



825 NE Multnomah Street
Portland, OR 97232

UTAH PUBLIC
SERVICE COMMISSION

September 5, 2012

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

2012 SEP 11 A 9:11

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RECEIVED

RE: *PacifiCorp*
Docket No. ER12-____-000

Dear Secretary Bose:

Docket No. 12-999-01

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

Fourth Amended and Restated Transmission Service and Operating Agreement ("Agreement"), dated August 27, 2012, between PacifiCorp and Utah Municipal Power Agency ("UMPA"), to be designated as PacifiCorp Third Revised Rate Schedule FERC No. 637.

1. Background and Reason for Filing

On December 12, 2011, as amended on January 23, 2012, in Docket No. ER12-664, PacifiCorp filed with FERC the Third Amended and Restated Transmission Service and Operating Agreement (ARTSOA), designated as Second Revised Rate Schedule FERC No. 637 ("December 2011 Filing"). Under that agreement, PacifiCorp provides transmission service for UMPA to serve its members from its resources through various points of delivery as well as provide certain Ancillary Services associated with serving load within PacifiCorp's Balancing Authority Area. The December 2011 Filing was accepted by FERC on March 12, 2012², effective March 1, 2012, subject to the outcome of the settlement and/or hearing procedures in PacifiCorp's 2011 transmission rate case proceeding in Docket No. ER11-3643-000, *et al.*

Since the December 2011 Filing, the parties have mutually agreed to additional modifications to the Agreement regarding behind-the-meter generation and Ancillary Services. Accordingly, PacifiCorp respectfully requests that the Commission accept the Agreement, attached as Enclosure 1, for filing.

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

² *PacifiCorp*, Letter Order, Docket No. ER12-664 (March 12, 2012).

2. Effective Date

PacifiCorp requests an effective date for the Agreement of sixty-one days after filing, with billing at the new rates to begin on the first day of the month following such acceptance for filing.

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

3. Designation

PacifiCorp requests that the Agreement be designated as PacifiCorp Third Revised Rate Schedule FERC No. 637.

4. Enclosures

The following enclosures are attached hereto:

- Enclosure 1 Fourth Amended and Restated Transmission Service and Operating Agreement, between PacifiCorp and UMPA, to be designated as PacifiCorp Third Revised Rate Schedule FERC No. 637.
- Enclosure 2 Redline of Third Revised Rate Schedule FERC No. 637, as compared to Second Revised Rate Schedule FERC No. 637.

5. Communications

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

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6. Service List

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

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

Utah Municipal Power Agency
c/o W. Leon Pexton
75 West 300 North
Spanish Fork, Utah 84660
lpexton@umpa.cc

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

Respectfully Submitted,

/s/ Patrick Cannon
Patrick Cannon

Attorney for PacifiCorp

CERTIFICATE OF SERVICE

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

Dated at Portland, Oregon this 5th day of September, 2012.

/s/ Patrick Cannon

Patrick Cannon
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FOURTH AMENDED AND RESTATED
TRANSMISSION SERVICE AND OPERATING AGREEMENT

BETWEEN

UTAH MUNICIPAL POWER AGENCY

AND

PACIFICORP

FOURTH AMENDED AND RESTATED
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BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP ELECTRIC OPERATIONS

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Exhibit A:	Listing of Points of Delivery
Exhibit B:	Listing of Points of Receipt
Exhibit C:	Listing of UMPA Resources
Exhibit D:	Transmission Service Rate for UMPA
Exhibit E:	Charge and Derivation of Ancillary Services

FOURTH AMENDED AND RESTATED
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP ELECTRIC OPERATIONS

PREAMBLE

THIS FOURTH AMENDED AND RESTATED AGREEMENT is made and entered into as of this 27th day of August, 2012, by and between the UTAH MUNICIPAL POWER AGENCY, an intergovernmental entity organized and existing under the Utah Interlocal Co-Operation Act, ("UMPA") and PACIFICORP. UMPA and PacifiCorp are sometimes hereinafter referred to individually as "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, UMPA is responsible for planning, providing and coordinating electric power supply, transmission, scheduling, load control regulation, operating reserves, power factor, and other matters for its Members and other wholesale customers in the state of Utah; and

WHEREAS, PacifiCorp and UMPA's Members and other wholesale customers of UMPA (collectively, "UMPA's Customers"), are interconnected (either as direct connections or contractual rights representing direct connection for purposes of electric utility interconnection); and

WHEREAS, PacifiCorp and UMPA are currently interconnected at the Mona 345 kV substation and the UPALCO 138 kV substation by virtue of UMPA's ownership interest in the Bonanza Plant and Bonanza transmission system; and

WHEREAS, PacifiCorp and UMPA are currently interconnected at the Hunter 345 kV switchyard by virtue of UMPA's assigned interest in the Hunter Generation Station, Unit No. 1; and

WHEREAS, UMPA performs scheduling of UMPA's Customers' aggregate load for capacity and energy supplied to UMPA's Customers by the Western Area Power Administration and other power supply resources available to UMPA; and

WHEREAS, PacifiCorp currently provides transmission service to Western for delivery to UMPA pursuant to contracts between PacifiCorp and Western; and

WHEREAS, PacifiCorp currently provides transmission and interconnected operation services for UMPA Members under the Existing Agreements described in Section 30 herein; and

WHEREAS, UMPA's Members have by various contracts assigned their rights under the Existing Agreements to UMPA;

WHEREAS, the Parties executed a Transmission Service and Operating Agreement on May 7, 1992; which was subsequently amended and restated on August 14, 2001, and on June 18, 2008, and on December 20, 2011; and

WHEREAS, the Parties desire to further amend the Transmission Service and Operating Agreement.

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements hereinafter set forth, the Parties have executed this Fourth Amended and Restated Transmission Service and Operating Agreement as follows:

1. Definitions

The following terms, when used herein with initial capitalization, whether in the singular or plural, shall have the meanings specified:

- 1.1. Agreement - The Transmission Service and Operating Agreement between UMPA and PacifiCorp, dated May 7, 1992, and as Amended and Restated on August 14, 2001, and as Amended and Restated on June 18, 2008, and as Amended and Restated on December 20, 2011, and as amended and restated herein.
- 1.2. Aggregate Peak Demand ("APD") - The aggregate peak demand in a month, coincident with the Monthly Transmission System Peak for Firm Transmission Service on the PacifiCorp Transmission System, for the transfer of UMPA Resources other than the Western Resource to UMPA

Load at the Points of Delivery set forth in Exhibit A. The APD shall be the positive sum, if any, during that hour of UMPA's Customers' actual metered loads compensated to the Points of Delivery, deliveries to the Mona Point of Delivery in accordance with Section 4.1 of this Agreement, and station service when the Hunter 1 Resource is off-line and UMPA is responsible for providing its share of station service requirements for the Hunter 1 Resource, all adjusted for Real Power Losses in a manner consistent with network service under the Tariff, plus metered output of Behind-the-Meter Generation serving UMPA Loads, less the Western Resource as provided for herein.

- 1.3. Ancillary Services – Ancillary Services are provided as set forth in Section 8 and Exhibit E.
- 1.4. Balancing Authority – The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time as specified by NERC.
- 1.5. Balancing Authority Area – The collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area as specified by NERC.
- 1.6. Behind-the-Meter Generation – UMPA or UMPA's existing member generation behind a metered Point of Delivery for any single unit which equals or exceeds 10 MW, and all units wherever the aggregate nameplate capacity units behind a single Point of Delivery (including hydro units) equals or exceeds 25 MW. Notwithstanding the foregoing, new generation aggregating 5 MWs or less behind a POD that has no existing Behind-the-Meter Generation shall not be included as Behind-the-Meter Generation until the aggregate of such generation exceeds 5 MWs.
- 1.7. Business Practices – The transmission business practices that PacifiCorp

periodically develops, and posts on its OASIS website that provide additional detail explaining how PacifiCorp will implement its Tariff.

- 1.8. Effective Date - The date determined in Section 2 herein.
- 1.9. Existing Agreements - The agreements identified in Section 30 herein of this Agreement, as such agreements may from time to time be amended or supplemented.
- 1.10. FERC - The Federal Energy Regulatory Commission or its successor.
- 1.11. Firm Transmission Service – The obligation, comparable to Network Integration Service under the Tariff and as more fully described in Section 4 hereof, of PacifiCorp to transfer capacity and energy from UMPA Resources as described in Exhibit C hereof at the Points of Receipt described in Exhibit B hereto, less the Western Resource, to the Points of Delivery described in Exhibit A hereto.
- 1.12. Good Utility Practice – Any of the practices, methods and acts, as changed from time to time, engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practices are not intended to be limited either to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 1.13. Hunter 1 Resource – UMPA's entitlement to the net capacity and energy output (real and reactive) from the Hunter 1 Resource, available at the Hunter Bus.
- 1.14. Hunter Resource – The capacity and energy delivered by UMPA to the Transmission System of PacifiCorp at the Hunter Bus. Such capacity and

energy may include amounts generated from the Hunter 1 Resource, less station service; amounts made available by others at the Hunter Bus and, amounts accumulated in UMPA's Hunter Variation Account owed to UMPA.

- 1.15. Hunter Variation Account - The account described in Section 7.
- 1.16. Member(s) - The Member cities of UMPA, which are currently the Town of Levan and the Cities of Manti, Nephi, Provo, Salem, and Spanish Fork, Utah.
- 1.17. Monthly Transmission System Peak – The maximum usage of PacifiCorp's Transmission System in a calendar month.
- 1.18. Native Load - The normal utility obligations of PacifiCorp to provide safe, economic and reliable service in accordance with Good Utility Practice to entities within PacifiCorp's Balancing Authority Area, including (1) obligations to customers of PacifiCorp under state regulatory jurisdiction, (2) obligations to customers of other utilities receiving transmission or other services from PacifiCorp, including UMPA, and (3) PacifiCorp's normal obligations associated with operating a Balancing Authority Area. UMPA's Loads are included within Native Loads hereunder.
- 1.19. NERC – North American Electric Reliability Corporation or its successor.
- 1.20. Off-System - Outside the PacifiCorp Transmission System.
- 1.21. Open Access Same-Time Information System (OASIS) – The information system and standards of conduct contained in Part 37 of FERC's regulations and all additional requirements implemented by subsequent FERC orders dealing with OASIS.
- 1.22. PacifiCorp Transmission System – The facilities at 46 kV and above that are owned, controlled or operated by PacifiCorp that are used to provide Firm Transmission Service under this Agreement and are included in PacifiCorp's transmission revenue requirement periodically filed with FERC.

- 1.23. Points of Delivery ("POD") - Point(s) of PacifiCorp's Transmission System where capacity and energy transmitted by PacifiCorp will be made available to UMPA or UMPA's Customers, as specified in Exhibit A hereof and as may be amended by mutual agreement of UMPA and PacifiCorp or as amended by UMPA from time to time in accordance with the Tariff procedures for adding or deleting network Points of Delivery.
- 1.24. Points of Receipt ("POR") - Point(s) of interconnection on PacifiCorp's Transmission System where capacity and energy will be made available to PacifiCorp by UMPA, as specified in Exhibit B hereof and as may be amended by mutual agreement of UMPA and PacifiCorp or as amended by UMPA from time to time in accordance with the Tariff procedures for adding or deleting Points of Receipt for network resources.
- 1.25. Real Power Losses – Electrical losses associated with the use of PacifiCorp's Transmission System. Such losses are provided for in Section 6 of this Agreement and Schedule 10 of the Tariff.
- 1.26. Tariff - PacifiCorp's Open Access Transmission Tariff as from time to time in effect and on file with FERC.
- 1.27. UMPA Load – The load that UMPA identifies for Firm Transmission Service under this Agreement, as designated in Exhibit A hereof. Metered and scheduled amounts of firm transmission service at points of delivery shall be adjusted for losses. UMPA Load associated with Behind-the-Meter Generation shall not be adjusted for losses.
- 1.28. UMPA Resources - Any generating resource that is owned, purchased, or leased by UMPA and designated in Exhibit C hereof, including any generating resource located on UMPA's Customer side of a discrete Point of Delivery. UMPA Resources shall also include Behind-the-Meter Generation; *provided however*, UMPA Resources do not include any resource, or portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet UMPA Load on a non-interruptible

basis. UMPA will promptly notify PacifiCorp of any changes to resources located on UMPA's Customer side of a discrete Point of Delivery. Resource updates and planned capacity delivery levels will be defined through annual load and resource updates consistent with the Tariff planning principles.

- 1.29. Western - Western Area Power Administration, Salt Lake City Area Office.
- 1.30. Western Low-Voltage Agreement – the Contract between PacifiCorp and United States Department of Energy Western Area Power Administration Salt Lake City Integrated Projects for Low-Voltage Transmission Service to Utah Contractors dated April 18, 1990, as amended thereafter.
- 1.31. Western Transmission Agreement – the Contract (No. 14-06-400-2436) between PacifiCorp and United States Department of Energy Western Area Power Administration Salt Lake City Area Integrated Projects for Interconnections and Transmission Service dated May 17, 1962, as amended thereafter.
- 1.32. Western Resource — Capacity and energy available to UMPA at the Points of Use defined in the Western Transmission Agreement or the Western Low-Voltage Agreement.

2. Term and Termination

- 2.1. This Agreement shall be subject to its acceptance for filing by FERC. If any provision of this Agreement is held to be void, voidable, contrary to public policy, or unenforceable, the Parties may terminate this Agreement upon mutual agreement. PacifiCorp shall submit this Agreement for filing with FERC in accordance with FERC filing requirements.
- 2.2. This Agreement shall become effective upon the date established by FERC upon acceptance of the Agreement for filing.
- 2.3. If accepted for filing by FERC, this Agreement, as hereafter amended, will remain in full force and effect for so long as UMPA is interconnected with PacifiCorp's system as set forth in Exhibit A hereof; provided, however, that

the Agreement may be terminated or replaced by mutual consent of the Parties and is subject to modification pursuant to Sections 28 and 32 of this Agreement.

- 2.4. Those portions of this Agreement providing for transmission and certain ancillary services shall be suspended on the effective date of an agreement providing for such services to UMPA that has been negotiated and executed by all contracting parties pursuant to a transmission tariff of a FERC-approved Regional Transmission Organization or similar entity ("RTO") that assumes operational control of the PacifiCorp Transmission System providing service to UMPA's Points of Delivery as set forth in Exhibit A hereof; provided, however, that either such agreement, or a separate agreement with PacifiCorp, shall assign or allocate to UMPA at least such firm transmission rights and any other rights or mechanisms available from such RTO as are equivalent to the rights granted to other pre-existing firm transmission customers and load serving entities (including PacifiCorp) taking service from such RTO. In the event an agreement satisfying the conditions of this Section is not made effective, this Agreement shall remain in full force and effect in accordance with the terms hereof; provided, however, that if an RTO is established that takes over operational control of PacifiCorp's Transmission System and an agreement satisfying the conditions of this Section is not made effective because such an agreement was not reasonably available to UMPA on non-discriminatory terms and conditions, then the Parties shall amend this Agreement in order to permit UMPA to add and access Off-System points of receipt under the same rate terms and conditions as are available to PacifiCorp under the applicable RTO tariff, including without limitation a single, non-pancaked rate for transactions involving multiple utility systems. The effectiveness of all suspended portions of this Agreement shall be restored at such time as said RTO shall cease to control the PacifiCorp Transmission System.

- 2.5. In the event (a) that all efforts to negotiate or implement an RTO as described in Section 2.4 have ceased and there is no reasonable possibility that control of the PacifiCorp Transmission System providing service to UMPA's Points of Delivery will be transferred to the operational control of such an RTO or (b) that an RTO approved by the FERC fails to assume control of or ceases to control the PacifiCorp Transmission System as described in Section 2.4 herein, either Party may thereafter provide written notice that it wishes to terminate the Agreement, and the Agreement will thereafter terminate on the date that a new transmission service agreement negotiated and executed by both Parties, and a separate agreement also negotiated and executed by both Parties that fully addresses the non-transmission service aspects of the Agreement, including, without limitation, issues pertaining to the operation and maintenance of the Hunter 1 Resource and other aspects of the Parties' generation and power supply operations, have both become effective.
- 2.6. Sections 2.4 and 2.5 above are intended to prohibit any suspension, termination or replacement of this Agreement except upon the mutual agreement of both Parties hereto.

3. Effect on Prior Agreements

The November 11, 1988 Interconnected Operation Agreement between PacifiCorp and UMPA is hereby terminated and superseded by this Agreement. The sections of the Existing Agreements identified in Section 30.2 herein are hereby terminated and superseded by this Agreement.

4. Firm Transmission Service

- 4.1. Commencing on the Effective Date, PacifiCorp shall provide Firm Transmission Service over PacifiCorp's Transmission System for the delivery of capacity and energy from UMPA Resources to UMPA Load at the Points of Delivery net of the Western Resource, including deliveries from UMPA Resources to the Mona Point of Delivery (to the extent and

only to the extent that the capacity and energy delivered to the Mona Point of Delivery is in excess of the UMPA Load at Points of Delivery other than Mona). PacifiCorp's obligation to provide such Firm Transmission Service shall be subject to PacifiCorp's right to interrupt or reduce schedules of capacity and energy pursuant to Section 4.4 and 4.5 herein. UMPA shall pay PacifiCorp for Firm Transmission Service provided under this Section in accordance with Exhibit D to this Agreement.

