EXHIBIT 24

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Review of Electric Service Schedule No. 38, Qualifying Facilities Procedures, and Other Related Procedural Issues	DOCKET NO. 14-035-140 ORDER APPROVING SETTLEMENT AGREEMENT ON SCHEDULE 38 PROCEDURES

ISSUED: June 9, 2015

SHORT TITLE

Rocky Mountain Power
Electric Service Schedule No. 38 Procedures Decision

SYNOPSIS

The Commission approves an uncontested settlement agreement resolving all issues in this docket except for PacifiCorp's capacity contribution study for wind and solar resources. The settlement agreement addresses issues including queue management, power purchase agreement milestones, and avoided cost modeling updates. Parties agree the settlement agreement's terms are in the public interest and will result in rates that are just and reasonable.

TABLE OF CONTENTS

APPEARANCES iii

I. PROCEDURAL HISTORY AND BACKGROUND 1

II. SETTLEMENT AGREEMENT 5

III. PARTIES' POSITIONS 5

A. PacifiCorp 5

B. Division 7

C. Office 8

D. UCE 9

E. SunEdison 9

IV. DISCUSSION, FINDINGS, AND CONCLUSIONS 9

V. ORDER 12

ATTACHMENT: SETTLEMENT AGREEMENT 18

APPEARANCES

Yvonne Rodriguez Hogle, Esq. Rocky Mountain Power	For	PacifiCorp, dba Rocky Mountain Power
Justin Jetter, Esq. Utah Office of the Attorney General	"	Division of Public Utilities
Rex Olsen, Esq. Utah Office of the Attorney General	"	Office of Consumer Services
Sophie Hayes, Esq. Utah Clean Energy	"	Utah Clean Energy
Gary A. Dodge, Esq. Hatch, James & Dodge, PC	"	SunEdison, LLC

I. PROCEDURAL HISTORY AND BACKGROUND

This matter is before the Public Service Commission of Utah ("Commission") regarding a settlement agreement ("Settlement Agreement") filed by PacifiCorp, dba Rocky Mountain Power ("PacifiCorp" or "Company"), on May 5, 2015.

On August 22, 2014, PacifiCorp filed its quarterly compliance filing for Electric Service Schedule No. 38 "Qualifying Facility Procedures" ("Schedule 38") avoided cost input changes for the second quarter of 2014 ("Quarterly Compliance Filing") in Docket No. 14-035-40.[1] On September 22, 2014, the Division of Public Utilities ("Division"), the Office of Consumer Services ("Office"), Utah Clean Energy ("UCE"), and SunEdison, LLC ("SunEdison") filed initial comments on the Quarterly Compliance Filing addressing multiple issues related to Schedule 38. On October 6, 2014, the Commission convened a scheduling conference ("October Scheduling Conference") and issued a notice of status and scheduling conference to be held on November 6, 2014.

On October 9, 2014, PacifiCorp filed its capacity contribution study for wind and solar resources ("Capacity Contribution Study") in compliance with the Commission's August 16, 2013, Order on Phase II Issues in Docket No. 12-035-100[2] ("2013 Avoided Cost Order"). In the Capacity Contribution Study, PacifiCorp proposed capacity contribution values for wind and

---

[1] *See In the Matter of Rocky Mountain Power's 2014 Avoided Cost Input Changes Quarterly Compliance Filing,* Docket No. 14-035-40.

[2] *See In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Renewable Avoided Cost Methodology for Qualifying Facilities Projects Larger than Three Megawatts,* Docket No. 12-035-100, (Order on Phase II Issues; August 16, 2013).

solar resources based on the capacity factor approximation method, pursuant to the Commission's direction in the 2013 Avoided Cost Order.

On October 14, 2014, the Division filed a memorandum recommending that to facilitate a comprehensive review of the issues surrounding Schedule 38, the Commission open a new docket combining review of the Capacity Contribution Study in Docket No. 12-035-100 with the issues raised by parties regarding the Quarterly Compliance Filing in Docket No. 14-035-40. In response to the Division's request, on October 27, 2014, the Commission issued a Notice of Status and Scheduling Conference ("October Notice") opening Docket No. 14-035-140, providing a review of the issues identified by parties in these two dockets. Pursuant to the October Notice, on October 30, 2014, the Office filed a list of issues to be addressed and on October 31, 2014, the Division, UCE, and SunEdison filed issues for consideration. Also pursuant to the October Notice, on November 7, 2014, the Commission issued a Scheduling Order and Notices of Technical Conferences and Status and Scheduling Conference ("Scheduling Order").

Pursuant to the Scheduling Order, on December 2, 2014, the Commission held technical conferences to allow PacifiCorp to present its Capacity Contribution Study and to discuss its queue management policies for qualifying facilities ("QF") and power purchase agreement milestones. On January 6, 2015, the Commission held a technical conference to allow PacifiCorp to discuss its Schedule 38 avoided cost modeling process.

On January 9, 2015, PacifiCorp filed a Motion for Expedited Approval of Capacity Contribution Study and CF Method Values ("Motion for Expedited Approval") in Docket Nos.

14-035-140 and 12-035-100. On January 12, 2015, the Commission issued a First Order Amending Scheduling Order noticing a Status and Scheduling Conference on January 21, 2015, allowing parties to address PacifiCorp's Motion for Expedited Approval. In resolution of PacifiCorp's Motion for Expedited Approval, all parties at the status and scheduling conference agreed to an expedited schedule for final resolution of all issues raised in PacifiCorp's Motion for Expedited Approval and all other issues to be addressed in this docket. On January 23, 2015, the Commission issued a Scheduling Order and Notices of Technical Conference and Hearing ("January Scheduling Order") consistent with the procedural schedule agreed to by the parties at the scheduling conference.

On April 27, 2015, PacifiCorp informed the Commission that parties in this docket were engaged in settlement negotiations and requested the Commission modify the procedural schedule to accommodate ongoing negotiations. On April 27, 2015, the Commission issued its First Order Amending Scheduling Order ("April Scheduling Order") modifying the January Scheduling Order and extending the deadline for direct testimony on all issues, except for the Capacity Contribution Study, to May 5, 2015.

On April 28, 2015, the Division and UCE filed direct testimony on the Capacity Contribution Study.

On May 5, 2015, pursuant to the April Scheduling Order, and at the request of the intervening parties, the Commission canceled the technical conference previously scheduled for May 6, 2015. Also on May 5, 2015, PacifiCorp filed the Settlement Agreement signed by the following parties (collectively, the "Settling Parties"): PacifiCorp, the Division, the Office,

UCE, SunEdison, and Scatec Solar North America, Inc. ("Scatec"). PacifiCorp recommended the Commission vacate the testimony deadlines for all issues in this docket except issues related to the Capacity Contribution Study, and also requested the Commission consider the Settlement Agreement at a separate hearing on May 26, 2015. The Settling Parties also requested the option to provide pre-filed written testimony addressing the Settlement Agreement in advance of the proposed Settlement Agreement hearing.

