

**AGREEMENT FOR ELECTRIC SERVICE BY MUNICIPALITY
TO ADDITIONAL CUSTOMER(S) AFTER JUNE 15, 2013 OUTSIDE OF
MUNICIPAL BOUNDARY**

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

RECITALS

A. The Legislature of the State of Utah passed Senate Bill 180 (the "Bill") during the 2013 General Session of the Legislature amending Utah Code Ann. § 10-8-14 regarding electric service by a municipal utility outside of its municipal boundaries. The Bill became law on May 13, 2013.

B. The Municipality owns and operates a local electric utility system that provides electric service to customers located within its municipal boundary and desires to provide electric service to certain Additional Customer(s) outside its municipal boundary (as further defined below, (the "Additional Customer(s)").

C. Rocky Mountain Power is a public utility and an electrical corporation in the state of Utah authorized by a certificate of public convenience and necessity issued by the Public Service Commission of Utah ("Commission") to provide electric service to customers, inclusive of the Additional Customer(s), in areas outside the municipal boundary of the Municipality.

D. The Parties enter into this Agreement, subject to the Commission's approval, in compliance with Utah Code Ann. §§ 10-8-14 and 54-4-40 to provide terms and conditions for the Municipality to provide electric service to Additional Customer(s) in accordance with, the terms and conditions of this Agreement.

TERMS AND CONDITIONS

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

1. **Service to Additional Customer(s).** As provided in Utah Code Ann. § 10-8-14(5), the Municipality has submitted to Rocky Mountain Power a request to provide electric service to the Additional Customer(s) identified more particularly in Exhibit A attached hereto and Rocky Mountain Power has agreed to allow the Municipality to serve the Additional Customers(s) and subsequent customers at the same service location so long as such service is provided under the same rate schedule and the load demand of the subsequent customer remains the same to the Additional Customers(s), subject to the approval of this Agreement by the Utah Public Service Commission and in accordance with the terms of this Agreement.

2. **Term; Transfer of Additional Customer(s).** Unless otherwise agreed by the Parties in writing:

a. This Agreement shall commence as of the date of approval of this Agreement by the Utah Public Service Commission (the "Effective Date") and shall terminate on the date from and after which Rocky Mountain Power provides notice to the Municipality in accordance with Utah Code Ann. § 10-8-14(5) that it will provide service to the Additional Customer(s) and confirming that it has installed the facilities from which it can provide electric service to the Additional Customer(s). It is understood that Rocky Mountain Power shall provide six-months written notice of its intent to provide service to the Additional Customers(s).

b. Upon termination of this Agreement for any of the reasons set forth above or otherwise, the Municipality shall transfer to Rocky Mountain Power electric service to the Additional Customer(s), together with the facilities used by the Municipality to serve the Additional Customer(s), all in accordance with the provisions of Utah Code Ann. §§ 10-20-421(3) – (9), as the same may be amended.

c. Notwithstanding the foregoing, as provided in Utah Code Ann. § 10-8-14(8) the Municipality is relieved of any obligation under this paragraph 2 to transfer an Additional Customer(s), and the facilities used by the Municipality to serve the Additional Customer(s), if the Municipality annexes and incorporates the area within which the Additional Customer(s) is being served. It is understood that the Municipality will provide six-months written notice of its intent to annex and incorporated the area within which the Additional Customers are being served.

3. **Application; Effective Date.**

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

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

4. **Cooperation.** In providing material written information to any third party or government entity or in obtaining any approval of any government entity in connection with this Agreement, the Parties agree to mutually support each other in obtaining regulatory approvals

of the Agreement and in gaining any required franchise, providing information to regulators and parties in regulatory proceedings and to other government entities required to issue franchises, and cooperating in responding to parties that may oppose approval of the Agreement or issuance of any required franchises. Notwithstanding the foregoing, neither Party shall be required to disclose to the other Party information that is privileged or is competitively sensitive and confidential, including internal analyses, even if the Party is required to disclose the information subject to the terms of a protective order or rule to another government entity or third party.

5. Miscellaneous.

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

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

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

d. **Notices.**

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

ii. **Contact Information.**

Municipality:

Josh Jones
City Manager
P.O. Box 576
35 East 100 North
Parowan, UT 84761
Email: parowanmanager@infowest.com

Rocky Mountain Power:

Service Area Manger
Rocky Mountain Power
Attn.: Aaron Gibson
70 North 200 East
American Fork, UT 84003

cc:

Office of the General Counsel
Rocky Mountain Power
1407 West North Temple
Salt Lake City, UT 84116

iii. **Change of Contact Information.** Either Party may change its contact person or address specified above by giving the other Party notice of the change in accordance with subparagraph 6.d.i, above.

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

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

g. **Waivers.** Any waiver of a Party's rights with respect to any breach of this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute a waiver with respect to any other breach or matter

arising in connection with this Agreement. All waivers must be in writing and signed by an authorized representative of the Party granting the waiver.

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

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

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

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

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

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

Signature Page Follows

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

PAROWAN CITY, a municipal corporation organized under the laws of the State of Utah

Signature: 

Print Name: Donald G. Landes

Title: Mayor

Date: 10-31-16

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

Signature: 

Print Name: R. Jeff Richards

Title: Vice President and General Counsel

Date: November 1, 2016

ATTEST:

Signature: 

Print Name: Callie Bassett

Title: City Recorder