- 4.2. UMPA may use PacifiCorp's Transmission System to deliver energy to its UMPA Load at metered or calculated Points of Delivery from resources that have not been designated as UMPA Resources and from Points of Receipt not designated in Exhibit B. Such energy shall be transmitted on an as-available basis, secondary network basis, at no additional charge.
- 4.3. UMPA may elect to designate less than its total load as UMPA Load but may not designate less than its total load at a discrete metered Point of Delivery. Where UMPA has elected not to designate a particular load at discrete Points of Delivery as UMPA Load, such non-designated load shall be removed as a Point of Delivery from Exhibit A. UMPA is responsible for making separate arrangements under Part II of PacifiCorp's Tariff for any point-to-point transmission service that may be necessary for such non-designated load.
- 4.4. PacifiCorp shall exercise its best efforts to supply continuous Firm Transmission Service in accordance with Good Utility Practice, but does not warrant or guarantee that such Firm Transmission Service shall be free from interruption or reductions for reasons including, but not limited to: (a) interruptions or reductions due to force majeure events pursuant to Section 20 herein, (b) interruptions or reductions due to action reasonably instituted by automatic or manual controls for the purpose of maintaining overall reliability and continuity of PacifiCorp's Transmission System or generation facilities or (c) interruptions or reductions which, in the reasonable opinion

of PacifiCorp, are necessary for the purposes of maintenance, repair, replacement, installation of equipment or inspection of PacifiCorp's Transmission System or generation facilities.

- 4.5. Except as provided in Section 25 herein, PacifiCorp shall not be liable to UMPA for any damages resulting from any interruptions or reductions of Firm Transmission Service occurring for reasons as provided for in Section 4.4 above. PacifiCorp shall provide UMPA reasonable advance notice of any scheduled activities or conditions that will result in interruptions or reductions of Firm Transmission Service and will notify UMPA of non-scheduled interruptions or reductions as soon as possible. PacifiCorp shall use due diligence to expeditiously remove or remedy all causes of interruptions or reductions of Firm Transmission Service consistent with Good Utility Practice.
- 4.6. In the event of an interruption or reduction occurrence as described in Section 4.4 herein, interruptions or reductions shall be made consistent with PacifiCorp's Tariff.

5. Low Voltage Service to Western Customers

In addition to transmission service provided to Western under the Western Transmission Agreement, PacifiCorp provides transmission service to Western under the Western Low Voltage Agreement. For each hour the Western Resource is scheduled, it will be assumed that the scheduled Western Resource, adjusted for transmission losses, was served first to the 138 kV or higher Points of Use defined in the Western Transmission Agreement. In the event the scheduled Western Resource exceeds the metered deliveries at 138 kV or higher, it will be assumed that the maximum single hourly amount which exceeds the load at 138 kV or higher for each monthly billing period, as adjusted for low-voltage losses, was served to the Points of Use defined in the Western Low-Voltage Agreement.

6. Transmission Loss Provisions

UMPA is responsible for replacing or purchasing Real Power Losses incidental to all

deliveries of capacity and energy hereunder. Such transmission losses shall be calculated in accordance with Schedule 10 of the Tariff.

7. Hunter Variation Account

The Parties shall establish and maintain a variation account to accumulate the hourly differences between UMPA's schedule of Hunter 1 Resource and UMPA's ownership share entitlement of Hunter 1 Resource. For the purpose of this Hunter Variation Account, variations between UMPA's schedule of Hunter 1 Resource and UMPA's ownership share entitlement of Hunter 1 Resource less applicable reserves scheduled and/or called upon by PacifiCorp plus or minus any schedules to or from the Hunter Bus to PacifiCorp to clear balances in the Hunter Variation Account as provided in this section shall be separately accumulated during on-peak and off-peak periods in accordance with the Northwest Power Pool definitions for on-peak and off-peak periods. PacifiCorp shall notify and provide an accounting summary to UMPA after the end of each month as to the amounts of Hunter Variation Account energy in the on-peak and off-peak periods indicating whether such energy is owed to PacifiCorp or to UMPA. Such variation amounts shall be eliminated through Hunter Variation Account schedules. Such schedules shall eliminate on-peak variations through on-peak schedules and off-peak variations through off-peak schedules within ten days of PacifiCorp's notification unless otherwise mutually agreed.

8. Ancillary Services

Ancillary Services provided under this Agreement shall be pursuant to this section and to the terms, conditions and rates defined in Exhibit E and the Tariff.

- 8.1. PacifiCorp shall provide, and UMPA is required to purchase, the following Ancillary Services associated with transmission service provided under this Agreement: (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from generation or other sources (less any credits available under the Tariff for reactive supply and voltage control from generation or other sources provided by UMPA).
- 8.2. PacifiCorp shall offer to provide the following Ancillary Services associated

with serving load within PacifiCorp's Balancing Authority Area: (i) Regulation and Frequency Response, (ii) Generator Regulation and Frequency Response Service if applicable, (iii) Energy Imbalance, (iv) Operating Reserve – Spinning, (v) Operating Reserve – Supplemental, and (vi) Generator Imbalance. UMPA is required to acquire these Ancillary Services, whether from PacifiCorp, a third-party, or by self-supply.

- 8.3. Should UMPA determine to self-supply some or all of the Ancillary Services as specified by Section 8.2 of this Agreement, it shall do so in accordance with PacifiCorp's Tariff and Business Practices.

9. Scheduling Provisions

UMPA shall schedule all Firm Transmission Service to be provided under Section 4 of this Agreement in accordance with PacifiCorp's Business Practices, prevailing scheduling practices within WECC, and PacifiCorp's Tariff.

10. Study Procedures for Additional Service Requests

UMPA may request that PacifiCorp provide Firm Transmission Service to additional load, load that UMPA had designated as self-supply load that it now seeks to include as network load, or from additional resources. The Parties shall follow the procedures set out in Section 32 of PacifiCorp's Tariff to determine whether additional requested service may be accommodated.

11. System Planning

- 11.1. UMPA shall provide PacifiCorp with an annual load and resource forecast in accordance with Part III of the Tariff, and such forecast shall separately identify any loads not designated for service under this Agreement and therefore not included in PacifiCorp's planning obligations. The load and resource forecast shall be used by PacifiCorp for the purpose of transmission planning only, and shall not be used for any billing purpose whatsoever, including without limitation for Firm Transmission Service pursuant to Section 4 hereof.

- 11.2 PacifiCorp shall coordinate its transmission planning with UMPA in accordance with Attachment K of the Tariff.

12. Unauthorized Use

If UMPA uses transmission service on the PacifiCorp Transmission System at a Point of Receipt or Point of Delivery not specified in Exhibits A or B hereof in a manner not authorized by this Agreement, or uses Ancillary Services in connection with such unauthorized transmission service, or otherwise in a manner not authorized by this Agreement, it shall pay for the transmission services and Ancillary Services so provided in accordance with the Tariff, including unauthorized use charges.

13. Meter and Communication Facilities

UMPA shall own, install, operate, maintain, repair and replace the metering equipment and communications facilities located at each of the Points of Delivery, and at each UMPA Resource that is Behind-the-Meter Generation (other than at small hydroelectric facilities, each operating at a capacity of less than 1.0 MW), to monitor, control and carry out the obligations and duties required by this Agreement. Notwithstanding the foregoing, (1) metering and communications requirements for Behind-the-Meter Generation will apply only to thermal units and non-run of the river hydro units with nameplate capacity of 5 MW or greater existing on the effective date of this Agreement, and all future thermal units with a nameplate capacity that would require metering and telemetry under PacifiCorp's then current requirements for new generation interconnection; and (2) metering equipment and communication facilities at the Points of Delivery governed by Existing Agreements shall be owned, installed, operated, maintained, repaired and replaced pursuant to such agreements. The Parties shall have the right to witness, and shall have the obligation to notify the other Party of any testing and/or calibration of owned metering equipment that affects interconnections and/or deliveries hereunder. Such metering equipment shall be accessible to both Parties. Each Party shall allow the other Party reasonable time in each hour for access to such metering equipment for interrogation. Meter inspections will be conducted by PacifiCorp in accordance with its procedures for inspecting other similar meters.

14. Underfrequency Relaying

UMPA shall arrange for the implementation and/or maintenance of an underfrequency relaying program which shall include installation of sufficient underfrequency relaying equipment to shed UMPA loads in a manner consistent with applicable NERC reliability standards and PacifiCorp's load shedding procedures.

15. Power Factor

UMPA shall at all times effectively control and limit the flow of reactive power at the Points of Delivery to maintain a power factor of ninety-five percent (95%) or greater or, by mutual agreement of the Parties, of some lesser power factor such that UMPA shall not be required to maintain a power factor greater than PacifiCorp's power factor at or immediately adjacent to any Point of Delivery. UMPA, at UMPA's expense, shall install or have installed switched capacitors or other equipment as PacifiCorp may reasonably require consistent with Good Utility Practice to eliminate that portion of excess reactive power flow which causes the power factor to fall below the limits established herein. PacifiCorp shall exercise reasonable judgment in minimizing the size of such capacitors or other equipment consistent with voltage control for PacifiCorp's other customers served from the PacifiCorp Transmission System. Should UMPA fail to take the corrective action requested by PacifiCorp within one (1) year after written notice from PacifiCorp, PacifiCorp may perform such services or supply and install such capacitors or other equipment as PacifiCorp deems necessary to provide the corrective action. UMPA shall reimburse PacifiCorp for all amounts reasonably expended by PacifiCorp and all services contracted for or performed by PacifiCorp in taking the corrective action, including PacifiCorp's standard overhead costs. The total of these expenditures shall be paid by UMPA within thirty (30) days of receipt by UMPA of an itemized statement of those expenditures reasonably incurred, consistent with Good Utility Practice, by PacifiCorp, subject to the dispute procedures of Section 19 herein.

16. Tariff

If not separately addressed by this Agreement, UMPA and PacifiCorp shall each abide by provisions of the Tariff.

17. Business Practices

For any practice or procedure not defined by this Agreement related to Firm Transmission Service, UMPA agrees to abide by provisions of any applicable posted Business Practice.

18. Billing and Payment

Billing statements for all services provided to UMPA under this Agreement shall be provided via Electronic File Transfer Protocol per UMPA instructions and within a reasonable period after month-end. UMPA shall pay such amounts including any assessment of interest in accordance with Section 7 of the Tariff. Payment for all services provided hereunder shall be electronically wire transferred pursuant to instructions on PacifiCorp's invoice.

19. Disputes

Any dispute between the Parties involving transmission service under this Agreement shall be resolved in accordance with Section 12 of the Tariff, Billing and Payment.

20. Force Majeure

Neither Party to this Agreement shall be considered in default in performance of any obligation hereunder if and to the extent that failure of performance shall be due to force majeure. The term force majeure "means any cause beyond the control of the Party affected, including, but not limited to, failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or materials shortage, sabotage and action or non-action by court order or public authority or failure to obtain the necessary authorizations or approvals from any governmental agency or authority which by exercise of due foresight such Party could not reasonably have been expected to avoid, and which by exercise of due diligence it shall be unable to overcome. However, a Party shall not be relieved of liability for failure of performance if such failure is due to causes arising out of its own negligence or to removable or remediable causes which it fails to remove or remedy with reasonable dispatch. Any Party rendered unable to fulfill any obligation by reason of force majeure shall exercise

due diligence to remove such inability with all reasonable dispatch. Nothing contained herein, however, shall be construed to require a Party to prevent or settle a labor dispute against its will.

21. Assignment

Either Party may, without consent of the other Party, assign all or a portion of its rights or delegate all or a portion of its duties under this Agreement in connection with the sale or merger of a substantial portion of the Party's assets. In all other cases, neither Party shall assign its rights nor delegate its duties under this Agreement or any part of such rights or duties without the prior written consent of the other Party, which consent shall not be unreasonably withheld, and any such assignment or delegation made without such written consent will be of no effect.

22. Choice of Law

The Parties in their performance of their obligations hereunder shall conform to all applicable laws, rules and regulations and, to the extent their operations are subject to the jurisdiction of state or federal regulatory agencies, they shall be subject to the terms of valid and applicable orders of such agencies. This Agreement shall be construed in accordance with the laws of the state of Utah unless preempted by the Federal Power Act or other Federal Law.

23. Waiver

Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default of such matters.

24. Partial Invalidity

It is the intention of the Parties that the terms and conditions of this Agreement or the performance of their obligation contained in this Agreement shall conform to all applicable laws, rules and regulations governing the subject matter of this Agreement. The Parties agree that in the event any of the terms or conditions of this Agreement are finally held or determined to be invalid, illegal or void, as being in contravention of any

applicable laws, rules, regulations or public policy, all other terms and conditions of this Agreement shall remain in full force and effect unless the terms or conditions so found to be invalid, illegal or void are not reasonably separable from the remaining terms and conditions of this Agreement. Further, the Parties agree that if and when any or all of the terms and conditions of this Agreement are finally held or determined to be invalid, illegal or void by either a court of competent jurisdiction or a regulatory agency, the Parties shall enter into negotiations concerning the terms and conditions affected by such decision for the purpose of achieving conformity with the requirements of any applicable law, rule or regulation and the intent of the Parties contained in this Agreement as originally executed.

25. Liability and Indemnification

- 25.1. Generally, except as provided in this Section, each Party hereto hereby assumes all liability for injury or damage to persons or property arising from the intentional acts or gross neglect of its own employees, agents or contractors and shall indemnify and hold the other Party harmless from any liability arising there-from. Neither Party shall be liable, whether in contract, warranty, tort or strict liability, to the other Party for any injury or death to any person, or for any loss or damage to any property, caused by or arising out of the ordinary negligence of its own employees, agents or contractors.
- 25.2. Electrical Disturbance. Notwithstanding Section 25.1, or any other provision of this Agreement, neither Party shall be liable, whether in contract, warranty, tort or strict liability, to the other Party for any injury or death to any person, or for any loss or damage to any property, caused by or arising out of the electrical disturbance on either Party's electric system, whether or not such electric disturbance resulted from a Party's negligent, grossly negligent or wrongful act or omission, excepting only gross action knowingly or intentionally taken, or failed to be taken, with intent that injury or damage result there from, or which action is wantonly reckless.

Each Party releases the other Party from, and shall indemnify the other Party for, any such liability.

- 25.3. As used in this Section, (1) the term "Party" means, in addition to such Party itself, its directors, officers and employees; (2) the term "damage" means all damage, including consequential damage and (3) the term "person" means any person, including those not connected with either Party to this Agreement.

26. Remedies Not Exclusive

The specification of a remedy in any section or paragraph of this Agreement for failure of a Party to meet any of its obligations shall not be deemed to affect or limit the right of any Party to seek any such other legal, equitable or administrative remedies as may be available for such failure.

27. Notices

- 27.1. All notices, demands or requests provided for in this Agreement shall be in writing and shall be deemed to have been properly served, given or made if delivered in person or when sent by registered or certified mail, postage prepaid and return receipt requested, to the Parties at their respective addresses.
- 27.2. Notices, demands or requests concerning this Agreement shall be delivered or addressed to the addresses as follows:
- (a) To UMPA:
General Manager
UTAH MUNICIPAL POWER AGENCY
75 West 300 North, Box 818
Spanish Fork, Utah 84660
 - (b) To PacifiCorp:
PacifiCorp Transmission Systems
Director, Transmission Services
825 N.E. Multnomah, Suite 1600
Portland, Oregon 97232
- 27.3. Either Party may change the address or the person to whom such notices,

demands or requests shall be sent by furnishing to the other Party, at that Party's then-current address for notices, demands or requests, written notice of such change.

28. Regulatory Authority and Rate Changes

- 28.1. The terms and conditions of this Agreement are subject to the terms of valid and applicable orders of such state and federal regulatory agencies having authority over this Agreement.
- 28.2. Except as provided in Section 28.3, PacifiCorp may make a unilateral filing with FERC to modify this Agreement with respect to any terms and conditions, changes, classifications of service, rule or regulation under Section 205 of the Federal Power Act or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that UMPA shall have the right to protest any such filing by PacifiCorp and to participate fully in any proceeding before FERC in which such modifications may be considered.
- 28.3. Subject to the following sentence, the determination of APD as defined herein shall not be modified nor changed except upon application under Section 206 of the FPA. Notwithstanding the foregoing, in the event that, but only to the extent that, without the consent, acquiescence, agreement, or request of PacifiCorp, the allocation of costs with respect to demand responsibility for service under this Agreement differs from the demand calculated in APD, PacifiCorp shall have the right to make application to FERC for appropriate relief, if any, under Section 205 or successor statute, and UMPA shall be entitled to contest, object, or oppose any such application pursuant to FERC's rules and regulations promulgated thereunder.
- 28.4. Execution of this Agreement by UMPA shall not constitute a waiver in any sense whatsoever of UMPA's or UMPA's Members' right to exercise their rights under the Federal Power Act with respect to this Agreement.