On May 8, 2015, the Commission issued its Second Order Amending Scheduling Order ("May Scheduling Order") modifying the remaining dates of the schedule in this docket, pursuant to the Settling Parties' requests outlined in the Settlement Agreement.

On May 19, 2015, the Commission issued an action request ("May 19th Action Request") to the Division to receive clarifying information on components of the Settlement Agreement. Specifically, the Commission asked the Division to:

1. Investigate why language regarding requirements for cogeneration facilities with a design capacity of 100,000 kW, as approved in Docket No. 12-035-101,[3] is absent from both the original and revised sheets for Schedule 38;
2. Clarify the meaning of references to "draft" or "proposed" Power Purchase Agreements ("PPA") which appear to be used interchangeably in the Settlement Agreement;
3. Determine if Item 5.1 on Sheet No. 38.2 correctly references Section I.B.10 of the proposed Schedule 38;
4. Clarify the meaning of the term "months" used to describe the period of timelines and associated triggering events in the proposed Schedule 38;
5. Determine how and when missing contact email addresses within the proposed Schedule 38 would be supplied.

On May 22, 2015, SunEdison filed comments in support of the Settlement Agreement.

---

[3] *See In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Tariff Schedule No. 38, Qualifying Facility Procedures,* Docket No. 12-035-101, (Order on Tariff Modifications; March 21, 2013).

Pursuant to the May Scheduling Order, on May 26, 2015, the Commission convened a hearing to examine the Settlement Agreement.

II. SETTLEMENT AGREEMENT

PacifiCorp represents the Settling Parties held a series of settlement discussions commencing in late February 2015 and continuing through mid-April 2015. With the exception of the Capacity Contribution Study, the Settling Parties state the Settlement Agreement resolves most of the issues raised in this docket, including queue management, power purchase agreement milestones and avoided cost modeling updates. The Settling Parties agree the Settlement Agreement's settlement terms are in the public interest and will result in rates that are just and reasonable. The Settling Parties will address issues related to the Capacity Contribution Study, pursuant to the May Scheduling Order.

The Settlement Agreement contains 34 numbered paragraphs and an exhibit containing the proposed Schedule 38 tariff, both in clean and redline versions. The Settlement Agreement and exhibit, excluding the redlined tariff sheets, is attached to and incorporated in this order.

III. PARTIES' POSITIONS

A. PacifiCorp

At hearing, PacifiCorp provided a witness in support of the Settlement Agreement. PacifiCorp provided an overview of events in this and related dockets and a summary of the Settlement Agreement. PacifiCorp testifies the Settlement Agreement resolves all issues in this docket related to QF pricing queue management, QF power purchase agreement milestones, and QF avoided cost modeling updates. PacifiCorp states the modifications made in these areas are

intended to improve efficiency and transparency of the process through which QFs receive indicative pricing and negotiate power purchase agreements with PacifiCorp and will benefit both QFs and PacifiCorp.

At hearing, PacifiCorp responded to the Commission's May 19th Action Request. PacifiCorp acknowledged approved language for cogeneration facilities with a design capacity of 100,000 kW was inadvertently excluded from both the current and proposed Schedule 38 and is not opposed to including language stating cogeneration facilities greater than 100,000 kW seeking a term of ten years or more must participate in a Company competitive Request for Proposal ("RFP") bidding process in the Application section of the proposed Schedule 38. PacifiCorp also recommends including the website link where information on the PacifiCorp RFP process can be found in the proposed Schedule 38's Application section. PacifiCorp testifies the terms "proposed" and "draft" PPA as used in the Settlement Agreement have the same meaning, and is not opposed to modifying the Settlement Agreement to consistently use the term "proposed" PPA throughout the document.

PacifiCorp testifies Item 5.l on Sheet No. 38.2 correctly references Section I.B.10 on Sheet No. 38.8.

After discussion on the issue of the term "months" at hearing, PacifiCorp recommends the tariff should include a definition stating that when the term "month" is used, the intended

meaning is 30 days. PacifiCorp testifies it is not opposed to adding clarifying language to the tariff regarding this issue.

Finally, PacifiCorp testifies it will include full contact email addresses in the final version of the proposed Schedule 38 tariff, which it intends to file following a Commission order in this docket.

PacifiCorp testifies the Settling Parties worked in good faith to achieve a workable agreement. PacifiCorp states it supports the Settlement Agreement, believes it is in the public interest, and recommends the Commission approve it with the modifications identified above.

B. Division

The Division provided a witness at the hearing in support of the Settlement Agreement. The Division testifies the Settlement Agreement helps address Division concerns, especially those regarding the QF pricing queue management process. Specifically, the Division testifies the proposed Schedule 38 terms will introduce specific milestones that will reduce the number of speculative projects holding positions in the pricing queue for lengthy time periods, and will help expedite the completion of viable QF projects.

The Division testifies the Settlement Agreement is a significant improvement to the current process, is just and reasonable and in the public interest. The Division does not oppose PacifiCorp's responses to the May 19th Action Request, as described above. The Division recommends the Commission approve the Settlement Agreement, as modified by PacifiCorp's May 19th Action Request responses.

C. Office

The Office provided a witness in support of the Settlement Agreement at the hearing. The Office testifies the proposed Schedule 38 tariff now contains components that address the Office's concerns about PPA milestones, management of the number of potential QFs in the QF pricing queue, and the review and implementation of changes to avoided cost modeling assumptions used to develop PPA prices.

The Office testifies the proposed tariff contains explicit deadlines that, if not met, will result in a QF being removed from the pricing queue and also includes requirements that update indicative prices if they are more than 6 months old at the time the PPA is executed. The Office testifies the proposed Schedule 38 tariff requires that a QF's scheduled commercial operation date must occur no more than 30 months after the execution date of the PPA, and also requires a QF to sign a transmission system impact study agreement within 120 days of receiving Commission approval of the PPA. The Office notes the Settlement Agreement provides interested parties a process for reviewing proposed modeling assumption changes, particularly for non-routine changes, and provides an opportunity for parties to challenge those updates prior to implementation.

Regarding the May 19th Action Request, the Office agrees with PacifiCorp's proposed responses, but desires an opportunity to review the references to "draft" or "proposed" PPAs before it makes a final determination on this issue. The Office states that if it finds any objections to PacifiCorp's response on this issue, it will file an appropriate response.

The Settlement Agreement, according to the Office, resolves issues in a way that maintains ratepayer indifference, provides comparable treatment to a project, and does not result in undue barriers to QF development. The Office testifies the Settlement Agreement is just and reasonable and in the public interest and recommends the Commission approve the Settlement Agreement.

