

April 25, 2014

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

RE: *PacifiCorp* 

Docket No. ER14-\_\_\_-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2013), Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35 (2013), and Order No. 714<sup>1</sup> regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

The Lehi Highland Substation Transmission Line Upgrade Construction Agreement ("Construction Agreement"), dated April 14, 2014, between Lehi City and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 700.

#### 1. Background and Reason for Filing

On April 14, 2014, Lehi City and PacifiCorp entered into the Construction Agreement. The Construction Agreement sets forth the division of responsibilities among the parties and the associated terms and conditions relating to the upgrade of the existing 46 kV transmission lines to 138 kV. Accordingly, PacifiCorp respectfully requests that the Commission accept the Construction Agreement, attached hereto, for filing.

## 2. Effective Date and Request for Waiver

In accordance with 18 C.F.R. § 35.3(a)(1), PacifiCorp respectfully requests that the Commission establish an effective date of June 25, 2014 for the Construction Agreement.

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

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<sup>&</sup>lt;sup>1</sup> Electronic Tariff Filings, Order No. 714, 124 FERC ¶ 61,270 (2008).

## 3. Designation

PacifiCorp respectfully requests that the Construction Agreement attached herewith be designated as PacifiCorp Rate Schedule No. 700.

## 4. Enclosure

The following enclosures are attached hereto:

Enclosure Construction Agreement between Lehi City and PacifiCorp, to be

designated as PacifiCorp Rate Schedule No. 700.

#### 5. Communications

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

Patrick C. Cannon Rick Vail

Senior Counsel Vice President, Transmission

PacifiCorp PacifiCorp

825 N.E. Multnomah, Suite 1800 825 N.E. Multnomah, Suite 1600

Portland, OR 97232 Portland, OR 97232 (503) 813-5613 (503) 813-6938

(503) 813-7252 (facsimile) (503) 813- 6893 (facsimile) Patrick.Cannon@PacifiCorp.com Richard.Vail@Pacificorp.com

#### 6. Service List

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

Joel Eves

Lehi City Power Department

Utah Public Service Commission

Power Director Heber M. Wells Building

560 West Glen Carter Drive 160 East 300 South

Lehi, UT 84043 Salt Lake City, UT 84114

jeves@lehi-ut.gov psc@utah.gov

The Honorable Kimberly D. Bose April 25, 2014 Page 3

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

Respectfully Submitted,

/s/ Patrick C. Cannon
Patrick C. 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 25<sup>th</sup> day of April, 2014.

/s/ Patrick C. Cannon

Patrick C. Cannon
PacifiCorp
825 N.E. Multnomah, Suite 1800
Portland, OR 97232
(503) 813-5613
(503) 813-7252 (facsimile)
patrick.cannon@pacificorp.com

## **LEHI HIGHLAND SUBSTATION**

#### TRANSMISSION LINE UPGRADE CONSTRUCTION AGREEMENT

**BETWEEN** 

**LEHI CITY** 

AND

#### **PACIFICORP**

This Lehi Highland Substation Transmission Line Upgrade Construction Agreement ("Agreement") is made and entered into this 14th day of April, 2014, by and between PacifiCorp, an Oregon corporation, ("PacifiCorp") and LEHI CITY ("Lehi"), a political subdivision of the State of Utah. PacifiCorp and Lehi are sometimes referred to herein individually as a "Party" and collectively as "Parties."

#### **RECITALS**

WHEREAS, PacifiCorp and Lehi wish to enter into this Agreement setting forth the division of responsibilities among the Parties, along with associated terms and conditions, relating to the work to be performed by the Parties in connection with this Agreement;

**WHEREAS**, Lehi and PacifiCorp are parties to the Interconnection Agreement dated December 15, 2006 ("Interconnection Agreement");

WHEREAS, the Parties enter into this Agreement for the express purpose of providing for the upgrade of existing 46kV transmission lines to 138kV described in Exhibits A and B (the "Work") and do not intend for this Agreement to in any way amend, modify, or otherwise revise the Interconnection Agreement.