29. System Ownership

- 29.1. The electrical system of UMPA shall at all times be and remain in UMPA's or the UMPA Members' exclusive possession and control, and nothing in this Agreement shall grant, or be construed to grant to PacifiCorp, any rights of ownership in or possession of UMPA's or the UMPA Members' electrical system.
- 29.2. The electrical system of PacifiCorp shall at all times be and remain in PacifiCorp's exclusive possession and control, and nothing in this Agreement shall grant, or be construed to grant to UMPA or the UMPA Members, any rights of ownership in or possession of the system.

30. Existing Agreements

- 30.1. UMPA's Members Provo and Manti have assigned the following agreements to UMPA:
- (a) Hunter 1 Purchase and Sale Agreement dated June 20, 1980 between PacifiCorp and Provo.
 - (b) Hunter 1 O&M Agreement dated June 27, 1980 between PacifiCorp and Provo.
 - (c) Hunter 1-Provo Transmission Service Agreement dated June 27, 1980.
 - (d) Interconnected Operation Agreement dated November 11, 1986 between PacifiCorp and Manti.
 - (e) The Mona—Manti Transmission Service Agreement dated November 11, 1986 between PacifiCorp and Manti.
 - (f) Interconnected Operation Agreement dated February 13, 1987 between PacifiCorp and Provo.
 - (g) Mona-Provo Transmission Service Agreement dated February 13, 1987 between PacifiCorp and Provo.
- 30.2. The Parties agree that the identified sections of the following agreements shall be terminated and superseded by this Agreement and, furthermore, if there is any conflict between the provisions of this Agreement and the

Existing Agreements, this Agreement shall govern.

- (a) Sections 8.6, 8.8, 12.2B, 12.3, 12.5, 12.6 and 12.7 and Sections 14 and 30 to the Hunter 1 O&M Agreement dated June 27, 1980 between PacifiCorp and UMPA.
- (b) Sections 6, 7, 8, 9 and 13 to the Hunter 1-Provo Transmission Service Agreement dated June 27, 1980 between PacifiCorp and UMPA (PacifiCorp's Rate Schedule FERC No. 279).
- (c) The Mother Earth-Provo Transmission Service Agreement dated December 20, 1984 between PacifiCorp and Provo (PacifiCorp's Rate Schedule FERC No. 288) has terminated in its entirety.
- (d) Sections 6, 7, 8, 9, 10 and 12 to the Interconnected Operation Agreement dated November 11, 1986 between PacifiCorp and Manti (PacifiCorp's Rate Schedule FERC No. 289).
- (e) Sections 6, 7, 8 and 12 to the Mona-Manti Transmission Service Agreement dated November 11, 1986 between PacifiCorp and Manti (PacifiCorp's Rate Schedule FERC No. 290).
- (f) Sections 6, 7, 8, 9, 10, 11 and 13 to the Interconnected Operation Agreement dated February 13, 1987 between PacifiCorp and Provo (PacifiCorp's Rate Schedule FERC No. 291).
- (g) Sections 6, 7, 8 and 12 to the Mona-Provo Transmission Service Agreement dated February 13, 1987 between PacifiCorp and Provo (PacifiCorp's Rate Schedule FERC No. 292).

31. Effect of Section Heading:

Section headings appearing in this Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Agreement.

32. Changes in and Exhibits to this Agreement

- 32.1. Except as provided for in Section 28 of this Agreement, this Agreement may not be modified or amended by either Party except by subsequent mutual agreement of the Parties and by written instrument duly executed

by the Parties.

32.2. This Agreement includes the following Exhibits, all of which are attached hereto and incorporated by reference:

Exhibit A - Points of Delivery

Exhibit B - Points of Receipt

Exhibit C - UMPA Resources

Exhibit D - Transmission Service Rate for UMPA

Exhibit E - Charge and Derivation of Ancillary Services

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date hereinabove set forth.

PACIFICORP

UTAH MUNICIPAL POWER AGENCY

By /s/ K Houston

By /s/ W. Leon Pexton

Name Kenneth Houston

Name W. Leon Pexton

Title VP, Transmission

Title COO/ General Manager

EXHIBIT A TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN UTAH MUNICIPAL POWER AGENCY
AND PACIFICORP
LISTING OF POINTS OF DELIVERY

The Points of Delivery to which PacifiCorp shall deliver capacity and energy, for and on behalf of UMPA, are as follows:

Customer Name	Points of Delivery	Delivery Voltage	Meter or Schedule
Eagle Mt. ¹	Eagle Mt. Switchrack	138 kV	Metered
Levan Town ²	Vickers-Juab 46 kV Line 46 kV Substation @ Levan Town	46 kV ³	Metered
Manti City ²	Sanpitch-Gunnison 46 kV Ln. 46 kV Substation @ Manti	46 kV	Metered
Nephi City ²	Vickers Switchrack (Nephi Ln.) 46 kV Substation @ Nephi	46 kV	Metered
Provo City ²	Tanner Substn.(Provo Tanner)	138 kV	Metered
Provo City ²	Hale Substation (Gillespie)	138 kV	Metered
Salem City ²	Spanish Fork (Arrowhead)	138 kV ⁴	Metered
Salem City ²	Spanish Fork (Loafer)	138 kV ⁴	Metered
Spanish Fork City ²	Spanish Fork #1 (Canyon Rd) ⁴	138 kV	Metered
Spanish Fork City ²	Spanish Fork #2 (Whitehead) ⁴	138 kV	Metered
Spanish Fork City ²	Dry Creek (Woodhouse Line) ⁴	138 kV	Metered
Spanish Fork City ²	Spanish Fork Wind Farm ⁵	138 kV	Metered

¹ Eagle Mt. is served under an all requirements contract with UMPA; it is not a UMPA Member under this Agreement.

² UMPA Members that are also eligible for deliveries of capacity and energy from the Western Resource.

³ Metered at 4.16 kV.

⁴ The Salem City and Spanish Fork City Points of Delivery are located and metered at the 46 kV system of the Southern Utah Valley Power Systems ("SUVPS").

Mona Point of Delivery

UMPA	Mona Substation	345kV	Scheduled
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Station Power Point of Delivery

UMPA	Hunter Station ⁶	345kV	Metered
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⁵ Spanish Fork Wind is a delivery point only and UMPA is not a party to any interconnection agreement between PacifiCorp and Spanish Fork Wind, thus UMPA is not responsible for any interconnection agreement costs, liabilities or other requirements for the interconnection. UMPA is installing only the necessary metering equipment to interface with UMPA's SCADA system to provide UMPA with the needed information to schedule power to this point, when needed, and measure Spanish Fork Wind's consumption of the same. This Point of Delivery is for technical reasons unique to the wind project, and is not considered retail wheeling. All capacity and energy delivered to UMPA at this point would be for Spanish Fork City to resell to end users within their service territory. The Spanish Fork Wind Farm is metered at 46 kV.

⁶ Represents a Point of Delivery in such instances when Hunter I is offline and UMPA is responsible for providing its share of the station service, to the extent and only to the extent of UMPA's share of such station service.

EXHIBIT B TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP
LISTING OF POINTS OF RECEIPT

The Points of Receipt where UMPA will provide to PacifiCorp the capacity and energy to be transferred to the Points of Delivery shall be the points of interconnection as follows:

- | | |
|-------------------|---|
| A. Hunter Bus | Hunter 345 kV Switchyard on the high side of the step-up transformer for Hunter Unit No. 1 where Hunter Unit Nos. 1, 2, and 3 are connected together with the PacifiCorp Transmission System. |
| B. Levan Town POD | The Levan Town Tap in PacifiCorp's Vickers-Juab 46 kV Line where generation owned by Levan Town is delivered to PacifiCorp from time-to-time. |
| C. Manti City POD | The Manti City Sub connected to PacifiCorp's Sanpitch-Gunnison 46 kV Line where generation owned by Manti City is delivered to PacifiCorp from time-to-time. |

- D. Mona Interconnection Mona 345 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and Transmission Cooperative, Intermountain Power Project, and UMPA are connected together.⁷
- E. Nephi Interconnection of Nephi City's Vickers Substation at PacifiCorp's 46kV system where generation by Nephi City is delivered to PacifiCorp from time-to-time.
- F. Provo City POD Provo City's Gillespie 138 kV Line interconnection at PacifiCorp's Hale Substation where generation owed by Provo City is delivered to PacifiCorp from time-to-time.
- G. UPALCO Interconnection UPALCO 138 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and Transmission Cooperative, and UMPA are connected together.⁸
- H. Vernal Interconnection Vernal 115 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and Transmission Cooperative and Western are connected together.⁹

⁷ UMPA owns a 6.25% undivided interest in the 345 kV Bonanza-Mona transmission line and has other transmission use rights as provided in the Bonanza Purchase and Sale Agreement between UMPA and Deseret Generation and Transmission Cooperative.

⁸ See note 1. Under the Bonanza Purchase and Sale Agreement, UMPA also owns a 6.25% undivided interest in the Bonanza-UPALCO 138 kV transmission line.

⁹ See note 1.

I. Western Interconnections

Where the Western Resource is delivered to the transmission system of PacifiCorp pursuant to the Western Transmission Agreement.

EXHIBIT C TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN UTAH MUNICIPAL POWER AGENCY
AND PACIFICORP
LISTING OF UMPA RESOURCES

- | | | |
|----|---------------------|--|
| A. | Bonanza Resource | UMPA's entitlement to the net capacity and energy output from the Bonanza Generation Station (ownership rights and contractual purchase rights) delivered to PacifiCorp at the Mona Interconnection. |
| B. | Deer Creek Resource | UMPA's entitlement to the capacity and energy purchased from Western Area Power Administration and delivered to PacifiCorp from the Deer Creek (USBR) generating plant. |
| C. | Hunter 1 Resource | UMPA's entitlement to the net capacity and energy output from the Hunter Generation Station (ownership rights and contractual purchase rights) delivered to PacifiCorp at the Hunter Bus. |
| D. | IPA Resource | UMPA's entitlement to the net capacity and energy output from the Intermountain Power Project Generation Station (contractual purchase rights) delivered to PacifiCorp at the Mona Interconnection. |

- E. PacifiCorp Power Sale The capacity and energy purchased by UMPA from PacifiCorp under the Power Sales Agreement dated August 5, 1996.
- F. Western Resource UMPA's entitlement to the capacity and energy purchased from or transmitted by Western Area Power Administration (including Deer Creek) and delivered to PacifiCorp at the Points of Use described in the Western Transmission Agreement and the Western Low-Voltage Agreement.
- G. Deseret Generation and Transmission Long-Term Power Purchase Agreement UMPA's entitlement to the capacity and energy purchased by UMPA from Deseret Generation and Transmission Cooperative under the Wholesale Power Contract dated May 23, 2002 (24 MW at the Hunter Bus and 56 MW at the Mona Interconnection).
- H. Customer Resources¹⁰ UMPA's entitlement to the net capacity and energy output from the generating facilities listed below and interconnected to PacifiCorp through the Points of Delivery.

Customer Resources	Type	Name Plate kW	10-year Average Monthly Operating Capacity kW
Manti			
Manti Upper	Run of River Hydro	1,000	447
Manti Lower	Run of River Hydro	1,200	182

¹⁰ UMPA Customer Resources includes generation owned by Levan Town, Manti City, Nephi City, and Provo City.

Levan

Pigeon	Run of River Hydro	210	50
Cobble	Run of River Hydro	110	25

Nephi

Bradley	Run of River Hydro	200	74
Salt Creek	Run of River Hydro	700	141

Provo

Diesels	Diesel	10,000	n/a
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EXHIBIT D TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY AND PACIFICORP
TRANSMISSION SERVICE RATE FOR UMPA

The monthly rate for Firm Transmission Service provided under this Agreement is the Tariff network service formula rate. The rate will be applied to UMPA's APD.

EXHIBIT E TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY AND PACIFICORP
CHARGE AND DERIVATION OF ANCILLARY SERVICES

The monthly rate for Ancillary Services provided by PacifiCorp under this Agreement is the Tariff Ancillary Services rate applicable for network service. Monthly Ancillary Services rates applicable to Transmission Customer's Monthly Network Load under the Tariff will be applied to UMPA's APD.

TRANSMISSION SERVICES

AUG 28 2012

FOURTH AMENDED AND RESTATED
TRANSMISSION SERVICE AND OPERATING AGREEMENT

BETWEEN

UTAH MUNICIPAL POWER AGENCY

AND

PACIFICORP

FOURTH AMENDED AND RESTATED
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP ELECTRIC OPERATIONS

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Exhibit A:	Listing of Points of Delivery
Exhibit B:	Listing of Points of Receipt
Exhibit C:	Listing of UMPA Resources
Exhibit D:	Transmission Service Rate for UMPA
Exhibit E:	Charge and Derivation of Ancillary Services

FOURTH AMENDED AND RESTATED
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP ELECTRIC OPERATIONS

PREAMBLE

THIS FOURTH AMENDED AND RESTATED AGREEMENT is made and entered into as of this 27 day of August, 2012, by and between the UTAH MUNICIPAL POWER AGENCY, an intergovernmental entity organized and existing under the Utah Interlocal Co-Operation Act, ("UMPA") and PACIFICORP. UMPA and PacifiCorp are sometimes hereinafter referred to individually as "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, UMPA is responsible for planning, providing and coordinating electric power supply, transmission, scheduling, load control regulation, operating reserves, power factor, and other matters for its Members and other wholesale customers in the state of Utah; and

WHEREAS, PacifiCorp and UMPA's Members and other wholesale customers of UMPA (collectively, "UMPA's Customers"), are interconnected (either as direct connections or contractual rights representing direct connection for purposes of electric utility interconnection); and

WHEREAS, PacifiCorp and UMPA are currently interconnected at the Mona 345 kV substation and the UPALCO 138 kV substation by virtue of UMPA's ownership interest in the Bonanza Plant and Bonanza transmission system; and

WHEREAS, PacifiCorp and UMPA are currently interconnected at the Hunter 345 kV switchyard by virtue of UMPA's assigned interest in the Hunter Generation Station, Unit No. 1; and

WHEREAS, UMPA performs scheduling of UMPA's Customers' aggregate load for capacity and energy supplied to UMPA's Customers by the Western Area Power Administration and other power supply resources available to UMPA; and

WHEREAS, PacifiCorp currently provides transmission service to Western for delivery to UMPA pursuant to contracts between PacifiCorp and Western; and

WHEREAS, PacifiCorp currently provides transmission and interconnected operation services for UMPA Members under the Existing Agreements described in Section 30 herein; and

WHEREAS, UMPA's Members have by various contracts assigned their rights under the Existing Agreements to UMPA;

WHEREAS, the Parties executed a Transmission Service and Operating Agreement on May 7, 1992; which was subsequently amended and restated on August 14, 2001, and on June 18, 2008, and on December 20, 2011; and

WHEREAS, the Parties desire to further amend the Transmission Service and Operating Agreement.

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements hereinafter set forth, the Parties have executed this Fourth Amended and Restated Transmission Service and Operating Agreement as follows:

1. Definitions

The following terms, when used herein with initial capitalization, whether in the singular or plural, shall have the meanings specified:

- 1.1. Agreement - The Transmission Service and Operating Agreement between UMPA and PacifiCorp, dated May 7, 1992, and as Amended and Restated on August 14, 2001, and as Amended and Restated on June 18, 2008, and as Amended and Restated on December 20, 2011, and as amended and restated herein.
- 1.2. Aggregate Peak Demand ("APD") - The aggregate peak demand in a month, coincident with the Monthly Transmission System Peak for Firm Transmission Service on the PacifiCorp Transmission System, for the

transfer of UMPA Resources other than the Western Resource to UMPA Load at the Points of Delivery set forth in Exhibit A. The APD shall be the positive sum, if any, during that hour of UMPA's Customers' actual metered loads compensated to the Points of Delivery, deliveries to the Mona Point of Delivery in accordance with Section 4.1 of this Agreement, and station service when the Hunter 1 Resource is off-line and UMPA is responsible for providing its share of station service requirements for the Hunter 1 Resource, all adjusted for Real Power Losses in a manner consistent with network service under the Tariff, plus metered output of Behind-the-Meter Generation serving UMPA Loads, less the Western Resource as provided for herein.

- 1.3. Ancillary Services --Ancillary Services are provided as set forth in Section 8 and Exhibit E.
- 1.4. Balancing Authority – The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time as specified by NERC.
- 1.5. Balancing Authority Area – The collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area as specified by NERC.
- 1.6. Behind-the-Meter Generation – UMPA or UMPA's existing member generation behind a metered Point of Delivery for any single unit which equals or exceeds 10 MW, and all units wherever the aggregate nameplate capacity units behind a single Point of Delivery (including hydro units) equals or exceeds 25 MW. Notwithstanding the foregoing, new generation aggregating 5 MWs or less behind a POD that has no existing Behind-the-Meter Generation shall not be included as Behind-the-Meter Generation until the aggregate of such generation exceeds 5 MWs.