D. UCE

UCE counsel represents UCE supports the Settlement Agreement.

E. SunEdison

SunEdison counsel noted a witness could be made available at hearing to address Commission questions about the Settlement Agreement.

IV. DISCUSSION, FINDINGS, AND CONCLUSIONS

The Settling Parties represent a diversity of interests and customer groups. These Settling Parties agree the Settlement Agreement is in the public interest, and all of its terms and conditions will produce fair, just, and reasonable results. All testimony and exhibits filed in this docket, and all sworn testimony provided at hearing, are entered into this docket as evidence supporting the Settlement Agreement. No intervening party opposes the Settlement Agreement.

Regarding proposed tariff Sheet No. 38.1, Item 3 which discusses the interconnection process, we find it would be useful for PacifiCorp to include a reference to Section 2.B in tariff Sheet No. 38.10 which describes interconnection process procedures. At hearing, PacifiCorp agreed with this recommendation.

After further consideration regarding the concept of months, as that term is used in the proposed Schedule 38 tariff, PacifiCorp recommends the tariff should include a definition stating that when the term "month" is used, the intended meaning is 30 days, as noted above. We find it would be helpful for PacifiCorp to include a definition in the tariff consistent with the response it provided at the hearing.

Based on the Settling Parties' responses to the May 19th Action Request at hearing, we direct PacifiCorp to make the following modifications to the proposed Schedule 38:

1. Insert the following language in the proposed Schedule 38's Application section on Sheet No. 38.3: "Cogeneration Facilities greater than 100,000 kW seeking a term of ten years or more must participate in a Company competitive bidding process (RFP). Information on Company RFPs can be found at http://www.pacificorp.com/sup/rfps.html;"
2. Insert the term "proposed" in all instances where the term "draft" PPA is used in the Settlement Agreement;
3. Prepare a consistent definition of the term "months" and insert it in Schedule 38, as appropriate;
4. Correct and complete contact email addresses and insert these changes in Schedule 38, as discussed above;
5. Modify tariff Sheet No. 38.1, Item 3 to include a reference to Section 2.B where the interconnection process is described.

The Settling Parties testify these changes are not material and no party opposes their incorporation in the Settlement Agreement. PacifiCorp agrees to update and correct the proposed Schedule 38 tariff to include these modifications and will file a revised version for review by the Commission.

As we have noted in previous orders, settlements of matters before the Commission are, by statute, encouraged at any stage of our proceedings.[4] The Commission may approve a

[4] *See* Utah Code Ann. § 54-7-1.

stipulation or settlement after considering the interests of the public and other affected persons, if it finds the stipulation or settlement in the public interest.[5] In reviewing a settlement, the Commission also may consider whether it was the result of good faith, arms-length negotiation.[6] When reviewing a settlement involving a rate increase, the Commission may limit factors and issues to be considered in its determination of just and reasonable rates.[7]

Our consideration of the Settlement Agreement is guided by Utah statutory provisions in Utah Code Ann. § 54-7-1, *et seq.*, encouraging informal resolution of matters brought before the Commission. Based on our consideration of the evidence before us, the testimony and recommendations of the Parties, the Settlement Agreement terms and conditions, and the applicable legal standards, we find approval of the Settlement Agreement to be in the public interest and find it constitutes a reasonable and lawful basis for establishing just and reasonable rates.

Based on the foregoing, the Commission approves the Settlement Agreement, with the modifications identified above. Our approval of the Settlement Agreement, as in similar cases, is not intended to alter any existing Commission policy or to establish any Commission precedent.

---

[5] *See Utah Dept. of Admin. Services v. Public Service Comm'n*, 658 P.2d 601, 613-14 (Utah 1983).
[6] *See id.* at 614, n.24.
[7] *See* Utah Code Ann. § 54-7-1(4).

V. ORDER

1. The Settlement Agreement and exhibit (excluding the redline Schedule 38 tariff sheets) is attached and incorporated into this order by reference.
2. We approve the Settlement Agreement, and all of its terms and conditions, as modified by the following Schedule 38 language changes:
    a) Insert the following language in Schedule 38's Application section on Sheet No. 38.3: "Cogeneration Facilities greater than 100,000 kW seeking a term of ten years or more must participate in a Company competitive bidding process (RFP). Information on Company RFPs can be found at http://www.pacificorp.com/sup/rfps.html;"
    b) Insert the term "proposed" in all instances where the term "draft" PPA is used in the Settlement Agreement;
    c) Prepare a consistent definition of the term "months" and insert it in Schedule 38, as appropriate;
    d) Correct and complete contact email addresses as discussed above;
    e) Modify tariff Sheet No. 38.1, Item 3 to include a reference to Section 2.B where the interconnection process is described.
3. PacifiCorp shall file the revised Schedule 38 with the noted modifications within 30 days of the date of this order.

DATED at Salt Lake City, Utah, this 9th day of June, 2015.

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#266796

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this written Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 9th day of June, 2015, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

Robert C. Lively (bob.lively@pacificorp.com)
Yvonne R. Hogle (yvonne.hogle@pacificorp.com)
Daniel E. Solander (daniel.solander@pacificorp.com)
Rocky Mountain Power

D. Matthew Moscon (dmmoscon@stoel.com)
Attorney for Rocky Mountain Power

Data Request Response Center (datarequest@pacificorp.com)
Brian Dickman (brian.dickman@pacificorp.com)
PacifiCorp

Jerold G. Oldroyd (oldroydj@ballardspahr.com)
Sharon M. Bertelsen (bertelsens@ballardspahr.com)
Ballard Spahr LLP

Luigi Resta (luigi.resta@scatecsolar.us)
Scatec Solar North America, Inc.

Sophie Hayes (sophie@utahcleanenergy.org)
Kate Bowman (kate@utahcleanenergy.org)
Utah Clean Energy

J. Craig Smith (jcsmith@smithlawonline.com)
Adam S. Long (along@smithlawonline.com)
Smith Hartvigsen, PLLC

Gary A. Dodge (gdodge@hjdlaw.com)
Hatch, James & Dodge

Daniel Patry (dpatry@sunedison.com)
SunEdison, LLC

John Gorman (johng@ecoplexus.com)
Erik Stuebe (eriks@ecoplexus.com)
Ecoplexus, Inc.

