Plant generation begins or ceases or at the beginning of Summer Season or Winter Season by varying its SCD and/or BCD provided there are facilities of adequate capacity. However, this provision will not prevent Kennecott from restoring SCD and/or BCD to previously prevailing levels when the Power Plant generation begins or at the beginning of each Summer Season or Winter Season. Any increase in TCD shall establish a new TCD, which shall be in effect for the term of the contract, unless superseded by subsequent changes.
- 9.2 Kennecott's Maximum Supplemental Contract Demand during the period from January 1, 2010, through December 31, 2010, shall be 175 MW. Since Kennecott experiences seasonal variations in its net load, it may temporarily

change its Supplementary Contract Demand during each Winter and Summer Season. The period and the amount of the reduction shall be specified by notice. The period of reduction shall commence at the beginning of a billing cycle and terminate at the end of a billing cycle. In the event that the Measured Demand exceeds the sum of the reduced Supplementary Contract Demand and the Back-up Contract Demand, in any billing cycle during the period of reduced Supplementary Contract Demand, then, for that billing cycle, the Supplementary Demand shall be set equal to the Measured Demand less the Back-up Contract Demand, but not greater than the Supplementary Contract Demand unless Kennecott elects to increase the Supplementary Contract Demand in accordance with provisions of Section 9.1. Should Kennecott exceed Total Contract Demand when the Power Plant is not generating, then Kennecott may, at its option, (a) pay for the excess over the TCD at the Excess Power Charge rate of Exhibit 1, or (b) increase TCD by increasing SCD and/or BCD (at its option) to cover the excess, being charged accordingly for the billing period in which the excess occurred.

SECTION 10: FORCE MAJEURE

- 10.1 Neither the Company nor Kennecott shall be subject to any liability or damages for inability to provide or receive service to the extent that such inability shall be due to causes beyond the control of the Party seeking to invoke this provision, including, but not limited to, the following: (a) the operation and effect of any rules, regulations and orders promulgated by any Commission, municipality, or governmental agency of the United States, or subdivision thereof; (b) restraining order, injunction, or similar decree of any court; (c) war; (d) explosion; (e) fire; (f) major breakage or failure of equipment; (g) flood; (h) earthquake; (i) act of God; (j) sabotage or terrorism; or (k) strikes, lockouts or boycotts. Should any of the foregoing occur, the facilities charge shall be applied to only such Back-up Contract Demand as the Company is able to supply and Kennecott is able to receive. Neither the Company nor Kennecott will have liability for full service until such time as either Party is able to resume such service, except for any Kennecott term minimum guarantees designed to cover special facilities extension costs, if any. The Party claiming Force Majeure under this provision shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible.

SECTION 11: SUCCESSORS AND ASSIGNS

- 11.1 Neither the Company nor Kennecott shall assign this Agreement without the written consent of the other Party, which shall not be unreasonably withheld; provided, that Kennecott may assign this Agreement without such consent to an entity that acquires the majority of the value of Kennecott's operating facilities, in which event Kennecott as assignor shall guarantee the assignee's performance of Kennecott's obligations under this Agreement, and provided further that the Company may assign this Agreement without any such consent to an entity that

acquires the majority of the value of the Company's facilities, in which event the Company as assignor, shall guarantee the assignee's performance of the Company's obligations. Any assignee or successor of Kennecott shall remain subject to such successor's qualification as a customer under the Company's policies and the Electric Service Regulations shall be bound by this Agreement, the Electric Service Regulations, shall assume the obligations of Kennecott from the date of assignment. This Agreement shall inure to the benefit and be binding upon any authorized assignee, its agents and assigns; provided, that nothing herein shall prevent either Party from assigning this Agreement to its parent corporation or to its survivor in connection with a corporate reorganization so long as such assignee is solvent and is able to meet its obligations hereunder for the Agreement and the Electric Service Regulations.