- 1.7. Business Practices – The transmission business practices that PacifiCorp periodically develops, and posts on its OASIS website that provide additional detail explaining how PacifiCorp will implement its Tariff.
- 1.8. Effective Date - The date determined in Section 2 herein.
- 1.9. Existing Agreements - The agreements identified in Section 30 herein of this Agreement, as such agreements may from time to time be amended or supplemented.
- 1.10. FERC - The Federal Energy Regulatory Commission or its successor.
- 1.11. Firm Transmission Service – The obligation, comparable to Network Integration Service under the Tariff and as more fully described in Section 4 hereof, of PacifiCorp to transfer capacity and energy from UMPA Resources as described in Exhibit C hereof at the Points of Receipt described in Exhibit B hereto, less the Western Resource, to the Points of Delivery described in Exhibit A hereto.
- 1.12. Good Utility Practice – Any of the practices, methods and acts, as changed from time to time, engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practices are not intended to be limited either to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 1.13. Hunter 1 Resource – UMPA's entitlement to the net capacity and energy output (real and reactive) from the Hunter 1 Resource, available at the Hunter Bus.
- 1.14. Hunter Resource – The capacity and energy delivered by UMPA to the

Transmission System of PacifiCorp at the Hunter Bus. Such capacity and energy may include amounts generated from the Hunter 1 Resource, less station service; amounts made available by others at the Hunter Bus and, amounts accumulated in UMPA's Hunter Variation Account owed to UMPA.

- 1.15. Hunter Variation Account - The account described in Section 7.
- 1.16. Member(s) - The Member cities of UMPA, which are currently the Town of Levan and the Cities of Manti, Nephi, Provo, Salem, and Spanish Fork, Utah.
- 1.17. Monthly Transmission System Peak – The maximum usage of PacifiCorp's Transmission System in a calendar month.
- 1.18. Native Load - The normal utility obligations of PacifiCorp to provide safe, economic and reliable service in accordance with Good Utility Practice to entities within PacifiCorp's Balancing Authority Area, including (1) obligations to customers of PacifiCorp under state regulatory jurisdiction, (2) obligations to customers of other utilities receiving transmission or other services from PacifiCorp, including UMPA, and (3) PacifiCorp's normal obligations associated with operating a Balancing Authority Area. UMPA's Loads are included within Native Loads hereunder.
- 1.19. NERC – North American Electric Reliability Corporation or its successor.
- 1.20. Off-System - Outside the PacifiCorp Transmission System.
- 1.21. Open Access Same-Time Information System (OASIS) – The information system and standards of conduct contained in Part 37 of FERC's regulations and all additional requirements implemented by subsequent FERC orders dealing with OASIS.
- 1.22. PacifiCorp Transmission System – The facilities at 46 kV and above that are owned, controlled or operated by PacifiCorp that are used to provide Firm Transmission Service under this Agreement and are included in PacifiCorp's transmission revenue requirement periodically filed with

FERC.

- 1.23. Points of Delivery ("POD") - Point(s) of PacifiCorp's Transmission System where capacity and energy transmitted by PacifiCorp will be made available to UMPA or UMPA's Customers, as specified in Exhibit A hereof and as may be amended by mutual agreement of UMPA and PacifiCorp or as amended by UMPA from time to time in accordance with the Tariff procedures for adding or deleting network Points of Delivery.
- 1.24. Points of Receipt ("POR") - Point(s) of interconnection on PacifiCorp's Transmission System where capacity and energy will be made available to PacifiCorp by UMPA, as specified in Exhibit B hereof and as may be amended by mutual agreement of UMPA and PacifiCorp or as amended by UMPA from time to time in accordance with the Tariff procedures for adding or deleting Points of Receipt for network resources.
- 1.25. Real Power Losses - Electrical losses associated with the use of PacifiCorp's Transmission System. Such losses are provided for in Section 6 of this Agreement and Schedule 10 of the Tariff.
- 1.26. Tariff - PacifiCorp's Open Access Transmission Tariff as from time to time in effect and on file with FERC.
- 1.27. UMPA Load - The load that UMPA identifies for Firm Transmission Service under this Agreement, as designated in Exhibit A hereof. Metered and scheduled amounts of firm transmission service at points of delivery shall be adjusted for losses. UMPA Load associated with Behind-the-Meter Generation shall not be adjusted for losses.
- 1.28. UMPA Resources - Any generating resource that is owned, purchased, or leased by UMPA and designated in Exhibit C hereof, including any generating resource located on UMPA's Customer side of a discrete Point of Delivery. UMPA Resources shall also include Behind-the-Meter Generation; *provided however*, UMPA Resources do not include any resource, or portion thereof, that is committed for sale to third parties or

otherwise cannot be called upon to meet UMPA Load on a non-interruptible basis. UMPA will promptly notify PacifiCorp of any changes to resources located on UMPA's Customer side of a discrete Point of Delivery. Resource updates and planned capacity delivery levels will be defined through annual load and resource updates consistent with the Tariff planning principles.

- 1.29. Western - Western Area Power Administration, Salt Lake City Area Office.
- 1.30. Western Low-Voltage Agreement – the Contract between PacifiCorp and United States Department of Energy Western Area Power Administration Salt Lake City Integrated Projects for Low-Voltage Transmission Service to Utah Contractors dated April 18, 1990, as amended thereafter.
- 1.31. Western Transmission Agreement – the Contract (No. 14-06-400-2436) between PacifiCorp and United States Department of Energy Western Area Power Administration Salt Lake City Area Integrated Projects for Interconnections and Transmission Service dated May 17, 1962, as amended thereafter.
- 1.32. Western Resource - Capacity and energy available to UMPA at the Points of Use defined in the Western Transmission Agreement or the Western Low-Voltage Agreement.

2. Term and Termination

- 2.1. This Agreement shall be subject to its acceptance for filing by FERC. If any provision of this Agreement is held to be void, voidable, contrary to public policy, or unenforceable, the Parties may terminate this Agreement upon mutual agreement. PacifiCorp shall submit this Agreement for filing with FERC in accordance with FERC filing requirements.
- 2.2. This Agreement shall become effective upon the date established by FERC upon acceptance of the Agreement for filing.
- 2.3. If accepted for filing by FERC, this Agreement, as hereafter amended, will

remain in full force and effect for so long as UMPA is interconnected with PacifiCorp's system as set forth in Exhibit A hereof; provided, however, that the Agreement may be terminated or replaced by mutual consent of the Parties and is subject to modification pursuant to Sections 28 and 32 of this Agreement.

- 2.4. Those portions of this Agreement providing for transmission and certain ancillary services shall be suspended on the effective date of an agreement providing for such services to UMPA that has been negotiated and executed by all contracting parties pursuant to a transmission tariff of a FERC-approved Regional Transmission Organization or similar entity ("RTO") that assumes operational control of the PacifiCorp Transmission System providing service to UMPA's Points of Delivery as set forth in Exhibit A hereof; provided, however, that either such agreement, or a separate agreement with PacifiCorp, shall assign or allocate to UMPA at least such firm transmission rights and any other rights or mechanisms available from such RTO as are equivalent to the rights granted to other pre-existing firm transmission customers and load serving entities (including PacifiCorp) taking service from such RTO. In the event an agreement satisfying the conditions of this Section is not made effective, this Agreement shall remain in full force and effect in accordance with the terms hereof; provided, however, that if an RTO is established that takes over operational control of PacifiCorp's Transmission System and an agreement satisfying the conditions of this Section is not made effective because such an agreement was not reasonably available to UMPA on non-discriminatory terms and conditions, then the Parties shall amend this Agreement in order to permit UMPA to add and access Off-System points of receipt under the same rate terms and conditions as are available to PacifiCorp under the applicable RTO tariff, including without limitation a single, non-pancaked rate for transactions involving multiple utility systems. The effectiveness of all

suspended portions of this Agreement shall be restored at such time as said RTO shall cease to control the PacifiCorp Transmission System.

- 2.5. In the event (a) that all efforts to negotiate or implement an RTO as described in Section 2.4 have ceased and there is no reasonable possibility that control of the PacifiCorp Transmission System providing service to UMPA's Points of Delivery will be transferred to the operational control of such an RTO or (b) that an RTO approved by the FERC fails to assume control of or ceases to control the PacifiCorp Transmission System as described in Section 2.4 herein, either Party may thereafter provide written notice that it wishes to terminate the Agreement, and the Agreement will thereafter terminate on the date that a new transmission service agreement negotiated and executed by both Parties, and a separate agreement also negotiated and executed by both Parties that fully addresses the non-transmission service aspects of the Agreement, including, without limitation, issues pertaining to the operation and maintenance of the Hunter 1 Resource and other aspects of the Parties' generation and power supply operations, have both become effective.

- 2.6. Sections 2.4 and 2.5 above are intended to prohibit any suspension, termination or replacement of this Agreement except upon the mutual agreement of both Parties hereto.

3. Effect on Prior Agreements

The November 11, 1988 Interconnected Operation Agreement between PacifiCorp and UMPA is hereby terminated and superseded by this Agreement. The sections of the Existing Agreements identified in Section 30.2 herein are hereby terminated and superseded by this Agreement.

4. Firm Transmission Service

- 4.1. Commencing on the Effective Date, PacifiCorp shall provide Firm

Transmission Service over PacifiCorp's Transmission System for the delivery of capacity and energy from UMPA Resources to UMPA Load at the Points of Delivery net of the Western Resource, including deliveries from UMPA Resources to the Mona Point of Delivery (to the extent and only to the extent that the capacity and energy delivered to the Mona Point of Delivery is in excess of the UMPA Load at Points of Delivery other than Mona). PacifiCorp's obligation to provide such Firm Transmission Service shall be subject to PacifiCorp's right to interrupt or reduce schedules of capacity and energy pursuant to Section 4.4 and 4.5 herein. UMPA shall pay PacifiCorp for Firm Transmission Service provided under this Section in accordance with Exhibit D to this Agreement.

- 4.2. UMPA may use PacifiCorp's Transmission System to deliver energy to its UMPA Load at metered or calculated Points of Delivery from resources that have not been designated as UMPA Resources and from Points of Receipt not designated in Exhibit B. Such energy shall be transmitted on an as-available basis, secondary network basis, at no additional charge.
- 4.3. UMPA may elect to designate less than its total load as UMPA Load but may not designate less than its total load at a discrete metered Point of Delivery. Where UMPA has elected not to designate a particular load at discrete Points of Delivery as UMPA Load, such non-designated load shall be removed as a Point of Delivery from Exhibit A. UMPA is responsible for making separate arrangements under Part II of PacifiCorp's Tariff for any point-to-point transmission service that may be necessary for such non-designated load.
- 4.4. PacifiCorp shall exercise its best efforts to supply continuous Firm Transmission Service in accordance with Good Utility Practice, but does not warrant or guarantee that such Firm Transmission Service shall be free from interruption or reductions for reasons including, but not limited to: (a) interruptions or reductions due to force majeure events pursuant to Section

20 herein, (b) interruptions or reductions due to action reasonably instituted by automatic or manual controls for the purpose of maintaining overall reliability and continuity of PacifiCorp's Transmission System or generation facilities or (c) interruptions or reductions which, in the reasonable opinion of PacifiCorp, are necessary for the purposes of maintenance, repair, replacement, installation of equipment or inspection of PacifiCorp's Transmission System or generation facilities.

4.5. Except as provided in Section 25 herein, PacifiCorp shall not be liable to UMPA for any damages resulting from any interruptions or reductions of Firm Transmission Service occurring for reasons as provided for in Section 4.4 above. PacifiCorp shall provide UMPA reasonable advance notice of any scheduled activities or conditions that will result in interruptions or reductions of Firm Transmission Service and will notify UMPA of non-scheduled interruptions or reductions as soon as possible. PacifiCorp shall use due diligence to expeditiously remove or remedy all causes of interruptions or reductions of Firm Transmission Service consistent with Good Utility Practice.

4.6. In the event of an interruption or reduction occurrence as described in Section 4.4 herein, interruptions or reductions shall be made consistent with PacifiCorp's Tariff.

5. Low Voltage Service to Western Customers

In addition to transmission service provided to Western under the Western Transmission Agreement, PacifiCorp provides transmission service to Western under the Western Low Voltage Agreement. For each hour the Western Resource is scheduled, it will be assumed that the scheduled Western Resource, adjusted for transmission losses, was served first to the 138 kV or higher Points of Use defined in the Western Transmission Agreement. In the event the scheduled Western Resource exceeds the metered deliveries at 138 kV or higher, it will be assumed that the maximum single hourly amount which

exceeds the load at 138 kV or higher for each monthly billing period, as adjusted for low-voltage losses, was served to the Points of Use defined in the Western Low-Voltage Agreement.

6. Transmission Loss Provisions

UMPA is responsible for replacing or purchasing Real Power Losses incidental to all deliveries of capacity and energy hereunder. Such transmission losses shall be calculated in accordance with Schedule 10 of the Tariff.

7. Hunter Variation Account

The Parties shall establish and maintain a variation account to accumulate the hourly differences between UMPA's schedule of Hunter 1 Resource and UMPA's ownership share entitlement of Hunter 1 Resource. For the purpose of this Hunter Variation Account, variations between UMPA's schedule of Hunter 1 Resource and UMPA's ownership share entitlement of Hunter 1 Resource less applicable reserves scheduled and/or called upon by PacifiCorp plus or minus any schedules to or from the Hunter Bus to PacifiCorp to clear balances in the Hunter Variation Account as provided in this section shall be separately accumulated during on-peak and off-peak periods in accordance with the Northwest Power Pool definitions for on-peak and off-peak periods. PacifiCorp shall notify and provide an accounting summary to UMPA after the end of each month as to the amounts of Hunter Variation Account energy in the on-peak and off-peak periods indicating whether such energy is owed to PacifiCorp or to UMPA. Such variation amounts shall be eliminated through Hunter Variation Account schedules. Such schedules shall eliminate on-peak variations through on-peak schedules and off-peak variations through off-peak schedules within ten days of PacifiCorp's notification unless otherwise mutually agreed.

8. Ancillary Services

Ancillary Services provided under this Agreement shall be pursuant to this section and to

the terms, conditions and rates defined in Exhibit E and the Tariff.

- 8.1. PacifiCorp shall provide, and UMPA is required to purchase, the following Ancillary Services associated with transmission service provided under this Agreement: (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from generation or other sources (less any credits available under the Tariff for reactive supply and voltage control from generation or other sources provided by UMPA).
- 8.2. PacifiCorp shall offer to provide the following Ancillary Services associated with serving load within PacifiCorp's Balancing Authority Area: (i) Regulation and Frequency Response, (ii) Generator Regulation and Frequency Response Service if applicable, (iii) Energy Imbalance, (iv) Operating Reserve – Spinning, (v) Operating Reserve – Supplemental, and (vi) Generator Imbalance. UMPA is required to acquire these Ancillary Services, whether from PacifiCorp, a third-party, or by self-supply.
- 8.3. Should UMPA determine to self-supply some or all of the Ancillary Services as specified by Section 8.2 of this Agreement, it shall do so in accordance with PacifiCorp's Tariff and Business Practices.

9. Scheduling Provisions

UMPA shall schedule all Firm Transmission Service to be provided under Section 4 of this Agreement in accordance with PacifiCorp's Business Practices, prevailing scheduling practices within WECC, and PacifiCorp's Tariff.

10. Study Procedures for Additional Service Requests

UMPA may request that PacifiCorp provide Firm Transmission Service to additional load, load that UMPA had designated as self-supply load that it now seeks to include as network load, or from additional resources. The Parties shall follow the procedures set out in Section 32 of PacifiCorp's Tariff to determine whether additional requested service may be accommodated.

11. System Planning

- 11.1. UMPA shall provide PacifiCorp with an annual load and resource forecast in accordance with Part III of the Tariff, and such forecast shall separately identify any loads not designated for service under this Agreement and therefore not included in PacifiCorp's planning obligations. The load and resource forecast shall be used by PacifiCorp for the purpose of transmission planning only, and shall not be used for any billing purpose whatsoever, including without limitation for Firm Transmission Service pursuant to Section 4 hereof.
- 11.2. PacifiCorp shall coordinate its transmission planning with UMPA in accordance with Attachment K of the Tariff.

12. Unauthorized Use

If UMPA uses transmission service on the PacifiCorp Transmission System at a Point of Receipt or Point of Delivery not specified in Exhibits A or B hereof in a manner not authorized by this Agreement, or uses Ancillary Services in connection with such unauthorized transmission service, or otherwise in a manner not authorized by this Agreement, it shall pay for the transmission services and Ancillary Services so provided in accorded with the Tariff, including unauthorized use charges.