Tony Hall (mail@ehc-usa.com)
Ellis-Hall Consultants, LLC

Dr. Don Reading (dreading@mindspring.com)
Ben John & Associates

Ros Rocco Vrba, MBA (rosvrba@energyofutah.onmicrosoft.com)
Energy of Utah LLC

Robert Millsap (bobmillsap@renewable-energy-advisors.com)
Renewable Energy Advisors

Christine Mikell (christine@wasatchwind.com)
Wasatch Wind

Michael D. Cutbirth (mcutbirth@champlinwind.com)
Blue Mountain Power Partners, LLC

Maura Yates (myates@sunedison.com)
Sun Edison, LLC

Steven S. Michel (smichel@westernresource.org)
Nancy Kelly (nkelly@westernresource.org)
Charles R. Dubuc (rdubuc@westernresource.org)
Cynthia Schut (cindy.schut@westernresource.org)
Western Resource Advocates

Mike Ostermiller (mike@nwaor.org)
Chris Kyler (chris@kkoslawyers.com)
Kyler, Kohler, Ostermiller & Sorenson

Lisa Thormoen Hickey (lisahickey@coloradolawyers.net)
Alpern Myers Stuart LLC

Chris Shears (cshears@everpower.com)
EverPower Wind Holding Company

Peter J. Richardson (peter@richardsonandoleary.com)
Richardson & O'Leary, PLLC

Jeffrey Barrett (jhbarrett@utah.gov)
Utah Office of Energy Development

Peter J. Mattheis (pjm@bbrslaw.com)
Eric J. Lacey (elacey@bbrslaw.com)
Brickfield, Burchette, Ritts & Stone, P.C.

Jeremy R. Cook (jrc@pkhlawyers.com)
Parsons Kinghorn Harris, P.C.

William J. Evans (bevans@parsonsbehle.com)
Vicki M. Baldwin (vbaldwin@parsonsbehle.com)
Parsons Behle & Latimer

Kevin Higgins (khiggins@energystrat.com)
Neal Townsend (ntownsend@energystrat.com)
Energy Strategies

Roger Swenson (roger.swenson@prodigy.net)
E-Quant Consulting LLC

Travis Ritchie (travis.ritchie@sierraclub.org)
Gloria D. Smith (gloria.smith@sierraclub.org)
Sierra Club

David Wooley (dwooley@kfwlaw.com)
Keyes, Fox & Wiedman LLP

Arthur F. Sandack, Esq (asandack@msn.com)
IBEW Local 57

Kurt J. Boehm, Esq. (kboehm@BKLlawfirm.com)
Jody Kyler Cohn, Esq. (Jkylercohn@BKLlawfirm.com)
Boehm, Kurtz & Lowry

Brian W. Burnett, Esq. (brianburnett@cnmlaw.com)
Callister Nebeker & McCullough

Stephen J. Baron (sbaron@jkenn.com)
J. Kennedy & Associates

Capt Thomas A. Jernigan (Thomas.Jernigan@us.af.mil)
Mrs. Karen White (Karen.White.13@us.af.mil)
USAF Utility Law Field Support Center

Meshach Y. Rhoades, Esq. (rhoadesm@gtlaw.com)
Greenberg Traurig

Steve W. Chriss (Stephen.Chriss@wal-mart.com)
Wal-Mart Stores, Inc.

Anne Smart (anne@allianceforsolarchoice.com)
The Alliance for Solar Choice
Michael D. Rossetti (solar@trymike.com)

Christine Brinker (cbrinker@swenergy.org)
Southwest Energy Efficiency Project

Patricia Schmid (pschmid@utah.gov)
Justin Jetter (jjetter@utah.gov)
Rex Olsen (rolsen@utah.gov)
Assistant Utah Attorneys General

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, UT 84111

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111

_____
Administrative Assistant

ATTACHMENT: SETTLEMENT AGREEMENT

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Review of Electric Service Schedule No. 38, Qualifying Facilities Procedures, and Other Related Issues	)	DOCKET NO. 14-035-140 **SETTLEMENT AGREEMENT**

This Settlement Stipulation ("Stipulation") is entered into by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the "Parties" and individually as a "Party").

1. The Parties have conducted settlement discussions over the course of several days and had meetings on February 23, 2015, March 12, 2015, March 18, 2015, March 24, 2015, April 1, 2015 and April 14, 2015 to which intervening parties in this docket were invited, to the extent they had intervened by the date the scheduled settlement meetings took place. In addition, drafts of this Stipulation were circulated to intervening parties for review and comment on April 13, 2015 and on April 22, 2015, and there have been further discussions among various parties. This Stipulation has been entered into by the Parties after consideration of the views of all intervening parties expressed during that process. No intervening party has indicated that it intends to oppose this Stipulation.

2. The Parties represent that this Stipulation is just and reasonable in result. The Parties recommend that the Public Service Commission of Utah ("Commission") approve the Stipulation and all of its terms and conditions. The Parties request that the Commission make findings of fact and reach conclusions of law based on the evidence and on this Stipulation and issue an appropriate order thereon.

BACKGROUND

3. On August 22, 2014, Rocky Mountain Power ("Company" or "Rocky Mountain Power") filed its quarterly compliance filing for avoided cost input changes for the second quarter of 2014 in Docket No. 14-035-40.

4. On September 22, 2014, the Division of Public Utilities ("DPU"), the Office of Consumer Services, Utah Clean Energy, and SunEdison, LLC filed initial comments and requested that the Commission hold a scheduling conference to discuss a process and schedule for Docket No. 14-035-40. The Commission issued a notice of status and scheduling conference for Thursday, November 6, 2014.

5. On October 9, 2014, Rocky Mountain Power filed a Compliance Filing together with pre-filed testimony and an exhibit containing the Company's capacity contribution study ("RMP Study") for wind and solar resources ("Request"). The Company filed the Request in compliance with the Commission's Phase II Order in Docket No. 12-035-100 where the Commission directed the Company to complete a capacity contribution study using either

the effective load carrying capability method or the capacity factor approximation method ("CF Method").

6. Generally, the Company requested that the Commission adopt the capacity contribution values derived from the RMP Study and replace the interim capacity contribution values the Commission adopted in the Phase II Order in Docket No. 12-035-100.

7. The Company indicated that the interim values should be replaced in the calculation of capacity payments for wind and solar QF projects under the currently effective and recently approved Proxy/PDDRR method.

8. On October 14, 2015, the DPU filed a memorandum responding to the Company's compliance filing recommending the Commission open a new docket that combines review of the RMP Study in Docket No. 12-035-100 with the issues raised by parties in Docket No. 14-035-40. The DPU stated combining them would allow for a comprehensive review of the issues surrounding tariff Schedule 38. In response to the DPU's request, the Commission opened Docket No. 14-035-140.

9. On November 7, 2014, the Commission issued a Scheduling Order setting a schedule for several technical conferences and discovery. The Parties indicated to the Commission that having several technical conferences at the beginning of the case may narrow the scope of the issues on which they would have to file testimony and eventually litigate in this case.

10. A technical conference on the RMP Study for Wind and Solar Resources was held on December 2, 2014, during which the Company responded to questions submitted by the parties and provided other information.

11. A technical conference on Queue Management and Power Purchase Agreement Milestones was also held on December 2, 2014, during which the Company responded to questions submitted by the parties and provided other information.