SECTION 12: INTEGRATION AND AMENDMENT

- 12.1 This Agreement, when effective, together with the Interconnection and Operation Agreement dated October 24, 1988, and the amendment to the Interconnection and Operation Agreement dated July 28, 2004, constitutes the entire agreement of the Parties for service to Kennecott. The operating protocols contained in Section 6 of this Agreement between the Company and Kennecott shall take precedence over and shall supersede and replace those contained in the October 21, 1988, Interconnection and Operations Agreement and July 28, 2004, Amendment where those protocols contained in Section 6 conflict with those in the October 21, 1988, Interconnection and Operating Agreement and July 28, 2004, Amendment. In all other matters, the terms of the October 24, 1988, Interconnect and Operating Agreement and July 28, 2004, Amendment shall control.
- 12.2 For all purposes herein, Measured Demand and Measured Energy shall continue to be measured as provided in the Interconnection and Operation Agreement dated October 24, 1988, and July 28, 2004, Amendment and Kennecott shall continue to be billed as if it were a single point of delivery.

SECTION 13: RESALE OF POWER

- 13.1 Electric power purchased by Kennecott hereunder shall not be re-sold but shall be used solely by Kennecott, Kennecott's onsite contractors and its tenants located adjacent to Kennecott's facilities and within the Company's service territory that are involved in Kennecott's mining and associated activities

SECTION 14: CONFIDENTIALITY; INFORMATION

- 14.1 Except with the prior written consent of the other Party, neither Party shall make the terms, conditions, or rates of this Agreement known in any manner to any person outside of its direct or indirect employ, except when such terms and conditions (a) are or become at any time generally available to the public by any means other than as a direct result of an unauthorized disclosure of such

information; (b) are rightfully known by the receiving party at the time of the disclosure to the receiving party; or (c) are disclosed pursuant to a subpoena or other judicial or administrative process, subject to the provisions of this section; provided, that the Company may make the terms, conditions, or rates of this Agreement known to a regulatory authority having jurisdiction after securing a protective order covering this Agreement. The terms, conditions or rates of this Agreement may be made available to each Party's employees, consultants and contractors only on a "need to know" basis and only after notifying such employees of the confidential nature of the information and after having obliged them to the nondisclosure obligations of this Agreement.

SECTION 15: REMEDIES; WAIVER

- 15.1 Either party may exercise any or all of its rights and remedies under this Agreement, the applicable Electric Service Regulations and under any other applicable laws, rules and regulations. Neither Company nor Kennecott shall be liable for any economic losses, costs or damages, including but not limited to special, indirect, incidental, consequential, punitive, or exemplary damages under this agreement which arise from either parties system operations or maintenance and which cause a physical failure in the ability to deliver power. Company's liability limitation is further described in Electric Service Regulation No. 4. No provision of this Agreement or the Electric Service Regulations shall be deemed to have been waived unless such waiver is in writing signed by the waiving party. No failure by any party to insist upon the strict performance of any provision of this Agreement, the Electric Service Regulations or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of such provision or of any other provision. No waiver of any provision of this Agreement, or the Electric Service Regulations shall be deemed a waiver of any other provision of this Agreement, the Electric Service Regulations or a waiver of such provision with respect to any subsequent breach, unless expressly provided in writing.

SECTION 16: GOVERNING LAW; JURISDICTION; VENUE

- 16.1 All provisions of this Agreement and the rights and obligations of the parties hereto shall in all cases be governed by and construed in accordance with the laws of the State of Utah applicable to contracts executed in and to be wholly performed in Utah by persons domiciled in the State of Utah. Each party hereto agrees that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Electric Service Regulations or the transactions contemplated hereby or thereby, may only be brought before the Commission, the Federal courts located within the State of Utah, or state courts of the State of Utah, and each party hereby consents to the exclusive jurisdiction of such forums (and of the appellate courts therefrom) in any such suit, action or proceeding.