13. Meter and Communication Facilities

UMPA shall own, install, operate, maintain, repair and replace the metering equipment and communications facilities located at each of the Points of Delivery, and at each UMPA Resource that is Behind-the-Meter Generation (other than at small hydroelectric facilities, each operating at a capacity of less than 1.0 MW), to monitor, control and carry out the obligations and duties required by this Agreement. Notwithstanding the foregoing, (1) metering and communications requirements for Behind-the-Meter Generation will apply only to thermal units and non-run of the river hydro units with

nameplate capacity of 5 MW or greater existing on the effective date of this Agreement, and all future thermal units with a nameplate capacity that would require metering and telemetry under PacifiCorp's then current requirements for new generation interconnection; and (2) metering equipment and communication facilities at the Points of Delivery governed by Existing Agreements shall be owned, installed, operated, maintained, repaired and replaced pursuant to such agreements. The Parties shall have the right to witness, and shall have the obligation to notify the other Party of any testing and/or calibration of owned metering equipment that affects interconnections and/or deliveries hereunder. Such metering equipment shall be accessible to both Parties. Each Party shall allow the other Party reasonable time in each hour for access to such metering equipment for interrogation. Meter inspections will be conducted by PacifiCorp in accordance with its procedures for inspecting other similar meters.

14. Underfrequency Relaying

UMPA shall arrange for the implementation and/or maintenance of an underfrequency relaying program which shall include installation of sufficient underfrequency relaying equipment to shed UMPA loads in a manner consistent with applicable NERC reliability standards and PacifiCorp's load shedding procedures.

15. Power Factor

UMPA shall at all times effectively control and limit the flow of reactive power at the Points of Delivery to maintain a power factor of ninety-five percent (95%) or greater or, by mutual agreement of the Parties, of some lesser power factor such that UMPA shall not be required to maintain a power factor greater than PacifiCorp's power factor at or immediately adjacent to any Point of Delivery. UMPA, at UMPA's expense, shall install or have installed switched capacitors or other equipment as PacifiCorp may reasonably require consistent with Good Utility Practice to eliminate that portion of excess reactive power flow which causes the power factor to fall below the limits established herein. PacifiCorp shall exercise reasonable judgment in minimizing the size of such capacitors

or other equipment consistent with voltage control for PacifiCorp's other customers served from the PacifiCorp Transmission System. Should UMPA fail to take the corrective action requested by PacifiCorp within one (1) year after written notice from PacifiCorp, PacifiCorp may perform such services or supply and install such capacitors or other equipment as PacifiCorp deems necessary to provide the corrective action. UMPA shall reimburse PacifiCorp for all amounts reasonably expended by PacifiCorp and all services contracted for or performed by PacifiCorp in taking the corrective action, including PacifiCorp's standard overhead costs. The total of these expenditures shall be paid by UMPA within thirty (30) days of receipt by UMPA of an itemized statement of those expenditures reasonably incurred, consistent with Good Utility Practice, by PacifiCorp, subject to the dispute procedures of Section 19 herein.

16. Tariff

If not separately addressed by this Agreement, UMPA and PacifiCorp shall each abide by provisions of the Tariff.

17. Business Practices

For any practice or procedure not defined by this Agreement related to Firm Transmission Service, UMPA agrees to abide by provisions of any applicable posted Business Practice.

18. Billing and Payment

Billing statements for all services provided to UMPA under this Agreement shall be provided via Electronic File Transfer Protocol per UMPA instructions and within a reasonable period after month-end. UMPA shall pay such amounts including any assessment of interest in accordance with Section 7 of the Tariff. Payment for all services provided hereunder shall be electronically wire transferred pursuant to instructions on PacifiCorp's invoice.

19. Disputes

Any dispute between the Parties involving transmission service under this Agreement shall be resolved in accordance with Section 12 of the Tariff, Billing and Payment.

20. Force Majeure

Neither Party to this Agreement shall be considered in default in performance of any obligation hereunder if and to the extent that failure of performance shall be due to force majeure. The term force majeure "means any cause beyond the control of the Party affected, including, but not limited to, failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or materials shortage, sabotage and action or non-action by court order or public authority or failure to obtain the necessary authorizations or approvals from any governmental agency or authority which by exercise of due foresight such Party could not reasonably have been expected to avoid, and which by exercise of due diligence it shall be unable to overcome. However, a Party shall not be relieved of liability for failure of performance if such failure is due to causes arising out of its own negligence or to removable or remediable causes which it fails to remove or remedy with reasonable dispatch. Any Party rendered unable to fulfill any obligation by reason of force majeure shall exercise due diligence to remove such inability with all reasonable dispatch. Nothing contained herein, however, shall be construed to require a Party to prevent or settle a labor dispute against its will.

21. Assignment

Either Party may, without consent of the other Party, assign all or a portion of its rights or delegate all or a portion of its duties under this Agreement in connection with the sale or merger of a substantial portion of the Party's assets. In all other cases, neither Party shall assign its rights nor delegate its duties under this Agreement or any part of such rights or duties without the prior written consent of the other Party, which consent shall not be unreasonably withheld, and any such assignment or delegation made without such written consent will be of no effect.

22. Choice of Law

The Parties in their performance of their obligations hereunder shall conform to all applicable laws, rules and regulations and, to the extent their operations are subject to the jurisdiction of state or federal regulatory agencies, they shall be subject to the terms of valid and applicable orders of such agencies. This Agreement shall be construed in accordance with the laws of the state of Utah unless preempted by the Federal Power Act or other Federal Law.

23. Waiver

Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default of such matters.

24. Partial Invalidity

It is the intention of the Parties that the terms and conditions of this Agreement or the performance of their obligation contained in this Agreement shall conform to all applicable laws, rules and regulations governing the subject matter of this Agreement. The Parties agree that in the event any of the terms or conditions of this Agreement are finally held or determined to be invalid, illegal or void, as being in contravention of any applicable laws, rules, regulations or public policy, all other terms and conditions of this Agreement shall remain in full force and effect unless the terms or conditions so found to be invalid, illegal or void are not reasonably separable from the remaining terms and conditions of this Agreement. Further, the Parties agree that if and when any or all of the terms and conditions of this Agreement are finally held or determined to be invalid, illegal or void by either a court of competent jurisdiction or a regulatory agency, the Parties shall enter into negotiations concerning the terms and conditions affected by such decision for the purpose of achieving conformity with the requirements of any applicable law, rule or regulation and the intent of the Parties contained in this Agreement as

originally executed.

25. Liability and Indemnification

- 25.1. Generally, except as provided in this Section, each Party hereto hereby assumes all liability for injury or damage to persons or property arising from the intentional acts or gross neglect of its own employees, agents or contractors and shall indemnify and hold the other Party harmless from any liability arising there-from. Neither Party shall be liable, whether in contract, warranty, tort or strict liability, to the other Party for any injury or death to any person, or for any loss or damage to any property, caused by or arising out of the ordinary negligence of its own employees, agents or contractors.
- 25.2. Electrical Disturbance. Notwithstanding Section 25.1, or any other provision of this Agreement, neither Party shall be liable, whether in contract, warranty, tort or strict liability, to the other Party for any injury or death to any person, or for any loss or damage to any property, caused by or arising out of the electrical disturbance on either Party's electric system, whether or not such electric disturbance resulted from a Party's negligent, grossly negligent or wrongful act or omission, excepting only gross action knowingly or intentionally taken, or failed to be taken, with intent that injury or damage result there from, or which action is wantonly reckless. Each Party releases the other Party from, and shall indemnify the other Party for, any such liability.
- 25.3. As used in this Section, (1) the term "Party" means, in addition to such Party itself, its directors, officers and employees; (2) the term "damage" means all damage, including consequential damage and (3) the term "person" means any person, including those not connected with either Party to this Agreement.

26. Remedies Not Exclusive

The specification of a remedy in any section or paragraph of this Agreement for failure of a Party to meet any of its obligations shall not be deemed to affect or limit the right of any Party to seek any such other legal, equitable or administrative remedies as may be available for such failure.

27. Notices

27.1. All notices, demands or requests provided for in this Agreement shall be in writing and shall be deemed to have been properly served, given or made if delivered in person or when sent by registered or certified mail, postage prepaid and return receipt requested, to the Parties at their respective addresses.

27.2. Notices, demands or requests concerning this Agreement shall be delivered or addressed to the addresses as follows:

(a) To UMPA:
General Manager
UTAH MUNICIPAL POWER AGENCY
75 West 300 North, Box 818
Spanish Fork, Utah 84660

(b) To PacifiCorp:
PacifiCorp Transmission Systems
Director, Transmission Services
825 N.E. Multnomah, Suite 1600
Portland, Oregon 97232

27.3. Either Party may change the address or the person to whom such notices, demands or requests shall be sent by furnishing to the other Party, at that Party's then-current address for notices, demands or requests, written notice of such change.

28. Regulatory Authority and Rate Changes

28.1. The terms and conditions of this Agreement are subject to the terms of valid and applicable orders of such state and federal regulatory agencies having

authority over this Agreement.

28.2. Except as provided in Section 28.3, PacifiCorp may make a unilateral filing with FERC to modify this Agreement with respect to any terms and conditions, changes, classifications of service, rule or regulation under Section 205 of the Federal Power Act or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that UMPA shall have the right to protest any such filing by PacifiCorp and to participate fully in any proceeding before FERC in which such modifications may be considered.

28.3. Subject to the following sentence, the determination of APD as defined herein shall not be modified nor changed except upon application under Section 206 of the FPA. Notwithstanding the foregoing, in the event that, but only to the extent that, without the consent, acquiescence, agreement, or request of PacifiCorp, the allocation of costs with respect to demand responsibility for service under this Agreement differs from the demand calculated in APD, PacifiCorp shall have the right to make application to FERC for appropriate relief, if any, under Section 205 or successor statute, and UMPA shall be entitled to contest, object, or oppose any such application pursuant to FERC's rules and regulations promulgated thereunder.

28.4. Execution of this Agreement by UMPA shall not constitute a waiver in any sense whatsoever of UMPA's or UMPA's Members' right to exercise their rights under the Federal Power Act with respect to this Agreement.

29. System Ownership

29.1. The electrical system of UMPA shall at all times be and remain in UMPA's or the UMPA Members' exclusive possession and control, and nothing in this Agreement shall grant, or be construed to grant to PacifiCorp, any rights of ownership in or possession of UMPA's or the UMPA Members'

electrical system.

- 29.2. The electrical system of PacifiCorp shall at all times be and remain in PacifiCorp's exclusive possession and control, and nothing in this Agreement shall grant, or be construed to grant to UMPA or the UMPA Members, any rights of ownership in or possession of the system.

30. Existing Agreements

- 30.1. UMPA's Members Provo and Manti have assigned the following agreements to UMPA:

- (a) Hunter 1 Purchase and Sale Agreement dated June 20, 1980 between PacifiCorp and Provo.
- (b) Hunter 1 O&M Agreement dated June 27, 1980 between PacifiCorp and Provo.
- (c) Hunter 1-Provo Transmission Service Agreement dated June 27, 1980.
- (d) Interconnected Operation Agreement dated November 11, 1986 between PacifiCorp and Manti.
- (e) The Mona—Manti Transmission Service Agreement dated November 11, 1986 between PacifiCorp and Manti.
- (f) Interconnected Operation Agreement dated February 13, 1987 between PacifiCorp and Provo.
- (g) Mona-Provo Transmission Service Agreement dated February 13, 1987 between PacifiCorp and Provo.

- 30.2. The Parties agree that the identified sections of the following agreements shall be terminated and superseded by this Agreement and, furthermore, if there is any conflict between the provisions of this Agreement and the Existing Agreements, this Agreement shall govern.

- (a) Sections 8.6, 8.8, 12.2B, 12.3, 12.5, 12.6 and 12.7 and Sections 14 and 30 to the Hunter 1 O&M Agreement dated June 27, 1980

between PacifiCorp and UMPA.

- (b) Sections 6, 7, 8, 9 and 13 to the Hunter 1-Provo Transmission Service Agreement dated June 27, 1980 between PacifiCorp and UMPA (PacifiCorp's Rate Schedule FERC No. 279).
- (c) The Mother Earth-Provo Transmission Service Agreement dated December 20, 1984 between PacifiCorp and Provo (PacifiCorp's Rate Schedule FERC No. 288) has terminated in its entirety.
- (d) Sections 6, 7, 8, 9, 10 and 12 to the Interconnected Operation Agreement dated November 11, 1986 between PacifiCorp and Manti (PacifiCorp's Rate Schedule FERC No. 289).
- (e) Sections 6, 7, 8 and 12 to the Mona-Manti Transmission Service Agreement dated November 11, 1986 between PacifiCorp and Manti (PacifiCorp's Rate Schedule FERC No. 290).
- (f) Sections 6, 7, 8, 9, 10, 11 and 13 to the Interconnected Operation Agreement dated February 13, 1987 between PacifiCorp and Provo (PacifiCorp's Rate Schedule FERC No. 291).
- (g) Sections 6, 7, 8 and 12 to the Mona-Provo Transmission Service Agreement dated February 13, 1987 between PacifiCorp and Provo (PacifiCorp's Rate Schedule FERC No. 292).

31. Effect of Section Heading:

Section headings appearing in this Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Agreement.

32. Changes in and Exhibits to this Agreement

- 32.1. Except as provided for in Section 28 of this Agreement, this Agreement may not be modified or amended by either Party except by subsequent mutual agreement of the Parties and by written instrument duly executed by the Parties.

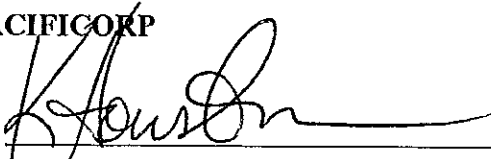
32.2. This Agreement includes the following Exhibits, all of which are attached hereto and incorporated by reference:

- Exhibit A - Points of Delivery
- Exhibit B - Points of Receipt
- Exhibit C - UMPA Resources
- Exhibit D - Transmission Service Rate for UMPA
- Exhibit E - Charge and Derivation of Ancillary Services

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date hereinabove set forth.

PACIFICORP

By



Name

Kenneth Houston

Title

VP, Transmission

UTAH MUNICIPAL POWER AGENCY

By



Name

W. LEON FENTON

Title

COO/GENERAL MANAGER

EXHIBIT A TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN UTAH MUNICIPAL POWER AGENCY
AND PACIFICORP
LISTING OF POINTS OF DELIVERY

The Points of Delivery to which PacifiCorp shall deliver capacity and energy, for and on behalf of UMPA, are as follows:

Customer Name	Points of Delivery	Delivery Voltage	Meter or Schedule
Eagle Mt. ¹	Eagle Mt. Switchrack	138 kV	Metered
Levan Town ²	Vickers-Juab 46 kV Line 46 kV Substation @ Levan Town	46 kV ³	Metered
Manti City ²	Sanpitch-Gunnison 46 kV Ln. 46 kV Substation @ Manti	46 kV	Metered
Nephi City ²	Vickers Switchrack (Nephi Ln.) 46 kV Substation @ Nephi	46 kV	Metered
Provo City ²	Tanner Substn.(Provo Tanner)	138 kV	Metered
Provo City ²	Hale Substation (Gillespie)	138 kV	Metered
Salem City ²	Spanish Fork (Arrowhead)	138 kV ⁴	Metered
Salem City ²	Spanish Fork (Loafer)	138 kV ⁴	Metered
Spanish Fork City ²	Spanish Fork #1 (Canyon Rd) ⁴	138 kV	Metered
Spanish Fork City ²	Spanish Fork #2 (Whitehead) ⁴	138 kV	Metered
Spanish Fork City ²	Dry Creek (Woodhouse Line) ⁴	138 kV	Metered
Spanish Fork City ²	Spanish Fork Wind Farm ⁵	138 kV	Metered

¹ Eagle Mt. is served under an all requirements contract with UMPA; it is not a UMPA Member under this Agreement.

² UMPA Members that are also eligible for deliveries of capacity and energy from the Western Resource.

³ Metered at 4.16 kV.

⁴ The Salem City and Spanish Fork City Points of Delivery are located and metered at the 46 kV system of the Southern Utah Valley Power Systems ("SUVPS").

Mona Point of Delivery

UMPA	Mona Substation	345kV	Scheduled
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Station Power Point of Delivery

UMPA	Hunter Station ⁶	345kV	Metered
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⁵ Spanish Fork Wind is a delivery point only and UMPA is not a party to any interconnection agreement between PacifiCorp and Spanish Fork Wind, thus UMPA is not responsible for any interconnection agreement costs, liabilities or other requirements for the interconnection. UMPA is installing only the necessary metering equipment to interface with UMPA's SCADA system to provide UMPA with the needed information to schedule power to this point, when needed, and measure Spanish Fork Wind's consumption of the same. This Point of Delivery is for technical reasons unique to the wind project, and is not considered retail wheeling. All capacity and energy delivered to UMPA at this point would be for Spanish Fork City to resell to end users within their service territory. The Spanish Fork Wind Farm is metered at 46 kV.

⁶ Represents a Point of Delivery in such instances when Hunter I is offline and UMPA is responsible for providing its share of the station service, to the extent and only to the extent of UMPA's share of such station service.