**NOW, THEREFORE,** in consideration of the foregoing premises and the mutual covenants of the Parties set forth herein, it is hereby agreed as follows:

#### **AGREEMENT**

## 1. Term

This Agreement shall be effective upon the effective date established by the Federal Energy Regulatory Commission ("FERC") and shall continue in effect until 90 days after

(1) completion of the Work, or (2) termination upon mutual written agreement of the Parties.

## 2. <u>Scope and Performance of PacifiCorp Work and Lehi Work:</u>

## 2.1 Phase 1 (see Exhibit A)

## 2.1.1 PacifiCorp Work

Rebuild 3.1 miles of 46 kV line between Highland and Bull River substations to 138 kV

Replace conductors to 138 kV constructed 1272 ACSR

Install a temporary pole at Bull River substation

Install shoe fly to connect line to west Bull River substation dead-end structure (397 ACSR)

Energize Bull River from Olmstead feed through shoe fly to west deadend

Temporarily remove Bull River tap line

Replace tap pole

Rebuild 0.1 mile section of line at Bull River and replace conductors to 138 kV constructed 1272 ACSR and install new air break switch

Re-energize at 46 kV from Highland substation

## 2.2 Phase 2 (see Exhibit B)

#### 2.2.1 PacifiCorp Work

Expand Highland substation for new 138 kV line termination

Feed Bull River through shoe fly from Olmstead source

Effective On: June 25, 2014

Remove jumpers on Bull River tap pole isolating Highland 138 kV and Olmstead 46 kV lines

Re-terminate line in new Highland 138 kV line bay and remove old 46 kV termination

Install Bull River tap line to new 138 kV east dead-end structure (397 ACSR)

## 2.2.2 Lehi Work

Replace east Bull River dead-end with 138 kV dead-end structure

Prepare east dead-end, bus work, transformer for 138 kV energization from Highland

## 2.3 Phase 3 (see Exhibit B)

## 2.3.1 PacifiCorp Work

Install air break switches on either side of the new Murdock substation tap

Install jumpers from line to new Murdock substation 138 kV dead-end structure

## 2.3.2 PacifiCorp Work

Remove temporary shoe fly and pole

#### 2.3.3 Lehi Work

Transfer Bull River load to 138 kV transformer

Convert Bull River west substation transformer to 138 kV and energize from River east dead-end

## 3. <u>Cost Responsibilities</u>

- 3.1 PacifiCorp, at its sole expense, shall pay for costs associated with the PacifiCorp Work under Phase 1, Phase 2, and Phase 3 as identified under Sections 2.1, 2.2.1, and 2.3.2 of this Agreement.
- 3.2 Lehi, at its sole expense, shall pay for costs associated with the Lehi Work under Phase 2 as identified under Sections 2.2.2 of this Agreement.
- 3.3 Lehi, at its sole expense, shall pay for all costs associated with PacifiCorp Work and Lehi Work under Phase 3 as identified under Sections 2.3.1 and 2.3.3 of this Agreement.

## 4. Ownership

- 4.1 Any new equipment which is installed pursuant to Sections 2.1, 2.2.1, and 2.3.1 of this Agreement shall be owned by PacifiCorp.
- 4.2 Any new equipment which is installed pursuant to Sections 2.2.2 and 2.3.2 of this Agreement shall be owned by Lehi.
- 4.3 Ownership of existing equipment between the Parties shall not be altered as a result of this Agreement.

#### 5. Operations and Maintenance

- 5.1 Operations and Maintenance of new equipment installed pursuant to Sections 2.1, 2.2.1, and 2.3.1 of this Agreement shall be the responsibility of PacifiCorp.
- 5.2 Operations and Maintenance of new equipment installed pursuant to Sections 2.2.2 and 2.3.2 of this Agreement shall be the responsibility of Lehi.
- 5.3 Operations and Maintenance of existing equipment between the Parties shall not be altered as a result of this Agreement.