- 16.2 If either Party is served with any subpoena or any other judicial or administrative process calling for the production of the terms, conditions, or rates of this Agreement, each Party shall immediately notify the other Party in order that the other Party may take such action as it deems necessary to protect its interest.

SECTION 17: WAIVER OF JURY TRIAL

- 17.1 Each party hereto hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement.

SECTION 18: JURISDICTION OF REGULATORY AUTHORITIES; MATERIAL CHANGES; DIRECT ACCESS

- 18.1 This Agreement is subject to approval of the Commission. In the event the Commission order approving this Agreement does not provide for the direct assignment of the revenues and costs from the Agreement to the Utah jurisdiction in accordance with the Revised Protocol for rate making purposes, Company may terminate this Agreement by providing Kennecott notice within 30 days of the entry of the Commission's Order. In the event the Commission order approving this Agreement either requires imputation of revenue to the Company, or provides for possible future imputation of revenue to the Company, the Company may terminate this Agreement by providing Kennecott notice within 30 days of the entry of the Commission's Order. In the event the Commission order approving this Agreement does not provide for the direct assignment of the revenues and costs from this Agreement to the Utah jurisdiction for rate making purposes, the Company may terminate this Agreement by providing Kennecott notice within 30 days of the entry of the Commission's Order. In the event that the Commission Order approving this Agreement contains any condition that is materially adverse to either party, the party adversely impacted by the condition may terminate this Agreement by providing the other party notice within 30 days of the entry of the Commission's Order. In any such event, both parties shall negotiate in good faith to agree substitute terms and conditions in the Agreement that would achieve an equivalent commercial outcome.
- 18.2 The Electric Service Regulations of the Company, together with all changes and amendments thereto as approved by the Commission, are incorporated herein and made a part of the agreement. Once the Commission approves the Agreement, the provisions of the Agreement shall take precedence over any conflicting provisions of the Company's Electrical Service Regulations.
- 18.3 This Agreement is supported by special considerations and has been entered into by the parties with the mutual intent that it shall continue in force and effect in accordance with its provisions throughout its term, subject, however, to the supervision and regulation of the Commission to protect the public interest. Both parties agree that they will not petition the Commission for any changes in the Agreement and will resist any proposal by any other party to change the

Agreement or the rates or the method of changing the rates without the consent of the other party.

- 18.4 In the event that the statutes of the state of Utah are amended to provide Kennecott with the ability to choose an electric supplier other than the Company, Kennecott may terminate the Agreement within 90 days of the effective date of the legislation by written notice delivered to the Company.

SECTION 19: REPRESENTATIVES AND NOTICES

- 19.1 For the purposes of this Agreement, any notices required to be given hereunder may be sent by prepaid post, sent by facsimile; delivered by courier, or sent by e-mail with request of confirmation of receipt. A notice shall be treated as given to and received by the Party to which it is addressed if sent by post on the second business day after posting; if sent by facsimile or e-mail before 5 p.m. on a business day at the place of receipt, on the day it is sent and otherwise on the next business day at the place of receipt; or if otherwise delivered before 5 p.m. on a business day at the place of delivery, upon delivery, and otherwise on the next business day at the place of delivery. A facsimile is not treated as given or received unless at the end of the transmission the sender's facsimile machine issues a report confirming the transmission of the number of pages in the notice:

Representatives of Kennecott

Director – Energy Programs, Kennecott Utah Copper LLC
Rio Tinto Regional Center
4700 Daybreak Parkway
South Jordan, Utah 84095

and

General Counsel, Kennecott Utah Copper LLC
Rio Tinto Regional Center
4700 Daybreak Parkway
South Jordan, Utah 84095

Representatives of Company:

Office of General Counsel
201 S. Main St., Suite 2400
Salt Lake City, UT 84111

and

825 N. Multnomah Street
Portland, OR 97232
Attn: Contract Administration, Suite 600
Phone: (503) 813 - 5952
Facsimile: (503) 813 - 6291
Duns: 00-790-9013
Federal Tax ID Number: 93-0246090

and

PacifiCorp Energy General Counsel
1407 W. North Temple, Suite 320
Salt Lake City, Utah 84116
Facsimile: 801-220-4615

SECTION 20 - RELATIONSHIP OF PARTIES

Nothing in this Agreement is or will be taken as constituting a relationship between the parties as partners or joint venturers or otherwise as a sharing of risks or rewards or as constituting any party the agent or representative of the other party.