EXHIBIT B TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP
LISTING OF POINTS OF RECEIPT

The Points of Receipt where UMPA will provide to PacifiCorp the capacity and energy to be transferred to the Points of Delivery shall be the points of interconnection as follows:

- | | |
|-------------------------|---|
| A. Hunter Bus | Hunter 345 kV Switchyard on the high side of the step-up transformer for Hunter Unit No. 1 where Hunter Unit Nos. 1, 2, and 3 are connected together with the PacifiCorp Transmission System. |
| B. Levan Town POD | The Levan Town Tap in PacifiCorp's Vickers-Juab 46 kV Line where generation owned by Levan Town is delivered to PacifiCorp from time-to-time. |
| C. Manti City POD | The Manti City Sub connected to PacifiCorp's Sanpitch-Gunnison 46 kV Line where generation owned by Manti City is delivered to PacifiCorp from time-to-time. |
| D. Mona Interconnection | Mona 345 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and |

- Transmission Cooperative, Intermountain Power Project, and UMPA are connected together.⁷
- E. Nephi
Interconnection of Nephi City's Vickers Substation at PacifiCorp's 46kV system where generation by Nephi City is delivered to PacifiCorp from time-to-time.
- F. Provo City POD
Provo City's Gillespie 138 kV Line interconnection at PacifiCorp's Hale Substation where generation owed by Provo City is delivered to PacifiCorp from time-to-time.
- G. UPALCO Interconnection
UPALCO 138 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and Transmission Cooperative, and UMPA are connected together.⁸
- H. Vernal Interconnection
Vernal 115 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and Transmission Cooperative and Western are connected together.⁹

⁷ UMPA owns a 6.25% undivided interest in the 345 kV Bonanza-Mona transmission line and has other transmission use rights as provided in the Bonanza Purchase and Sale Agreement between UMPA and Deseret Generation and Transmission Cooperative.

⁸ See note 1. Under the Bonanza Purchase and Sale Agreement, UMPA also owns a 6.25% undivided interest in the Bonanza-UPALCO 138 kV transmission line.

⁹ See note 1.

I. Western Interconnections

Where the Western Resource is delivered to the transmission system of PacifiCorp pursuant to the Western Transmission Agreement.

EXHIBIT C TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN UTAH MUNICIPAL POWER AGENCY
AND PACIFICORP
LISTING OF UMPA RESOURCES

- | | | |
|----|---------------------|--|
| A. | Bonanza Resource | UMPA's entitlement to the net capacity and energy output from the Bonanza Generation Station (ownership rights and contractual purchase rights) delivered to PacifiCorp at the Mona Interconnection. |
| B. | Deer Creek Resource | UMPA's entitlement to the capacity and energy purchased from Western Area Power Administration and delivered to PacifiCorp from the Deer Creek (USBR) generating plant. |
| C. | Hunter 1 Resource | UMPA's entitlement to the net capacity and energy output from the Hunter Generation Station (ownership rights and contractual purchase rights) delivered to PacifiCorp at the Hunter Bus. |
| D. | IPA Resource | UMPA's entitlement to the net capacity and energy output from the Intermountain Power Project Generation Station (contractual purchase rights) delivered to PacifiCorp at the Mona Interconnection. |

- | | | |
|----|-------------------------------------|---|
| E. | PacifiCorp Power Sale | The capacity and energy purchased by UMPA from PacifiCorp under the Power Sales Agreement dated August 5, 1996. |
| F. | Western Resource | UMPA's entitlement to the capacity and energy purchased from or transmitted by Western Area Power Administration (including Deer Creek) and delivered to PacifiCorp at the Points of Use described in the Western Transmission Agreement and the Western Low-Voltage Agreement. |
| G. | Deseret Generation and Transmission | Long-Term Power Purchase Agreement
UMPA's entitlement to the capacity and energy purchased by UMPA from Deseret Generation and Transmission Cooperative under the Wholesale Power Contract dated May 23, 2002 (24 MW at the Hunter Bus and 56 MW at the Mona Interconnection). |
| H. | Customer Resources ¹⁰ | UMPA's entitlement to the net capacity and energy output from the generating facilities listed below and interconnected to PacifiCorp through the Points of Delivery. |

¹⁰ UMPA Customer Resources includes generation owned by Levan Town, Manti City, Nephi City, and Provo City.

Levan

Pigeon	Run of River Hydro	210	50
Cobble	Run of River Hydro	110	25

Nephi

Bradley	Run of River Hydro	200	74
Salt Creek	Run of River Hydro	700	141

Provo

Diesels	Diesel	10,000	n/a
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EXHIBIT D TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY AND PACIFICORP
TRANSMISSION SERVICE RATE FOR UMPA

The monthly rate for Firm Transmission Service provided under this Agreement is the Tariff network service formula rate. The rate will be applied to UMPA's APD.

EXHIBIT E TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY AND PACIFICORP
CHARGE AND DERIVATION OF ANCILLARY SERVICES

The monthly rate for Ancillary Services provided by PacifiCorp under this Agreement is the Tariff Ancillary Services rate applicable for network service. Monthly Ancillary Services rates applicable to Transmission Customer's Monthly Network Load under the Tariff will be applied to UMPA's APD.

THIRDFOURTH AMENDED AND RESTATED
TRANSMISSION SERVICE AND OPERATING AGREEMENT

BETWEEN

UTAH MUNICIPAL POWER AGENCY

AND

PACIFICORP

THIRDFOURTH AMENDED AND RESTATED
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP ELECTRIC OPERATIONS

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Exhibit A:	Listing of Points of Delivery
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Exhibit D:	Transmission Service Rate for UMPA
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THIRDFOURTH AMENDED AND RESTATED
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP ELECTRIC OPERATIONS

PREAMBLE

THIS ~~THIRDFOURTH~~ AMENDED AND RESTATED AGREEMENT is made and entered into as of this 2027th day of ~~December, 2011,~~August, 2012, by and between the UTAH MUNICIPAL POWER AGENCY, an intergovernmental entity organized and existing under the Utah Interlocal Co-Operation Act, ("UMPA") and PACIFICORP. UMPA and PacifiCorp are sometimes hereinafter referred to individually as "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, UMPA is responsible for planning, providing and coordinating electric power supply, transmission, scheduling, load control regulation, operating reserves, power factor, and other matters for its Members and other wholesale customers in the state of Utah; and

WHEREAS, PacifiCorp and UMPA's Members and other wholesale customers of UMPA (collectively, "UMPA's Customers"), are interconnected (either as direct connections or contractual rights representing direct connection for purposes of electric utility interconnection); and

WHEREAS, PacifiCorp and UMPA are currently interconnected at the Mona 345 kV substation and the UPALCO 138 kV substation by virtue of UMPA's ownership interest in the Bonanza Plant and Bonanza transmission system; and

WHEREAS, PacifiCorp and UMPA are currently interconnected at the Hunter 345 kV switchyard by virtue of UMPA's assigned interest in the Hunter Generation Station, Unit No. 1; and

WHEREAS, UMPA performs scheduling of UMPA's Customers' aggregate load for capacity and energy supplied to UMPA's Customers by the Western Area Power Administration and other power supply resources available to UMPA; and

WHEREAS, PacifiCorp currently provides transmission service to Western for delivery to UMPA pursuant to contracts between PacifiCorp and Western; and

WHEREAS, PacifiCorp currently provides transmission and interconnected operation services for UMPA Members under the Existing Agreements described in Section 30 herein; and

WHEREAS, UMPA's Members have by various contracts assigned their rights under the Existing Agreements to UMPA;

WHEREAS, the Parties executed a Transmission Service and Operating Agreement on May 7, 1992; which was subsequently amended and restated on August 14, 2001, and on June 18, 2008, ~~2008~~, and on December 20, 2011; and

WHEREAS, the Parties desire to further amend the Transmission Service and Operating Agreement.

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements hereinafter set forth, the Parties have executed this ~~Third~~Fourth Amended and Restated Transmission Service and Operating Agreement as follows:

1. Definitions

The following terms, when used herein with initial capitalization, whether in the singular or plural, shall have the meanings specified:

- 1.1. Agreement - The Transmission Service and Operating Agreement between UMPA and PacifiCorp, dated May 7, 1992, and as Amended and Restated on August 14, 2001, and as Amended and Restated on June 18, 2008, and as Amended and Restated on December 20, 2011, and as amended and restated herein.
- 1.2. Aggregate Peak Demand ("APD") - The aggregate peak demand in a month, coincident with the Monthly Transmission System Peak for Firm Transmission Service on the PacifiCorp Transmission System, for the transfer of UMPA Resources other than the Western Resource to UMPA

Load at the Points of Delivery set forth in Exhibit A. The APD shall be the positive sum, if any, during that hour of UMPA's Customers' actual metered loads compensated to the Points of Delivery, deliveries to the Mona Point of Delivery in accordance with Section 4.1 of this Agreement, and station service when the Hunter 1 Resource is off-line and UMPA is responsible for providing its share of station service requirements for the Hunter 1 Resource, all adjusted for Real Power Losses in a manner consistent with network service under the Tariff, plus metered output of ~~UMPA Resources behind a Point of Delivery~~Behind-the-Meter Generation serving UMPA Loads, less the Western Resource as provided for herein.

- 1.3. Ancillary Services – Ancillary Services are provided as set forth in Section 8 and Exhibit E.
- 1.4. Balancing Authority – The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time as specified by NERC.
- 1.5. Balancing Authority Area – The collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area as specified by NERC.
- 1.6. Behind-the-Meter Generation – UMPA or UMPA's existing member generation behind a metered Point of Delivery for any single unit which equals or exceeds 10 MW, and all units wherever the aggregate nameplate capacity units behind a single Point of Delivery (including hydro units) equals or exceeds 25 MW. Notwithstanding the foregoing, new generation aggregating 5 MWs or less behind a POD that has no existing Behind-the-Meter Generation shall not be included as Behind-the-Meter Generation until the aggregate of such generation exceeds 5 MWs.
- 1.7. ~~4.6.~~ Business Practices – The transmission business practices that

PacifiCorp periodically develops, and posts on its OASIS website that provide additional detail explaining how PacifiCorp will implement its Tariff.

- 1.8. ~~1.7.~~ Effective Date - The date determined in Section 2 herein.
- 1.9. ~~1.8.~~ Existing Agreements - The agreements identified in Section 30 herein of this Agreement, as such agreements may from time to time be amended or supplemented.
- 1.10. ~~1.9.~~ FERC - The Federal Energy Regulatory Commission or its successor.
- 1.11. ~~1.10.~~ Firm Transmission Service – The obligation, comparable to Network Integration Service under the Tariff and as more fully described in Section 4 hereof, of PacifiCorp to transfer capacity and energy from UMPA Resources as described in Exhibit C hereof at the Points of Receipt described in Exhibit B hereto, less the Western Resource, to the Points of Delivery described in Exhibit A hereto.
- 1.12. ~~1.11.~~ Good Utility Practice – Any of the practices, methods and acts, as changed from time to time, engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practices are not intended to be limited either to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 1.13. ~~1.12.~~ Hunter 1 Resource – UMPA's entitlement to the net capacity and energy output (real and reactive) from the Hunter 1 Resource, available at the Hunter Bus.
- 1.14. ~~1.13.~~ Hunter Resource – The capacity and energy delivered by UMPA to the

Transmission System of PacifiCorp at the Hunter Bus. Such capacity and energy may include amounts generated from the Hunter 1 Resource, less station service; amounts made available by others at the Hunter Bus and, amounts accumulated in UMPA's Hunter Variation Account owed to UMPA.

- 1.15. ~~1.14.~~ Hunter Variation Account - The account described in Section 7.
- 1.16. ~~1.15.~~ Member(s) - The Member cities of UMPA, which are currently the Town of Levan and the Cities of Manti, Nephi, Provo, Salem, and Spanish Fork, Utah.
- 1.17. ~~1.16.~~ Monthly Transmission System Peak – The maximum usage of PacifiCorp's Transmission System in a calendar month.
- 1.18. ~~1.17.~~ Native Load - The normal utility obligations of PacifiCorp to provide safe, economic and reliable service in accordance with Good Utility Practice to entities within PacifiCorp's Balancing Authority Area, including (1) obligations to customers of PacifiCorp under state regulatory jurisdiction, (2) obligations to customers of other utilities receiving transmission or other services from PacifiCorp, including UMPA, and (3) PacifiCorp's normal obligations associated with operating a Balancing Authority Area. UMPA's Loads are included within Native Loads hereunder.
- 1.19. ~~1.18.~~ NERC – North American Electric Reliability Corporation or its successor.
- 1.20. ~~1.19.~~ Off-System - Outside the PacifiCorp Transmission System.
- 1.21. ~~1.20.~~ Open Access Same-Time Information System (OASIS) – The information system and standards of conduct contained in Part 37 of FERC's regulations and all additional requirements implemented by subsequent FERC orders dealing with OASIS.
- 1.22. ~~1.21.~~ PacifiCorp Transmission System – The facilities at 46 kV and above that are owned, controlled or operated by PacifiCorp that are used to provide Firm Transmission Service under this Agreement and are included

in PacifiCorp's transmission revenue requirement periodically filed with FERC.

- 1.23. ~~1.22.~~ Points of Delivery ("POD") - Point(s) of PacifiCorp's Transmission System where capacity and energy transmitted by PacifiCorp will be made available to UMPA or UMPA's Customers, as specified in Exhibit A hereof and as may be amended by mutual agreement of UMPA and PacifiCorp or as amended by UMPA from time to time in accordance with the Tariff procedures for adding or deleting network Points of Delivery.
- 1.24. ~~1.23.~~ Points of Receipt ("POR") - Point(s) of interconnection on PacifiCorp's Transmission System where capacity and energy will be made available to PacifiCorp by UMPA, as specified in Exhibit B hereof and as may be amended by mutual agreement of UMPA and PacifiCorp or as amended by UMPA from time to time in accordance with the Tariff procedures for adding or deleting Points of Receipt for network resources.
- 1.25. ~~1.24.~~ Real Power Losses – Electrical losses associated with the use of PacifiCorp's Transmission System. Such losses are provided for in Section 6 of this Agreement and Schedule 10 of the Tariff.
- 1.26. ~~1.25.~~ Tariff - PacifiCorp's Open Access Transmission Tariff as from time to time in effect and on file with FERC.
- 1.27. ~~1.26.~~ UMPA Load – The load that UMPA identifies for Firm Transmission Service under this Agreement, as designated in Exhibit A hereof. Metered and scheduled amounts of firm transmission service at points of delivery shall be adjusted for losses. UMPA Load associated with Behind-the-Meter Generation shall not be adjusted for losses.
- 1.28. ~~1.27.~~ UMPA Resources - Any generating resource that is owned, purchased, or leased by UMPA and designated in Exhibit C hereof, including any generating resource located on UMPA's Customer side of a discrete Point of Delivery. UMPA Resources shall also include Behind-the-Meter Generation; provided however, UMPA Resources do not include any

resource, or portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet UMPA Load on a non-interruptible basis. UMPA will promptly notify PacifiCorp of any changes to resources located on UMPA's Customer side of a discrete Point of Delivery. Resource updates and planned capacity delivery levels will be defined through annual load and resource updates consistent with the Tariff planning principles.

1.29. ~~1.28.~~ Western - Western Area Power Administration, Salt Lake City Area Office.

1.30. ~~1.29.~~ Western Low-Voltage Agreement – the Contract between PacifiCorp and United States Department of Energy Western Area Power Administration Salt Lake City Integrated Projects for Low-Voltage Transmission Service to Utah Contractors dated April 18, 1990, as amended thereafter.

1.31. ~~1.30.~~ Western Transmission Agreement – the Contract (No. 14-06-400-2436) between PacifiCorp and United States Department of Energy Western Area Power Administration Salt Lake City Area Integrated Projects for Interconnections and Transmission Service dated May 17, 1962, as amended thereafter.

1.32. ~~1.31.~~ Western Resource – Capacity and energy available to UMPA at the Points of Use defined in the Western Transmission Agreement or the Western Low-Voltage Agreement.

2. Term and Termination

~~2.1.~~ 2.1. This Agreement shall be subject to its acceptance for filing by FERC. If any provision of this Agreement is held to be void, voidable, contrary to public policy, or unenforceable, the Parties may terminate this Agreement upon mutual agreement. PacifiCorp shall submit this Agreement for filing with FERC in accordance with FERC filing requirements.

~~2.2.~~ 2.2. This Agreement shall become effective upon the date established by

FERC upon acceptance of the Agreement for filing.

~~2.3.~~ 2.3. If accepted for filing by FERC, this Agreement, as hereafter amended, will remain in full force and effect for so long as UMPA is interconnected with PacifiCorp's system as set forth in Exhibit A hereof; provided, however, that the Agreement may be terminated or replaced by mutual consent of the Parties and is subject to modification pursuant to Sections 28 and 32 of this Agreement.