12. A technical conference on Avoided Costs Modeling was held on January 6, 2015, during which the Company responded to questions submitted by the parties and provided other information.

13. The Commission issued a First Order Amending the Scheduling Order January 12, 2015.

14. The Commission held another Status and Scheduling Conference January 21, 2015 and issued a Scheduling Order and Notices of Technical Conference and Hearing on January 23, 2015. Pursuant to this order, the Commission scheduled testimony as follows: Direct Testimony responding to the RMP Study and Avoided Cost Input Changes Report and/or Alternative Proposals due April 28, 2015; Technical Conference (Alternative Proposals),

May 6, 2015; Rebuttal Testimony due May 28, 2015; Sur-rebuttal Testimony due June 11, 2015; and Hearings on June 18-19, 2015.

15. The Parties have engaged in discovery.

16. The Parties have held a series of settlement discussions commencing on February 23, 2015 and continuing through April 14, 2015. All intervenors in the docket have been invited to participate in these settlement conferences, to the extent they had intervened on the date the settlement discussions were held.

17. The Parties have now reached agreement on most of the issues raised by parties in this matter, with the exception of the RMP Study, including queue management, power purchase agreement milestones and avoided cost modeling updates and agree that the following settlement terms are in the public interest and will result in rates that are just and reasonable.

SETTLEMENT TERMS

AVOIDED COSTS MODELING ASSUMPTIONS

18. The Parties agree that the Company will identify and explain new or updated assumptions used in modeling avoided costs in its quarterly compliance filings for Schedule 38, and that such updated assumptions will not necessitate an amendment to this Stipulation.

19. The Parties agree that the Company will classify new and updated assumptions as either "Routine Updates" or "Non-Routine Updates". Routine Updates will be incorporated into avoided cost pricing without prior notification or agreement from the parties. A Non-Routine Update may be

incorporated into the avoided cost pricing only after it has been identified in a Schedule 38 quarterly compliance filing, copies of which will be sent to any party who has requested receipt of the same, and either: i) the Non-Routine Update was unchallenged by any party for a period of three weeks after the filing of the quarterly compliance report, or ii) the Non-Routine Update is challenged by any party and resolution is reached either by settlement or later Commission action.

20. The Parties agree that parties may challenge or file comments on both Routine Updates and Non-Routine Updates and the Company may file reply comments. The Commission may be asked to determine whether any challenged updates should be included in avoided cost pricing, and whether challenged updates should be considered Routine or Non-Routine.

21. The Parties agree that Routine Updates are intended to refresh basic model inputs in order to keep the GRID model current, and typically involve changes in operating data that are expected and measurable. Some Routine Updates are implemented shortly after occurrence, such as contract changes or QF pricing queue changes. Many Routine Updates are done on a quarterly basis, such as the updated official forward price curve, the addition of new long-term contracts, changes to the Company's long-term load forecast, new or changed contracts for electricity and natural gas, fuel price forecasts, pipeline expenses, wheeling expenses, electric and gas swaps, actual QF costs, short-term sales, and existing plant attributes such as changes in capacity,

derates, and start-up attributes. Other Routine Updates are done on a semi-annual or other periodic basis, such as inputs to the rolling average historical base period including forced and planned outage rates, heat rate coefficients, market capacity limits, and short-term transmission rights, updated inputs to a Commission-approved method for calculating intermittent resource integration costs, and the timing and nature of resources in the preferred portfolio reflected in a Commission-filed Integrated Resource Plan ("IRP") or IRP update.

22. The Parties agree that Non-Routine Updates include adding a transmission bubble to the GRID topology, making post-hoc adjustments to the official forward price curves (e.g., to remove carbon costs), changes in calculation methodologies or departures from Commission-approved modeling techniques (e.g., hourly wind shape vs. flat 6-hour block wind shape), and other changes that are reasonably expected to be substantive or difficult to measure. Any party may request Commission guidance on whether a particular update should be considered Routine or Non-Routine.

23. The Parties agree to the following schedule to address contested Routine Updates and Non-Routine Updates, which may include those identified in a quarterly compliance filing:

a. Parties will file a notice with the Commission within three weeks after the Company files its quarterly compliance filing, to identify which specific assumptions, if any, they intend to contest. Failure of any

party to file such notice will not preclude later challenges, but will result in incorporation of unchallenged Non-Routine Updates into avoided cost modeling.

b. A party filing a challenge will ask the Commission to hold a scheduling conference to set a reasonable schedule to address any challenges or other relevant issues.

QF Pricing Queue Management and Power Purchase Agreement Milestones

24. The Parties agree to the changes to QF pricing queue management and the power purchase agreement milestones and to other modifications to Schedule 38 tariff, as set forth in the Revised Schedule 38 attached as Exhibit A.

Transitional Procedures; Unresolved Issue

25. Upon Commission approval of this Stipulation, the Company will promptly notify each QF project currently in the QF pricing queue for which a power purchase agreement has not yet been executed of the requirements of this Stipulation and the new tariff provisions, of such project's status under the new tariff provisions, and of the amount of time remaining for such project to complete the next step to remain in the QF pricing queue under the new tariff requirements, which time shall be a minimum of thirty (30) additional days from the date of notice.

26. The Parties represent that no agreement has been reached with regard to the RMP Study and its capacity contribution values.

GENERAL TERMS AND CONDITIONS

27. Not all Parties agree that each aspect of this Stipulation is warranted or supportable in isolation. Utah Code Ann. §54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Parties are not able to agree that each specific component of this Stipulation is just and reasonable in isolation, all of the Parties agree that this Stipulation as a whole is just and reasonable in result and in the public interest.

28. All negotiations related to this Stipulation are confidential, and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, and in accordance with Utah Admin. Code R746-100-10.F.5, neither the execution of this Stipulation nor any Order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of regulatory accounting or ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation.

29. The Parties agree that no part of this Stipulation or the formulae and methodologies used in developing the same or a Commission Order approving the same shall in any manner be argued or considered as

precedential in any future case except with regard to issues expressly called-out and intended to be resolved on an ongoing basis by this Stipulation. This Stipulation does not resolve and does not provide any inferences regarding, and the Parties are free to take any position with respect to any issues not specifically called-out and settled herein.

30. The Parties request that the Commission hold a hearing on this Stipulation. Rocky Mountain Power, the Division of Public Utilities ("DPU"), and the Office of Consumer Services ("OCS") each will, and other Parties may, make one or more witnesses available to explain and offer further support for this Stipulation. The Parties shall support the Commission's approval of this Stipulation. As applied to the DPU and the OCS, the explanation and support shall be consistent with their statutory authority and responsibility.