#### 6. Milestones

The Parties agree to exercise all commercially reasonable efforts to meet the milestones listed in Exhibit C. A Party's obligations under this provision may be extended by written amendment to this Agreement or by a separate written agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately (1) notify the other Party of the reason(s) for not meeting the milestone, (2) propose the earliest reasonable alternate date by which it

can attain this and future milestones, and (3) propose appropriate amendments to Exhibit C. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) the affected Party determines that it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) the affected Party has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

## 7. Billing, Payment Procedures and Final Accounting

Within 90 days of completing the work pursuant to Sections 2.2 and 2.3 of this Agreement, PacifiCorp shall provide Lehi with a final accounting report of actual costs and expenses incurred by PacifiCorp. The final accounting report shall describe any difference between (1) Lehi's cost responsibility for the actual cost of such facilities or upgrades, and (2) Lehi's previous aggregate payments to PacifiCorp for such facilities or upgrades. If Lehi's cost responsibility exceeds its previous aggregate payments, PacifiCorp shall invoice Lehi for the final amount due and Lehi shall make payment to PacifiCorp within 30 calendar days. If Lehi's previous aggregate payments exceed its cost responsibility under this agreement, PacifiCorp shall refund to Lehi an amount equal to the difference within 30 calendar days of the final accounting report.

## 8. <u>Force Majeure</u>

- As used in this Agreement, a "Force Majeure Event" shall mean any act of God, labor disturbance, act of the public enemy, war, acts of terrorism, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment through no direct, indirect, or contributory act of a Party, any order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause which is in each case (i) beyond the reasonable control of the affected Party, (ii) by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and (iii) by the exercise of due diligence, such Party shall be unable to prevent or overcome.
- 8.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event ("Affected Party") shall promptly notify the other Party of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, the expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance, and if the

initial notification was verbal, it should be promptly followed up with a written notification. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be reasonably mitigated. The Affected Party will use reasonable efforts to resume its performance as soon as possible.

## 9. <u>Consequential Damages</u>

NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY HERETO FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL, OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT, OR OTHERWISE) UNDER OR IN RESPECT TO THIS AGREEMENT OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM ANY PARTY'S SOLE, JOINT, OR CONCURRENT NEGLIGENCE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

#### 10. Indemnification

Each Party ("Indemnifying Party") shall protect, defend, indemnify, and hold harmless the other Party, its officers, employees, and agents (collectively the "Indemnified Party") against and from any and all liability, suits, loss, damage, claims, actions, costs, and expenses of any nature, including court costs and attorney's fees, even if such actions or claims are completely groundless, arising out of or resulting from its acts or omissions, except to the extent caused by the Party being indemnified. In no event shall either Party be liable to the other for loss of revenue, loss of anticipated profits, cost of replacement power, claims of customers, or for any special, incidental, or consequential damages.

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

#### 11. Choice of Law and Forum

This Agreement shall be governed by, and construed, interpreted and enforced in accordance with, the substantive law of the State of Utah, excluding any conflict of laws

principles. With respect to any suit, action or proceedings relating to this Agreement (Proceedings), each Party irrevocably submits to the exclusive jurisdiction of the courts of the State of Utah and the United States District Court located in Salt Lake City, Utah and irrevocably waives any objection that it may have at any time to the laying of venue of any proceedings brought in any such court, waives any claim that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such Party. Nothing in this Agreement precludes either Party from enforcing in any jurisdiction any judgment, order or award obtained in any such court.

## 12. <u>Jury Waiver</u>

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE, OR TO REQUEST THE CONSOLIDATION OF, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

## 13. **Binding Effect**

This Agreement shall be binding on and inure to the benefit of the Parties and their heirs, personal representatives, successors, and personal representatives, successors, and permitted assigns.

## 14. Waiver and Modification

No provision of this Agreement may be modified or waived except in writing. No failure by either Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof.

## 15. <u>Complete Agreement</u>

This Agreement, including any attachment(s), constitutes the complete and entire expression of agreement between the Parties in connection with the subject matter hereof.

#### 16. **Points of Contact**

Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly given when sent by facsimile, email or by registered or certified first class mail to the persons specified below:

To LEHI: Joel Eves

LEHI

Power Director 801-768-4833 Office 801-768-4744 Fax 801-420-6284 Cell jeves@lehi-ut.gov

To PacifiCorp: Rachel Matheson

PacifiCorp

Customer Accounts Manager, Transmission

801-220-2534 desk 801-220-4366 fax

Rachel.Matheson@PacifiCorp.com

Either Party may, from time to time, by written notice to the other Party, change the designation or address for notice pursuant to this Agreement.