~~2.4.~~ 2.4. Those portions of this Agreement providing for transmission and certain ancillary services shall be suspended on the effective date of an agreement providing for such services to UMPA that has been negotiated and executed by all contracting parties pursuant to a transmission tariff of a FERC-approved Regional Transmission Organization or similar entity ("RTO") that assumes operational control of the PacifiCorp Transmission System providing service to UMPA's Points of Delivery as set forth in Exhibit A hereof; provided, however, that either such agreement, or a separate agreement with PacifiCorp, shall assign or allocate to UMPA at least such firm transmission rights and any other rights or mechanisms available from such RTO as are equivalent to the rights granted to other pre-existing firm transmission customers and load serving entities (including PacifiCorp) taking service from such RTO. In the event an agreement satisfying the conditions of this Section is not made effective, this Agreement shall remain in full force and effect in accordance with the terms hereof; provided, however, that if an RTO is established that takes over operational control of PacifiCorp's Transmission System and an agreement satisfying the conditions of this Section is not made effective because such an agreement was not reasonably available to UMPA on non-discriminatory terms and conditions, then the Parties shall amend this Agreement in order to permit UMPA to add and access Off-System points of receipt under the same rate terms and conditions as are available to PacifiCorp under the applicable

RTO tariff, including without limitation a single, non-pancaked rate for transactions involving multiple utility systems. The effectiveness of all suspended portions of this Agreement shall be restored at such time as said RTO shall cease to control the PacifiCorp Transmission System.

~~2.5.~~ 2.5. In the event (a) that all efforts to negotiate or implement an RTO as described in Section 2.4 have ceased and there is no reasonable possibility that control of the PacifiCorp Transmission System providing service to UMPA's Points of Delivery will be transferred to the operational control of such an RTO or (b) that an RTO approved by the FERC fails to assume control of or ceases to control the PacifiCorp Transmission System as described in Section 2.4 herein, either Party may thereafter provide written notice that it wishes to terminate the Agreement, and the Agreement will thereafter terminate on the date that a new transmission service agreement negotiated and executed by both Parties, and a separate agreement also negotiated and executed by both Parties that fully addresses the non-transmission service aspects of the Agreement, including, without limitation, issues pertaining to the operation and maintenance of the Hunter 1 Resource and other aspects of the Parties' generation and power supply operations, have both become effective.

~~2.6.~~ 2.6. Sections 2.4 and 2.5 above are intended to prohibit any suspension, termination or replacement of this Agreement except upon the mutual agreement of both Parties hereto.

3. Effect on Prior Agreements

The November 11, 1988 Interconnected Operation Agreement between PacifiCorp and UMPA is hereby terminated and superseded by this Agreement. The sections of the Existing Agreements identified in Section 30.2 herein are hereby terminated and superseded by this Agreement.

4. Firm Transmission Service

~~4.1.~~ 4.1. Commencing on the Effective Date, PacifiCorp shall provide Firm

Transmission Service over PacifiCorp's Transmission System for the delivery of capacity and energy from UMPA Resources to UMPA Load at the Points of Delivery net of the Western Resource, including deliveries from UMPA Resources to the Mona Point of Delivery (to the extent and only to the extent that the capacity and energy delivered to the Mona Point of Delivery is in excess of the UMPA Load at Points of Delivery other than Mona). PacifiCorp's obligation to provide such Firm Transmission Service shall be subject to PacifiCorp's right to interrupt or reduce schedules of capacity and energy pursuant to Section 4.4 and 4.5 herein. UMPA shall pay PacifiCorp for Firm Transmission Service provided under this Section in accordance with Exhibit D to this Agreement.

~~4.2.~~ 4.2. UMPA may use PacifiCorp's Transmission System to deliver energy to its UMPA Load at metered or calculated Points of Delivery from resources that have not been designated as UMPA Resources and from Points of Receipt not designated in Exhibit B. Such energy shall be transmitted on an as-available basis, secondary network basis, at no additional charge.

~~4.3.~~ 4.3. UMPA may elect to designate less than its total load as UMPA Load but may not designate less than its total load at a discrete metered Point of Delivery. Where UMPA has elected not to designate a particular load at discrete Points of Delivery as UMPA Load, such non-designated load shall be removed as a Point of Delivery from Exhibit A. UMPA is responsible for making separate arrangements under Part II of PacifiCorp's Tariff for any point-to-point transmission service that may be necessary for such non-designated load.

~~4.4.~~ 4.4. PacifiCorp shall exercise its best efforts to supply continuous Firm Transmission Service in accordance with Good Utility Practice, but does not warrant or guarantee that such Firm Transmission Service shall be free from interruption or reductions for reasons including, but not limited to: (a) interruptions or reductions due to force majeure events pursuant to Section

20 herein, (b) interruptions or reductions due to action reasonably instituted by automatic or manual controls for the purpose of maintaining overall reliability and continuity of PacifiCorp's Transmission System or generation facilities or (c) interruptions or reductions which, in the reasonable opinion of PacifiCorp, are necessary for the purposes of maintenance, repair, replacement, installation of equipment or inspection of PacifiCorp's Transmission System or generation facilities.

~~4.5.~~ 4.5. Except as provided in Section 25 herein, PacifiCorp shall not be liable to UMPA for any damages resulting from any interruptions or reductions of Firm Transmission Service occurring for reasons as provided for in Section 4.4 above. PacifiCorp shall provide UMPA reasonable advance notice of any scheduled activities or conditions that will result in interruptions or reductions of Firm Transmission Service and will notify UMPA of non-scheduled interruptions or reductions as soon as possible. PacifiCorp shall use due diligence to expeditiously remove or remedy all causes of interruptions or reductions of Firm Transmission Service consistent with Good Utility Practice.

~~4.6.~~ 4.6. In the event of an interruption or reduction occurrence as described in Section 4.4 herein, interruptions or reductions shall be made consistent with PacifiCorp's Tariff.

5. Low Voltage Service to Western Customers

In addition to transmission service provided to Western under the Western Transmission Agreement, PacifiCorp provides transmission service to Western under the Western Low Voltage Agreement. For each hour the Western Resource is scheduled, it will be assumed that the scheduled Western Resource, adjusted for transmission losses, was served first to the 138 kV or higher Points of Use defined in the Western Transmission Agreement. In the event the scheduled Western Resource exceeds the metered deliveries at 138 kV or higher, it will be assumed that the maximum single hourly amount which exceeds the load at 138 kV or higher for each monthly billing period, as adjusted for low-

voltage losses, was served to the Points of Use defined in the Western Low-Voltage Agreement.

6. Transmission Loss Provisions

UMPA is responsible for replacing or purchasing Real Power Losses incidental to all deliveries of capacity and energy hereunder. Such transmission losses shall be calculated in accordance with Schedule 10 of the Tariff.

7. Hunter Variation Account

The Parties shall establish and maintain a variation account to accumulate the hourly differences between UMPA's schedule of Hunter 1 Resource and UMPA's ownership share entitlement of Hunter 1 Resource. For the purpose of this Hunter Variation Account, variations between UMPA's schedule of Hunter 1 Resource and UMPA's ownership share entitlement of Hunter 1 Resource less applicable reserves scheduled and/or called upon by PacifiCorp plus or minus any schedules to or from the Hunter Bus to PacifiCorp to clear balances in the Hunter Variation Account as provided in this section shall be separately accumulated during on-peak and off-peak periods in accordance with the Northwest Power Pool definitions for on-peak and off-peak periods. PacifiCorp shall notify and provide an accounting summary to UMPA after the end of each month as to the amounts of Hunter Variation Account energy in the on-peak and off-peak periods indicating whether such energy is owed to PacifiCorp or to UMPA. Such variation amounts shall be eliminated through Hunter Variation Account schedules. Such schedules shall eliminate on-peak variations through on-peak schedules and off-peak variations through off-peak schedules within ten days of PacifiCorp's notification unless otherwise mutually agreed.

8. Ancillary Services

~~The Ancillary Services that UMPA is required to purchase or otherwise provide for under this Agreement applies only to the Firm Transmission Service provided by PacifiCorp to UMPA under this Agreement and is not applicable to UMPA deliveries pursuant to the~~

~~Western Transmission Agreement or the Western Low Voltage Agreement.~~ Ancillary Services provided under this Agreement shall be pursuant to this section and to the terms, conditions and rates defined in Exhibit E and the Tariff.

~~8.1.~~ 8.1. _____ PacifiCorp shall provide, and UMPA is required to purchase, the following Ancillary Services associated with ~~serving load within PacifiCorp's Balancing Authority Area in accordance with the Tariff~~ transmission service provided under this Agreement: (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from generation or other sources. (less any credits available under the Tariff for reactive supply and voltage control from generation or other sources provided by UMPA).

~~8.2.~~ 8.2. _____ PacifiCorp shall offer to provide the following Ancillary Services associated with serving load within PacifiCorp's Balancing Authority Area: (i) Regulation and Frequency Response, (ii) Generator Regulation and Frequency Response Service if applicable, (iii) Energy Imbalance, ~~(iiiiv)~~ Operating Reserve – Spinning, ~~and (ivv)~~ Operating Reserve – Supplemental, and (vi) Generator Imbalance. UMPA is required to acquire these Ancillary Services, whether from PacifiCorp, a third-party, or by self-supply. ~~UMPA may not decline PacifiCorp's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source.~~

~~8.3.~~ 8.3. _____ Should UMPA determine to self-supply some or all of the Ancillary Services as specified by Section 8.2 of this Agreement, it shall do so in accordance with PacifiCorp's Tariff and Business Practices.

9. Scheduling Provisions

UMPA shall schedule all Firm Transmission Service to be provided under Section 4 of this Agreement in accordance with PacifiCorp's Business Practices, prevailing scheduling practices within WECC, and PacifiCorp's Tariff.

10. Study Procedures for Additional Service Requests

UMPA may request that PacifiCorp provide Firm Transmission Service to additional load, load that UMPA had designated as self-supply load that it now seeks to include as network load, or from additional resources. The Parties shall follow the procedures set out in Section 32 of PacifiCorp's Tariff to determine whether additional requested service may be accommodated.

11. System Planning

~~11.1.~~ 11.1 UMPA shall provide PacifiCorp with an annual load and resource forecast in accordance with Part III of the Tariff, and such forecast shall separately identify any loads not designated for service under this Agreement and therefore not included in PacifiCorp's planning obligations. The load and resource forecast shall be used by PacifiCorp for the purpose of transmission planning only, and shall not be used for any billing purpose whatsoever, including without limitation for Firm Transmission Service pursuant to Section 4 hereof.

~~11.2.~~ 11.2. PacifiCorp shall coordinate its transmission planning with UMPA in accordance with Attachment K of the Tariff.

12. Unauthorized Use

If UMPA uses transmission service on the PacifiCorp Transmission System at a Point of Receipt or Point of Delivery not specified in Exhibits A or B hereof in a manner not authorized by this Agreement, or uses Ancillary Services in connection with such unauthorized transmission service, or otherwise in a manner not authorized by this Agreement, it shall pay for the transmission services and Ancillary Services so provided in accorded with the Tariff, including unauthorized use charges.

13. Meter and Communication Facilities

UMPA shall own, install, operate, maintain, repair and replace the metering equipment and communications facilities located at each of the Points of Delivery, and at each UMPA Resource that is located on the UMPA or UMPA's Customer side of the Point of

Delivery Behind-the-Meter Generation (other than at small hydroelectric facilities, each operating at a capacity of less than 1.0 MW), to monitor, control and carry out the obligations and duties required by this Agreement. Notwithstanding the foregoing, (1) metering and communications requirements for Behind-the-Meter Generation will apply only to thermal units and non-run of the river hydro units with nameplate capacity of 5 MW or greater existing on the effective date of this Agreement, and all future thermal units with a nameplate capacity that would require metering and telemetry under PacifiCorp's then current requirements for new generation interconnection; and (2) metering equipment and communication facilities at the Points of Delivery governed by Existing Agreements shall be owned, installed, operated, maintained, repaired and replaced pursuant to such agreements. The Parties shall have the right to witness, and shall have the obligation to notify the other Party of any testing and/or calibration of owned metering equipment that affects interconnections and/or deliveries hereunder. Such metering equipment shall be accessible to both Parties. Each Party shall allow the other Party reasonable time in each hour for access to such metering equipment for interrogation. Meter inspections will be conducted by PacifiCorp in accordance with its procedures for inspecting other similar meters.

14. Underfrequency Relaying

UMPA shall arrange for the implementation and/or maintenance of an underfrequency relaying program which shall include installation of sufficient underfrequency relaying equipment to shed UMPA loads in a manner consistent with applicable NERC reliability standards and PacifiCorp's load shedding procedures.

15. Power Factor

UMPA shall at all times effectively control and limit the flow of reactive power at the Points of Delivery to maintain a power factor of ninety-five percent (95%) or greater or, by mutual agreement of the Parties, of some lesser power factor such that UMPA shall not be required to maintain a power factor greater than PacifiCorp's power factor at or immediately adjacent to any Point of Delivery. UMPA, at UMPA's expense, shall install or have installed switched capacitors or other equipment as PacifiCorp may reasonably

require consistent with Good Utility Practice to eliminate that portion of excess reactive power flow which causes the power factor to fall below the limits established herein. PacifiCorp shall exercise reasonable judgment in minimizing the size of such capacitors or other equipment consistent with voltage control for PacifiCorp's other customers served from the PacifiCorp Transmission System. Should UMPA fail to take the corrective action requested by PacifiCorp within one (1) year after written notice from PacifiCorp, PacifiCorp may perform such services or supply and install such capacitors or other equipment as PacifiCorp deems necessary to provide the corrective action. UMPA shall reimburse PacifiCorp for all amounts reasonably expended by PacifiCorp and all services contracted for or performed by PacifiCorp in taking the corrective action, including PacifiCorp's standard overhead costs. The total of these expenditures shall be paid by UMPA within thirty (30) days of receipt by UMPA of an itemized statement of those expenditures reasonably incurred, consistent with Good Utility Practice, by PacifiCorp, subject to the dispute procedures of Section 19 herein.

16. Tariff

If not separately addressed by this Agreement, UMPA and PacifiCorp shall each abide by provisions of the Tariff.

17. Business Practices

For any practice or procedure not defined by this Agreement related to Firm Transmission Service, UMPA agrees to abide by provisions of any applicable posted Business Practice.

18. Billing and Payment

Billing statements for all services provided to UMPA under this Agreement shall be provided via Electronic File Transfer Protocol per UMPA instructions and within a reasonable period after month-end. UMPA shall pay such amounts including any assessment of interest in accordance with Section 7 of the Tariff. Payment for all services provided hereunder shall be electronically wire transferred pursuant to instructions on

PacifiCorp's invoice.

19. Disputes

Any dispute between the Parties involving transmission service under this Agreement shall be resolved in accordance with Section 712 of the Tariff, Billing and Payment.

20. Force Majeure

Neither Party to this Agreement shall be considered in default in performance of any obligation hereunder if and to the extent that failure of performance shall be due to force majeure. The term force majeure "means any cause beyond the control of the Party affected, including, but not limited to, failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or materials shortage, sabotage and action or non-action by court order or public authority or failure to obtain the necessary authorizations or approvals from any governmental agency or authority which by exercise of due foresight such Party could not reasonably have been expected to avoid, and which by exercise of due diligence it shall be unable to overcome. However, a Party shall not be relieved of liability for failure of performance if such failure is due to causes arising out of its own negligence or to removable or remediable causes which it fails to remove or remedy with reasonable dispatch. Any Party rendered unable to fulfill any obligation by reason of force majeure shall exercise due diligence to remove such inability with all reasonable dispatch. Nothing contained herein, however, shall be construed to require a Party to prevent or settle a labor dispute against its will.

21. Assignment

Either Party may, without consent of the other Party, assign all or a portion of its rights or delegate all or a portion of its duties under this Agreement in connection with the sale or merger of a substantial portion of the Party's assets. In all other cases, neither Party shall assign its rights nor delegate its duties under this Agreement or any part of such rights or duties without the prior written consent of the other Party, which consent shall not be unreasonably withheld, and any such assignment or delegation made without such written

consent will be of no effect.

22. Choice of Law

The Parties in their performance of their obligations hereunder shall conform to all applicable laws, rules and regulations and, to the extent their operations are subject to the jurisdiction of state or federal regulatory agencies, they shall be subject to the terms of valid and applicable orders of such agencies. This Agreement shall be construed in accordance with the laws of the state of Utah unless preempted by the Federal Power Act or other Federal Law.

23. Waiver

Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default of such matters.

24. Partial Invalidity

It is the intention of the Parties that the terms and conditions of this Agreement or the performance of their obligation contained in this Agreement shall conform to all applicable laws, rules and regulations governing the subject matter of this Agreement. The Parties agree that in the event any of the terms or conditions of this Agreement are finally held or determined to be invalid, illegal or void, as being in contravention of any applicable laws, rules, regulations or public policy, all other terms and conditions of this Agreement shall remain in full force and effect unless the terms or conditions so found to be invalid, illegal or void are not reasonably separable from the remaining terms and conditions of this Agreement. Further, the Parties agree that if and when any or all of the terms and conditions of this Agreement are finally held or determined to be invalid, illegal or void by either a court of competent jurisdiction or a regulatory agency, the Parties shall enter into negotiations concerning the terms and conditions affected by such decision for the purpose of achieving conformity with the requirements of any applicable law, rule or regulation and the intent of the Parties contained in this Agreement as originally executed.