31. The Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Stipulation, each Party will use reasonable efforts to support the terms and conditions of this Stipulation. As applied to the DPU and the OCS, the phrase "use reasonable efforts" means that they shall do so in a manner consistent with their statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Stipulation, no Party shall take a position in that judicial review proceeding in opposition to the Stipulation.

32. Except with regard to the obligations of the Parties under the five immediately preceding paragraphs of this Stipulation, this Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission.

33. This Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Stipulation or imposes any material change or condition on approval of this Stipulation or if the Commission's approval of this Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, any Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses, with respect to issues resolved by the Stipulation, and no party shall be bound or prejudiced by the terms and conditions of the Stipulation.

34. This Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

DATED this 29th day of April 2015 or 4th day of May 2015.

UTAH OFFICE OF CONSUMER SERVICES /s/ Michele Beck Michele Beck Director Office of Consumer Services 160 East 300 South, 2nd Floor Salt Lake City, UT 84114	ROCKY MOUNTAIN POWER /s/ R. Jeff Richards R. Jeff Richards Yvonne R. Hogle VP and General Counsel Rocky Mountain Power 201 S. Main St., Suite 2400 Salt Lake City, UT 84111
UTAH DIVISION OF PUBLIC UTILITIES /s/ Chris Parker Chris Parker Utah Division of Public Utilities 160 East 300 South, 4th Floor Salt Lake City, UT 84114	SUN EDISON, LLC /s/ Gary A. Dodge Gary A. Dodge Hatch James & Dodge 10 West Broadway, Suite 400 Salt Lake City, UT 84101 *Attorney for US Magnesium*
UTAH CLEAN ENERGY /s/ Sophie Hayes Sophie Hayes 1014 2nd Avenue, Salt Lake City, Utah 84103 *Attorney for Utah Clean Energy*	SCATEC SOLAR NORTH AMERICA, INC. /s/ Luigi Resta Luigi Resta Chief Executive Officer Scatec Solar North America, Inc. 2330 Marinship Way, Suite 300 Sausalito, CA 94965

EXHIBIT A

ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

ELECTRIC SERVICE SCHEDULES
STATE OF UTAH

Schedule No.		Sheet No.
1	Residential Service	1.1 - 1.3
2	Residential Service - Optional Time-of-Day Rider - Experimental	2.1 - 2.3
3	Low Income Lifeline Program – Residential Service Optional for Qualifying Customers	3.1 - 3.4
4	Pole Attachments	4.1 - 4.2
6	General Service - Distribution Voltage	6.1 - 6.2
6A	General Service - Energy Time-of-Day Option	6A.1 - 6A.3
6B	General Service - Demand Time-of-Day Option	6B.1 - 6B.3
7	Security Area Lighting – No New Service*	7.1 - 7.5
8	Large General Service – 1,000 kW and Over – Distribution Voltage	8.1 - 8.3
9	General Service - High Voltage	9.1 - 9.3
9A	General Service - High Voltage - Energy Time-of-Day Option No New Service*	9A.1 - 9A.3
10	Irrigation and Soil Drainage Pumping Power Service	10.1 - 10.5
11	Street Lighting – Company-Owned System	11.1 - 11.5
12	Street Lighting – Customer-Owned System	12.1 - 12.7
14	Temporary Service Connection Facilities No New Service*	14.1 - 14.2
15	Outdoor Nighttime Lighting Service, Traffic and Other Signal System Service – Customer-Owned System	15.1 – 15.3
21	Electric Furnace Operations - Limited Service No New Service*	21.1 - 21.3
23	General Service - Distribution Voltage - Small Customer	23.1 - 23.3
31	Back-Up, Maintenance, and Supplementary Power	31.1 - 31.8
32	Service From Renewable Energy Facilities	32.1 – 32.11
33	Generation Replacement Service	33.1 - 33.3
37	Avoided Cost Purchases from Qualifying Facilities	37.1 - 37.7
38	Qualifying Facility Procedures	38.1 - 38.11
70	Renewable Energy Rider – Optional	70.1 - 70.4
71	Energy Exchange Pilot Program Rider	71.1 - 71.5
72	Renewable Energy Rider – Optional Bulk Purchase Option	72.1 - 72.4

(continued)

ROCKY MOUNTAIN POWER

ELECTRIC SERVICE SCHEDULE NO. 38

STATE OF UTAH

Qualifying Facility Procedures

PREFACE:

1. The process outlined in this Schedule is typically applicable to projects already under development. General pricing information may be obtained by reference to quarterly avoided cost pricing updates filed by the Company with the Commission. Those filings can be found on the Public Service Commission of Utah website.

2. All submissions, responses and notices required in this Schedule must be done in electronic or hard copy format. Requests and information may be submitted to the Company at _____@pacificorp.com.

3. The QF pricing queue referenced in this Schedule is independent of and unrelated to the interconnection and transmission services queue maintained and administered by PacifiCorp Transmission Services pursuant to PacifiCorp Transmission Service's FERC approved Open Access Transmission Tariff (OATT), as posted on its Open Access Same-Time Information System (OASIS). The generation interconnection process is a critical and lengthy process that typically must be well underway before a power purchase agreement should be requested. QF Developers are strongly encouraged to gain a clear understanding of the transmission interconnection process and associated costs and timelines before requesting indicative pricing or a power purchase agreement under this schedule.

4. The Company must use its reasonable commercial efforts to meet all Company deadlines specified herein, and shall attempt to make up any Company delays in meeting subsequent Company deadlines. QF Developer deadlines will be extended to reflect Company delays beyond Company deadlines specified herein. Under extenuating circumstances, the Company or a QF Developer may request an extension of any deadlines from the Commission.

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

PREFACE: (continued)

5. Subject to the specific tariff provisions provided below, the general timelines and deadlines for actions or responses for Developers and the Company in this tariff are summarized here for convenience, along with references to the relevant tariff provisions:

a) Company must provide Developer illustrative, pro forma contract within seven (7) days of request [Section I.B.1];

b) Developer may request indicative pricing at any time by submitting required information [Section I.B.2];

c) Company must notify Developer whether request for indicative pricing is complete within seven (7) days of submission [Section I.B.3];

d) Company must provide indicative pricing within thirty (30) days of notice of completeness [Section I.B.4];

e) Developer must request draft power purchase agreement and submit required information within sixty (60) days of receipt of indicative pricing [Section I.B.5];

f) Company must notify Developer whether request for power purchase agreement and required information is complete within seven (7) days of submission to the Company [Section I.B.6];

g) Company must provide Developer with draft power purchase agreement within thirty (30) days of notice of completeness [Section I.B.6];

h) Developer must provide Company with initial comments on and proposed edits to draft power purchase agreement within thirty (30) days of receipt [Section I.B.7];

i) Company must respond to Developer's initial comments and edits within thirty (30) days of receipt, and commence negotiations over areas of disagreement [Section I.B.8];

j) Indicative prices must be updated unless a PPA is executed within six (6) months after indicative pricing was provided by the Company [Section I.B.9];

k) Company must complete all internal reviews and approvals within twenty-one (21) days after agreement is reached on a proposed final version of a power purchase agreement [Section I.B.8];

l) PPA must be executed within five (5) months after Developer's receipt of draft power purchase agreement [Section I.B.10];

m) Company must submit power purchase agreement to Commission for approval within seven (7) days of execution [Section I.B.8]; and

n) Company must submit Transmission Service Request within seven (7) days after execution of purchase power agreement [Section I.B.8].