SECTION 21 - GENERAL PROVISIONS

- 21.1 Captions / Headings. The captions and headings contained herein have been inserted for the convenience of the parties and shall not be construed as a part of or modifying any provision of this Agreement.
- 21.2 Waiver. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this Agreement or to exercise any right hereunder, shall not be construed as a waiver of the future performance of any such term, covenant or condition or the future exercise of such right.
- 21.3 Severability. If any court should find any particular provision of this Agreement void, illegal, or unenforceable, then that provision shall be regarded as stricken from the Agreement and the remainder of this Agreement shall remain in full force and effect.
- 21.4 Publicity. Neither party, except as may be required by law or federal regulation, or except with the prior written permission of the other party, publicly advertise this Agreement or disclose its contents.
- 21.5 Notice of Delay. Whenever any occurrence (such as an event of Force Majeure) is delaying or threatens to delay either Party's timely performance under this

Agreement, the delaying party shall promptly give notice to the other party, including relevant information thereto.

21.6 Compliance with Law. The parties shall in the performance of this Agreement comply with all laws, executive orders, regulations, ordinances, rules, proclamations, demands and requisitions of national governments or of any state, local or other governmental authority which may now or hereafter govern performance hereunder including all laws, executive orders, regulations, ordinances, rules and proclamations regarding Equal Employment Opportunity.

21.7 Acknowledgment. Upon the expiration of this Agreement, the Parties acknowledge and agree that Section 4 of the Agreement pertaining to GHGs, ECAM, and DSM will be revised and renegotiated, as necessary, to adapt to more certainties associated with any changes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by persons duly authorized as of the date first above written.

ROCKY MOUNTAIN POWER

KENNECOTT UTAH COPPER LLC

By: _____

By: _____

Name: A. Richard Walje

Name:

Title: President

Title:

Address: 201 S. Main St., Suite 2300
Salt Lake City, UT 84111

Address: 9600 W. 2100 S.
PO Box 6001
Magna, Utah 84044

Exhibit 1 - Charges

1. Monthly Charges for the initial Contract Year shall be calculated using the following cost elements as they may apply. Not all charges will be applicable in all months. Facilities, Back-up Power and Excess Power Charges shall be applicable only during months when Kennecott's generation is in operation.
2. Customer Charges: Transmission voltage \$ 275.22 per month
3. Facilities Charges: Transmission voltage \$1.44 per kW month

The Facilities Charge applies to the kW of Back-up Contract Demand.

4. Back-up Power Charges Transmission voltage

Heavy Load Hour	\$ 0.3863 per kW Day
During Scheduled Maintenance	One half (1/2) HLH Charge
Light Load Hour	No charge

The Power Charge for Back-up Power is billed on a per-day basis and is based on the fifteen-minute period of Kennecott's greatest use of Back-up Power during HLH each day.

5. Excess Power Charges Transmission voltage \$ 27.00 per kW
6. Supplementary Power and all Energy

Power Charge:

Billing Months:	
May through September inclusive	\$ 12.38 per kW all kW
October through April inclusive	\$ 7.07 per kW all kW

Energy Charge:

Billing Months:	
May through September inclusive	
Heavy Load Hour	\$0.033587 per kWh for all kWh
Light Load Hour	\$0.021092 per kWh for all kWh
October through April inclusive	
Heavy Load Hour	\$0.024965 per kWh for all kWh
Light Load Hour	\$0.020846 per kWh for all kWh