25. Liability and Indemnification

~~25.1.~~ 25.1. Generally, except as provided in this Section, each Party hereto hereby assumes all liability for injury or damage to persons or property arising from the intentional acts or gross neglect of its own employees, agents or contractors and shall indemnify and hold the other Party harmless from any liability arising there-from. Neither Party shall be liable, whether in contract, warranty, tort or strict liability, to the other Party for any injury or death to any person, or for any loss or damage to any property, caused by or arising out of the ordinary negligence of its own employees, agents or contractors.

~~25.2.~~ 25.2. Electrical Disturbance. Notwithstanding Section 25.1, or any other provision of this Agreement, neither Party shall be liable, whether in contract, warranty, tort or strict liability, to the other Party for any injury or death to any person, or for any loss or damage to any property, caused by or arising out of the electrical disturbance on either Party's electric system, whether or not such electric disturbance resulted from a Party's negligent, grossly negligent or wrongful act or omission, excepting only gross action knowingly or intentionally taken, or failed to be taken, with intent that injury or damage result there from, or which action is wantonly reckless. Each Party releases the other Party from, and shall indemnify the other Party for, any such liability.

~~25.3.~~ 25.3. As used in this Section, (1) the term "Party" means, in addition to such Party itself, its directors, officers and employees; (2) the term "damage" means all damage, including consequential damage and (3) the term "person" means any person, including those not connected with either Party to this Agreement.

26. Remedies Not Exclusive

The specification of a remedy in any section or paragraph of this Agreement for failure of a Party to meet any of its obligations shall not be deemed to affect or limit the right of

any Party to seek any such other legal, equitable or administrative remedies as may be available for such failure.

27. Notices

~~27.1.~~27.1. All notices, demands or requests provided for in this Agreement shall be in writing and shall be deemed to have been properly served, given or made if delivered in person or when sent by registered or certified mail, postage prepaid and return receipt requested, to the Parties at their respective addresses.

~~27.2.~~27.2. Notices, demands or requests concerning this Agreement shall be delivered or addressed to the addresses as follows:

- (a) To UMPA:
General Manager
UTAH MUNICIPAL POWER AGENCY
75 West 300 North, Box 818
Spanish Fork, Utah 84660
- (b) To PacifiCorp:
PacifiCorp Transmission Systems
Director, Transmission Services
825 N.E. Multnomah, Suite 1600
Portland, Oregon 97232

~~27.3.~~27.3. Either Party may change the address or the person to whom such notices, demands or requests shall be sent by furnishing to the other Party, at that Party's then-current address for notices, demands or requests, written notice of such change.

28. Regulatory Authority and Rate Changes

~~28.1.~~28.1. The terms and conditions of this Agreement are subject to the terms of valid and applicable orders of such state and federal regulatory agencies having authority over this Agreement.

~~28.2.~~28.2. Except as provided in Section 28.3, PacifiCorp may make a unilateral filing with FERC to modify this Agreement with respect to any terms and conditions, changes, classifications of service, rule or regulation under

Section 205 of the Federal Power Act or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that UMPA shall have the right to protest any such filing by PacifiCorp and to participate fully in any proceeding before FERC in which such modifications may be considered.

~~28.3.~~ 28.3. Subject to the following sentence, the determination of APD as defined herein shall not be modified nor changed except upon application under Section 206 of the FPA. Notwithstanding the foregoing, in the event that, but only to the extent that, without the consent, acquiescence, agreement, or request of PacifiCorp, the allocation of costs with respect to demand responsibility for service under this Agreement differs from the demand calculated in APD, PacifiCorp shall have the right to make application to FERC for appropriate relief, if any, under Section 205 or successor statute, and UMPA shall be entitled to contest, object, or oppose any such application pursuant to FERC's rules and regulations promulgated thereunder.

~~28.4.~~ 28.4. Execution of this Agreement by UMPA shall not constitute a waiver in any sense whatsoever of UMPA's or UMPA's Members' right to exercise their rights under the Federal Power Act with respect to this Agreement.

29. System Ownership

~~29.1.~~ 29.1. The electrical system of UMPA shall at all times be and remain in UMPA's or the UMPA Members' exclusive possession and control, and nothing in this Agreement shall grant, or be construed to grant to PacifiCorp, any rights of ownership in or possession of UMPA's or the UMPA Members' electrical system.

~~29.2.~~ 29.2. The electrical system of PacifiCorp shall at all times be and remain in PacifiCorp's exclusive possession and control, and nothing in this Agreement shall grant, or be construed to grant to UMPA or the UMPA Members, any rights of ownership in or possession of the system.

30. Existing Agreements

~~30.1.~~ 30.1. UMPA's Members Provo and Manti have assigned the following agreements to UMPA:

- ~~(a)~~ (a) Hunter 1 Purchase and Sale Agreement dated June 20, 1980 between PacifiCorp and Provo.
- ~~(b)~~ (b) Hunter 1 O&M Agreement dated June 27, 1980 between PacifiCorp and Provo.
- ~~(c)~~ (c) Hunter 1-Provo Transmission Service Agreement dated June 27, 1980.
- ~~(d)~~ (d) Interconnected Operation Agreement dated November 11, 1986 between PacifiCorp and Manti.
- ~~(e)~~ (e) The Mona—Manti Transmission Service Agreement dated November 11, 1986 between PacifiCorp and Manti.
- ~~(f)~~ (f) Interconnected Operation Agreement dated February 13, 1987 between PacifiCorp and Provo.
- ~~(g)~~ (g) Mona-Provo Transmission Service Agreement dated February 13, 1987 between PacifiCorp and Provo.

~~30.2.~~ 30.2. The Parties agree that the identified sections of the following agreements shall be terminated and superseded by this Agreement and, furthermore, if there is any conflict between the provisions of this Agreement and the Existing Agreements, this Agreement shall govern.

- ~~(a)~~ (a) Sections 8.6, 8.8, 12.2B, 12.3, 12.5, 12.6 and 12.7 and Sections 14 and 30 to the Hunter 1 O&M Agreement dated June 27, 1980 between PacifiCorp and UMPA.
- ~~(b)~~ (b) Sections 6, 7, 8, 9 and 13 to the Hunter 1-Provo Transmission Service Agreement dated June 27, 1980 between PacifiCorp and UMPA (PacifiCorp's Rate Schedule FERC No. 279).
- ~~(c)~~ (c) The Mother Earth-Provo Transmission Service Agreement dated December 20, 1984 between PacifiCorp and Provo (PacifiCorp's Rate Schedule FERC No. 288) has terminated in its entirety.
- ~~(d)~~ (d) Sections 6, 7, 8, 9, 10 and 12 to the Interconnected Operation

Agreement dated November 11, 1986 between PacifiCorp and Manti
(PacifiCorp's Rate Schedule FERC No. 289).

~~(e)~~(e) Sections 6, 7, 8 and 12 to the Mona-Manti Transmission Service
Agreement dated November 11, 1986 between PacifiCorp and Manti
(PacifiCorp's Rate Schedule FERC No. 290).

~~(f)~~(f) Sections 6, 7, 8, 9, 10, 11 and 13 to the Interconnected Operation
Agreement dated February 13, 1987 between PacifiCorp and Provo
(PacifiCorp's Rate Schedule FERC No. 291).

~~(g)~~(g) Sections 6, 7, 8 and 12 to the Mona-Provo Transmission Service
Agreement dated February 13, 1987 between PacifiCorp and Provo
(PacifiCorp's Rate Schedule FERC No. 292).

31. Effect of Section Heading:
Section headings appearing in this Agreement are inserted for convenience of reference
only and shall not be construed to be interpretations of the text of this Agreement.

32. Changes in and Exhibits to this Agreement

~~32.1.~~32.1. Except as provided for in Section 28 of this Agreement, this
Agreement may not be modified or amended by either Party except by
subsequent mutual agreement of the Parties and by written instrument
duly executed by the Parties.

~~32.2.~~32.2. This Agreement includes the following Exhibits, all of which are
attached hereto and incorporated by reference:

Exhibit A - Points of Delivery

Exhibit B - Points of Receipt

Exhibit C - UMPA Resources

Exhibit D - Transmission Service Rate for UMPA

Exhibit E - Charge and Derivation of Ancillary Services

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date hereinabove set forth.

PACIFICORP

UTAH MUNICIPAL POWER AGENCY

By /s/ K Houston

By /s/ W. Leon Pexton

Name Kenneth Houston

Name W. Leon Pexton

Title VP, Transmission Services

Title COO/ General Manager

COO

EXHIBIT A TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN UTAH MUNICIPAL POWER AGENCY
AND PACIFICORP
LISTING OF POINTS OF DELIVERY

The Points of Delivery to which PacifiCorp shall deliver capacity and energy, for and on behalf of UMPA, are as follows:

Customer Name	Points of Delivery	Delivery Voltage	Meter or Schedule
Eagle Mt. ¹	Eagle Mt. Switchrack	138 kV	Metered
Levan Town ²	Vickers-Juab 46 kV Line 46 kV Substation @ Levan Town	46 kV ³	Metered
Manti City ²	Sanpitch-Gunnison 46 kV Ln. 46 kV Substation @ Manti	46 kV	Metered
Nephi City ²	Vickers Switchrack (Nephi Ln.) 46 kV Substation @ Nephi	46 kV	Metered
Provo City ²	Tanner Substn.(Provo Tanner)	138 kV	Metered
Provo City ²	Hale Substation (Gillespie)	138 kV	Metered
Salem City ²	Spanish Fork (Arrowhead)	138 kV ⁴	Metered
Salem City ²	Spanish Fork (Loafer)	138 kV ⁴	Metered
Spanish Fork City ²	Spanish Fork #1 (Canyon Rd) ⁴	138 kV	Metered
Spanish Fork City ²	Spanish Fork #2 (Whitehead) ⁴	138 kV	Metered
Spanish Fork City ²	Dry Creek (Woodhouse Line) ⁴	138 kV	Metered
Spanish Fork City ²	Spanish Fork Wind Farm ⁵	138 kV	Metered

¹ Eagle Mt. is served under an all requirements contract with UMPA; it is not a UMPA Member under this Agreement.

² UMPA Members that are also eligible for deliveries of capacity and energy from the Western Resource.

³ Metered at 4.16 kV.

⁴ The Salem City and Spanish Fork City Points of Delivery are located and metered at the 46 kV system of the Southern Utah Valley Power Systems ("SUVPS").

Mona Point of Delivery

UMPA	Mona Substation	345kV	Scheduled
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Station Power Point of Delivery

UMPA	Hunter Station ⁶	345kV	Metered
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⁵ Spanish Fork Wind is a delivery point only and UMPA is not a party to any interconnection agreement between PacifiCorp and Spanish Fork Wind, thus UMPA is not responsible for any interconnection agreement costs, liabilities or other requirements for the interconnection. UMPA is installing only the necessary metering equipment to interface with UMPA's SCADA system to provide UMPA with the needed information to schedule power to this point, when needed, and measure Spanish Fork Wind's consumption of the same. This Point of Delivery is for technical reasons unique to the wind project, and is not considered retail wheeling. All capacity and energy delivered to UMPA at this point would be for Spanish Fork City to resell to end users within their service territory. The Spanish Fork Wind Farm is metered at 46 kV.

⁶ Represents a Point of Delivery in such instances when Hunter I is offline and UMPA is responsible for providing its share of the station service, to the extent and only to the extent of UMPA's share of such station service.

EXHIBIT B TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY
AND
PACIFICORP
LISTING OF POINTS OF RECEIPT

The Points of Receipt where UMPA will provide to PacifiCorp the capacity and energy to be transferred to the Points of Delivery shall be the points of interconnection as follows:

- | | |
|-------------------|---|
| A. Hunter Bus | Hunter 345 kV Switchyard on the high side of the step-up transformer for Hunter Unit No. 1 where Hunter Unit Nos. 1, 2, and 3 are connected together with the PacifiCorp Transmission System. |
| B. Levan Town POD | The Levan Town Tap in PacifiCorp's Vickers-Juab 46 kV Line where generation owned by Levan Town is delivered to PacifiCorp from time-to-time. |
| C. Manti City POD | The Manti City Sub connected to PacifiCorp's Sanpitch-Gunnison 46 kV Line where generation owned by Manti City is delivered to PacifiCorp from time-to-time. |

- D. Mona Interconnection Mona 345 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and Transmission Cooperative, Intermountain Power Project, and UMPA are connected together.⁷
- E. Nephi Interconnection of Nephi City's Vickers Substation at PacifiCorp's 46kV system where generation by Nephi City is delivered to PacifiCorp from time-to-time.
- F. Provo City POD Provo City's Gillespie 138 kV Line interconnection at PacifiCorp's Hale Substation where generation owed by Provo City is delivered to PacifiCorp from time-to-time.
- G. UPALCO Interconnection UPALCO 138 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and Transmission Cooperative, and UMPA are connected together.⁸
- H. Vernal Interconnection Vernal 115 kV switchyard where the transmission systems of PacifiCorp, Deseret Transmission and Transmission Cooperative and Western are connected together.⁹

⁷ UMPA owns a 6.25% undivided interest in the 345 kV Bonanza-Mona transmission line and has other transmission use rights as provided in the Bonanza Purchase and Sale Agreement between UMPA and Deseret Generation and Transmission Cooperative.

⁸ See note 1. Under the Bonanza Purchase and Sale Agreement, UMPA also owns a 6.25% undivided interest in the Bonanza-UPALCO 138 kV transmission line.

⁹ See note 1.

I. Western Interconnections

Where the Western Resource is delivered to the transmission system of PacifiCorp pursuant to the Western Transmission Agreement.

EXHIBIT C TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN UTAH MUNICIPAL POWER AGENCY
AND PACIFICORP
LISTING OF UMPA RESOURCES

- | | | |
|----|---------------------|--|
| A. | Bonanza Resource | UMPA's entitlement to the net capacity and energy output from the Bonanza Generation Station (ownership rights and contractual purchase rights) delivered to PacifiCorp at the Mona Interconnection. |
| B. | Deer Creek Resource | UMPA's entitlement to the capacity and energy purchased from Western Area Power Administration and delivered to PacifiCorp from the Deer Creek (USBR) generating plant. |
| C. | Hunter 1 Resource | UMPA's entitlement to the net capacity and energy output from the Hunter Generation Station (ownership rights and contractual purchase rights) delivered to PacifiCorp at the Hunter Bus. |
| D. | IPA Resource | UMPA's entitlement to the net capacity and energy output from the Intermountain Power Project Generation Station (contractual purchase rights) delivered to PacifiCorp at the Mona Interconnection. |

- | | | |
|----|-------------------------------------|---|
| E. | PacifiCorp Power Sale | The capacity and energy purchased by UMPA from PacifiCorp under the Power Sales Agreement dated August 5, 1996. |
| F. | Western Resource | UMPA's entitlement to the capacity and energy purchased from or transmitted by Western Area Power Administration (including Deer Creek) and delivered to PacifiCorp at the Points of Use described in the Western Transmission Agreement and the Western Low-Voltage Agreement. |
| G. | Deseret Generation and Transmission | Long-Term Power Purchase Agreement
UMPA's entitlement to the capacity and energy purchased by UMPA from Deseret Generation and Transmission Cooperative under the Wholesale Power Contract dated May 23, 2002 (24 MW at the Hunter Bus and 56 MW at the Mona Interconnection). |
| H. | Customer Resources ¹⁰ | UMPA's entitlement to the net capacity and energy output from the generating facilities listed below and interconnected to PacifiCorp through the Points of Delivery. |

¹⁰ UMPA Customer Resources includes generation owned by Levan Town, Manti City, Nephi City, and Provo City.

Levan

Pigeon	Run of River Hydro	210	50
Cobble	Run of River Hydro	110	25

Nephi

Bradley	Run of River Hydro	200	74
Salt Creek	Run of River Hydro	700	141

Provo

Diesels	Diesel	10,000	n/a
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EXHIBIT D TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY AND PACIFICORP
TRANSMISSION SERVICE RATE FOR UMPA

The monthly rate for Firm Transmission Service provided under this Agreement is the Tariff network service formula rate. The rate will be applied to UMPA's APD.

EXHIBIT E TO
TRANSMISSION SERVICE AND OPERATING AGREEMENT
BETWEEN
UTAH MUNICIPAL POWER AGENCY AND PACIFICORP
CHARGE AND DERIVATION OF ANCILLARY SERVICES

The monthly rate for Ancillary Services provided by PacifiCorp under this Agreement is the Tariff Ancillary Services rate applicable for network service. Monthly Ancillary Services rates applicable to Transmission Customer's Monthly Network Load under the Tariff will be applied to UMPA's APD.