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

PREFACE: (continued)

6. QF Developers should pay special attention to the fact that, as specified in the tariff sections that follow, a QF project will typically be removed from the QF pricing queue, and any indicative or proposed prices or agreements will no longer be valid, upon occurrence of any of the following events:
   a) Failure of the QF Developer to submit to the Company a request for a power purchase agreement within sixty (60) days of its receipt of indicative pricing, as specified in Section I.B.5;
   b) Failure of the QF Developer to submit written comments and proposals within thirty (30) days of its receipt of a proposed power purchase agreement, as specified in Section I.B.7;
   c) Failure of the parties to execute a power purchase agreement within five (5) months after a draft power purchase agreement was provided by the Company to the QF Developer, as specified in Section I.B.10.e.; or
   d) A material change in the point of interconnection, a change in design capacity of more than 10%, a change in generation technology, or a change of more than three (3) months in the online date, as specified in Sections I.B.10.a.-d.

7. When a QF project is removed from the QF pricing queue, the developer may request new indicative pricing and a new agreement by timely following all of the steps outlined below, in which case it will be placed in the QF pricing queue as a new project.

AVAILABILITY: To owners of Qualifying Facilities (QFs) in all territory served by the Company in the state of Utah.

APPLICATION: To owners of existing or proposed QFs with a design capacity greater than 1,000 kW for a Cogeneration Facility or greater than 3,000 kW for a Small Power Production facility who desire to make sales to the Company, and to QFs who are not able to obtain pricing under Schedule 37 because the Schedule 37 cap has been reached. Such owners will be required to enter into written power purchase and interconnection agreements with the Company pursuant to the procedures set forth below. Additional or different requirements may apply to Utah QFs seeking to make sales to thirdparties, or out-of-system QFs seeking to wheel power to Utah for sale to the Company.

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

I. Process For Negotiating Power Purchase Agreements

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Rocky Mountain Power
Manager - QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232
_____@pacificorp.com

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. **Request for Pro Forma Contract.** The Company shall provide a QF Developer with a pro forma power purchase agreement within seven (7) days of its receipt of a request for the same. The pro forma document provided (i) does not constitute an offer to enter into an agreement, (ii) may include general proposed terms and conditions, and (iii) will not include pricing or project specific information. Anyone who desires to enter into a power purchase agreement with the Company must proceed in accordance with this Schedule to request indicative pricing under Section I.B.2, to request a proposed power purchase agreement under Section I.B.5, and to negotiate and execute a power purchase agreement that is executed by the Company and approved by the Commission.

2. **Request for Indicative Pricing.** To obtain indicative pricing with respect to a proposed project, a QF Developer must provide to the Company the following general project information:
   a) A general description of the QF project and the QF Developer, including email address and other contact information;
   b) generation technology and other related technology applicable to the site;

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

I. B. Procedures (continued)

c) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;

d) quantity and timing of monthly power deliveries (including project's ability to respond to dispatch orders from the Company) and an hourly generation profile (12X24 profile minimum, 8760 preferred) in Excel or other spreadsheet format with all formulae intact;

e) proposed site location and electrical interconnection point;

f) proposed on-line date and outstanding permitting requirements;

g) demonstration of ability to obtain QF status (FERC Form 556);

h) fuel type(s) and source(s);

i) plans for fuel and transportation agreements (Motive force plans);

j) proposed length of contract term;

k) status of transmission interconnection arrangements including interconnection queue number; and

l) other information promptly and reasonably requested by the Company.

3. **Notice of Completeness and Queue Position.** Within seven (7) days of its receipt of a request for indicative pricing and supporting materials as specified above, the Company shall confirm its receipt of the same and notify the QF Developer whether the submission is substantially complete or if additional information is required. The Company shall not be obligated to provide indicative pricing until all information described in Paragraph I.B.2 has been received from the QF Developer. Indicative pricing will be determined in light of other QF projects in the QF pricing queue ahead of the project, and using inputs and procedures as approved by the Commission. A QF will be added to the QF pricing queue as of the date the Company has confirmed receipt of all project information required in Paragraph I.B.2 and will retain its priority position in the QF pricing queue for purposes of subsequent requests for indicative pricing unless and until removed from the QF pricing queue as provided herein. The Company will notify the QF Developer of the date its project was added to the QF pricing queue. Once a QF Project has been added to the QF pricing queue, in the event additional clarifying information is reasonably required by the Company in order to calculate indicative prices, the deadlines in Section I.B.4 shall be extended on a day for day basis until the requested clarifying information has been provided.

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

I. B. Procedures (continued)

4. **Indicative Pricing.** Within thirty (30) days following the date a QF project was added to the QF pricing queue under Section I.B.3, the Company shall provide the QF Developer with indicative pricing, which may include other indicative terms and conditions, tailored to the individual characteristics of the proposed project. For the initial indicative pricing request, the Company will include:
   a) indicative prices along with indicative terms and conditions,
   b) a link to the Company's most recent quarterly avoided cost price filing with the Commission for an explanation of inputs and the Commission-approved method used to develop indicative prices,
   c) a list of key model inputs that affected avoided cost pricing and descriptions of any significant changes to inputs since that most recent quarterly avoided cost filing, and
   d) an explanation of how the developer can obtain additional information, including access to the model used to determine pricing.

   For any pricing updates provided after the initial indicative prices, the Company shall provide items a) through d) and a description of any inputs or methods that have changed since the last quarterly filing or the last indicative prices provided. An indicative pricing proposal provided by the Company may be used by the QF Developer to make determinations regarding project planning, financing and feasibility. However, such prices are indicative only and may be subject to change by the Company as specified herein or by the Commission. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and approved by the Commission. The Commission may approve, reject or conditionally approve a power purchase agreement and may at any time make changes to this Schedule, QF pricing methods and inputs, or terms and conditions applicable to QF pricing and power purchase agreements.