## 17. <u>Counterparts</u>

This Agreement may be executed in one or more counterparts, whether electronically or otherwise, and each counterpart shall have the same force and effect as an original Agreement and as if all the Parties had signed the same document.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date this Agreement has been signed by both Parties.

LEHI CITY PACIFICORP

By: /s/ Bert Wilson

Name: Bert Wilson

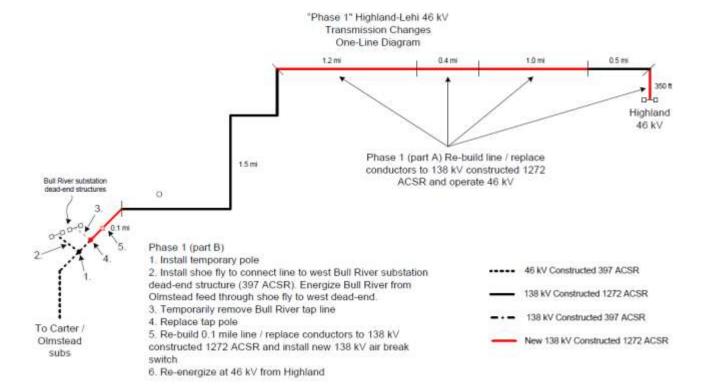
By: /s/ Rick Vail

Name Rick Vail

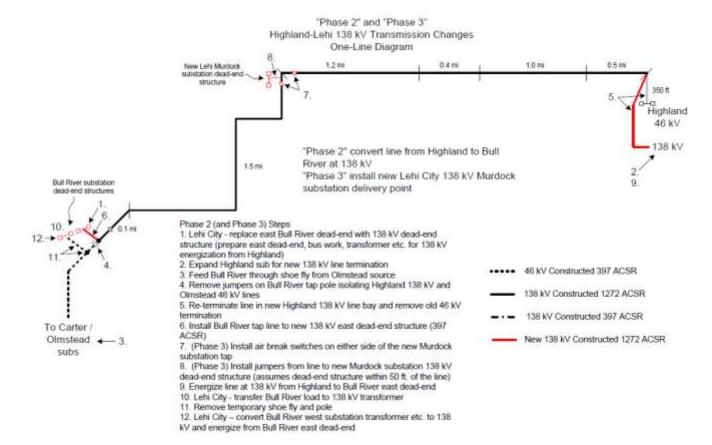
Title: Mayor Title: VP Transmission

Date 4-8-14 Date: 4/14/14

# EXHIBIT A Phase 1



# EXHIBIT B Phase 2 and Phase 3



# **EXHIBIT C Milestones**

March 2014 Execution of the Transmission Line Upgrade Construction Agreement

April, 2014 Engineering Design, Procurement of Major Materials, Permitting (6 months)

October, 2014 Bidding, Construction, Testing and Commissioning (7 months)

April, 2015 Project Completion

## **Dependencies:**

Phase 1 to be completed prior to June 2014

Phase 2 and Phase 3 to begin September 2014

Energize 138kV Highland-Bull River line prior to April 2014

# RECEIVED

## LEHI HIGHLAND SUBSTATION

APR 1 4 2014

#### TRANSMISSION LINE UPGRADE CONSTRUCTION AGREEMENT

**BETWEEN** 

**LEHI CITY** 

AND

**PACIFICORP** 

TRANSMISSION SERVICES
PACIFICORP.

This Lehi Highland Substation Transmission Line Upgrade Construction Agreement ("Agreement") is made and entered into this day of 2014, by and between PacifiCorp, an Oregon corporation, ("PacifiCorp") and LEHI CITY ("Lehi"), a political subdivision of the State of Utah. PacifiCorp and Lehi are sometimes referred to herein individually as a "Party" and collectively as "Parties."