5. **Request for Draft Power Purchase Agreement.** If a QF Developer desires to proceed forward with the project it must, within sixty (60) days of its receipt of indicative pricing, request that the Company prepare and submit for the Developer's review a proposed power purchase agreement. Absent timely submittal of such request, the project will be removed from the QF pricing queue and the indicative prices will no longer be valid. In connection with its request for a power purchase agreement, the Developer must provide the Company with the following additional project information:

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

I. B. Procedures (continued)

a) any available updates to the information specified in Paragraph I.B.2;
b) evidence of adequate control of proposed site;
c) identification of and timelines for obtaining any necessary governmental permits, approvals or authorizations;
d) assurance of fuel supply or motive force;
e) anticipated timelines for completion of key project milestones;
f) evidence that any necessary interconnection studies are underway and that the necessary interconnection arrangements can timely be completed in accordance with Part II sufficient for the project to reach energization by the proposed on-line date;
g) information describing the developer/owner of the proposed project, including name, address, and ownership organization chart; and
h) other information promptly and reasonably requested by the Company.

6. **Notice of Completeness and Draft PPA.** Within seven (7) days of its receipt of a request for a power purchase agreement and the information specified in Section I.B.5, the Company shall confirm its receipt of the same and notify the Developer whether any additional information is needed. The Company shall provide the Developer with a proposed power purchase agreement within thirty (30) days following the date of the Company's notice that the information required in Paragraph I.B.5 has been received and is substantially complete. The proposed power purchase agreement shall contain a comprehensive set of proposed terms and conditions, including specific pricing based on the indicative pricing provided, as adjusted if necessary in light of specifics of the project. The proposed power purchase agreement will also specify project specific data and exhibits that must be provided by the QF Developer prior to final approval or execution of the PPA. The proposal submitted by the Company shall serve as the basis for subsequent negotiations.

7. **Developer's Initial Comments and Edits.** Within thirty (30) days of receiving a proposed power purchase agreement, the QF Developer shall prepare and deliver to the Company an initial set of written comments and proposals, failing which the Project will be removed from the QF pricing queue and the proposed agreement and prices will no longer be valid.

8. **Company's Response and Responsibilities.** If the QF Developer's proposals are not acceptable, the Company shall commence negotiations on all outstanding areas of disagreement, and:

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

I. B. Procedures (continued)

a) shall respond to the developer's initial comments and proposals within thirty (30) days, and thereafter respond timely to subsequent comments and proposals;

b) will not unreasonably delay negotiations and will respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the QF Developer;

c) may request to visit the site of the proposed project if such a visit has not previously occurred;

d) may request additional information from the Developer if reasonably necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the Project; and

e) shall submit to PacifiCorp Transmission Services a request for network transmission service relating to the project within seven (7) days after execution of a power purchase agreement, or otherwise as early as practicable based on the applicable PacifiCorp Transmission Services tariff;

f) shall complete credit, legal, upper management and any other required internal reviews of proposed terms and conditions within twenty-one (21) days after agreement was reached on a proposed final version of a power purchase agreement; and

g) shall submit a fully executed power purchase agreement to the Commission for approval within seven (7) days of execution.

9. **Required Pricing Update.** The prices in the proposed power purchase agreement provided by the Company under Section I.B.6 shall be recalculated by the Company using the most recent available pricing inputs and methods approved by the Commission, but without a change in the QF project's pricing queue priority, if the QF Developer and the Company have not executed a power purchase agreement within six months after indicative pricing was provided by the Company under Section I.B.4, except to the extent delays are caused by Company actions or inactions, which may include delays in obtaining legal, credit or upper management approval by the Company.

10. **Removal from QF Pricing Queue.** In addition to the circumstances described in I.B.5 and I.B.7, at any time during the process outlined in I.B.3 through I.B.9, the Company shall remove a QF project from the QF pricing queue, and any associated indicative prices, proposed prices or proposed agreement previously provided will no longer be valid, if any of the following occurs with respect to a QF project: (continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

I. B. Procedures (continued)

a) A material change in the point of interconnection;

b) A change in design capacity of 10% or more of the original specified design capacity;

c) A change in generation technology (i.e. solar, wind, thermal), including a change between fixed tilt and tracking solar projects. Changes in the quantity and timing of monthly power deliveries will not cause removal from the QF pricing queue so long as the basic generation technology and design capacity have not changed;

d) A change in the online date specified in the information provided under Section I.B.2.f of more than three months earlier or later; or

e) A PPA has not been executed by both parties within five (5) months after the draft PPA was provided by the Company to the Developer, except to the extent delays are caused by Company actions or inactions.

11. **Standard PPA Terms.** Absent Commission approval to the contrary for good cause shown, a power purchase agreement executed under this Schedule shall include the following terms and conditions, among others:

a) The scheduled commercial operation date must not be greater than thirty (30) months after the execution date of the power purchase agreement;

b) The QF Developer must sign a System Impact Study Agreement with PacifiCorp Transmission (refer to Section 42.2 or Section 51.4 of PacifiCorp's OATT) within 120 days of the date a Commission Order approving the agreement has become final and non-appealable; and

c) The QF Developer must provide 100% of the project development security within 30 days of the date a Commission Order approving the PPA has become final and non-appealable.

II. Process for Negotiating Interconnection Agreements

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon all necessary interconnection arrangements being consummated.

It is recommended that the owner initiate its request for interconnection as early in the planning process as possible, to ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function, PacifiCorp Transmission Services.

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

II. Process for Negotiating Interconnection Agreements (continued)

A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp Transmission Services
Interconnection Requests
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232
_____@pacificorp.com

B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) completion of studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, (3) execution of an interconnection agreement.

The QF project owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis.

For interconnections greater than twenty (20) megawatts, the Company will process the interconnection application through PacifiCorp Transmission Services generally following the procedures for studying the generation interconnection described in the Company's Open Access Transmission Tariff, PacifiCorp FERC Electric Tariff, Fifth Revised Volume No. 11 Pro Forma Open Access Transmission Tariff (OATT), as the same may be changed or updated, on file with the Federal Energy Regulatory Commission (FERC). A copy of the OATT is available on-line at http//www.oasis.pacificorp.com.

For interconnections equal to or less than twenty (20) megawatts, the Company will process the interconnection application in accordance with Utah Admin. Code R746312.

The Company's interconnection forms and agreements, are provided electronically at the following address: http://www.pacificorp.com/tran/ts/gip/qf.html

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

III. Process for Filing a Complaint with the Commission on Contract Terms

The Commission has both informal and formal dispute resolution processes which can be reviewed on the Commission website at the following address: http://www.psc.utah.gov/complaints/index.html.

These processes are available for any matter as to which the Commission has jurisdiction, which may include (i) QF PPA contracts, (ii) small QF interconnection agreements (less than 20 MW), and (iii) large QF interconnection agreements (more than 20 MW), so long as all of the QF output is sold exclusively to the Company. To the extent any portion of the QF output is sold to anyone other than the Company, a QF generation interconnection may be subject to FERC jurisdiction. Nothing in this Schedule will affect the jurisdiction of the Commission or FERC, and all parties will retain any and all rights they may have under any applicable state or federal statutes or regulations.