#### **RECITALS**

WHEREAS, PacifiCorp and Lehi wish to enter into this Agreement setting forth the division of responsibilities among the Parties, along with associated terms and conditions, relating to the work to be performed by the Parties in connection with this Agreement;

**WHEREAS**, Lehi and PacifiCorp are parties to the Interconnection Agreement dated December 15, 2006 ("Interconnection Agreement");

WHEREAS, the Parties enter into this Agreement for the express purpose of providing for the upgrade of existing 46kV transmission lines to 138kV described in Exhibits A and B (the "Work") and do not intend for this Agreement to in any way amend, modify, or otherwise revise the Interconnection Agreement.

**NOW, THEREFORE,** in consideration of the foregoing premises and the mutual covenants of the Parties set forth herein, it is hereby agreed as follows:

#### **AGREEMENT**

#### 1. Term

This Agreement shall be effective upon the effective date established by the Federal Energy Regulatory Commission ("FERC") and shall continue in effect until 90 days after (1) completion of the Work, or (2) termination upon mutual written agreement of the Parties.

#### 2. Scope and Performance of PacifiCorp Work and Lehi Work:

- 2.1 Phase 1 (see Exhibit A)
  - 2.1.1 PacifiCorp Work

Rebuild 3.1 miles of 46 kV line between Highland and Bull River substations to 138 kV

Replace conductors to 138 kV constructed 1272 ACSR

Install a temporary pole at Bull River substation

Install shoe fly to connect line to west Bull River substation dead-end structure (397 ACSR)

Energize Bull River from Olmstead feed through shoe fly to west dead-end

Temporarily remove Bull River tap line

Replace tap pole

Rebuild 0.1 mile section of line at Bull River and replace conductors to 138 kV constructed 1272 ACSR and install new air break switch

Re-energize at 46 kV from Highland substation

#### 2.2 Phase 2 (see Exhibit B)

#### 2.2.1 PacifiCorp Work

Expand Highland substation for new 138 kV line termination

Feed Bull River through shoe fly from Olmstead source

Remove jumpers on Bull River tap pole isolating Highland 138 kV and Olmstead 46 kV lines

Re-terminate line in new Highland 138 kV line bay and remove old 46 kV termination

Install Bull River tap line to new 138 kV east dead-end structure (397 ACSR)

#### 2.2.2 Lehi Work

Replace east Bull River dead-end with 138 kV dead-end structure

Prepare east dead-end, bus work, transformer for 138 kV energization from Highland

#### 2.3 Phase 3 (see Exhibit B)

## 2.3.1 PacifiCorp Work

Install air break switches on either side of the new Murdock substation tap

Install jumpers from line to new Murdock substation 138 kV dead-end structure

#### 2.3.2 PacifiCorp Work

Remove temporary shoe fly and pole

#### 2.3.3 Lehi Work

Transfer Bull River load to 138 kV transformer

Convert Bull River west substation transformer to 138 kV and energize from River east dead-end

#### 3. <u>Cost Responsibilities</u>

- 3.1 PacifiCorp, at its sole expense, shall pay for costs associated with the PacifiCorp Work under Phase 1, Phase 2, and Phase 3 as identified under Sections 2.1, 2.2.1, and 2.3.2 of this Agreement.
- 3.2 Lehi, at its sole expense, shall pay for costs associated with the Lehi Work under Phase 2 as identified under Sections 2.2.2 of this Agreement.
- 3.3 Lehi, at its sole expense, shall pay for all costs associated with PacifiCorp Work and Lehi Work under Phase 3 as identified under Sections 2.3.1 and 2.3.3 of this Agreement.

#### 4. Ownership

- 4.1 Any new equipment which is installed pursuant to Sections 2.1, 2.2.1, and 2.3.1 of this Agreement shall be owned by PacifiCorp.
- 4.2 Any new equipment which is installed pursuant to Sections 2.2.2 and 2.3.2 of this Agreement shall be owned by Lehi.
- 4.3 Ownership of existing equipment between the Parties shall not be altered as a result of this Agreement.

## 5. Operations and Maintenance

5.1 Operations and Maintenance of new equipment installed pursuant to Sections 2.1,

- 2.2.1, and 2.3.1 of this Agreement shall be the responsibility of PacifiCorp.
- 5.2 Operations and Maintenance of new equipment installed pursuant to Sections 2.2.2 and 2.3.2 of this Agreement shall be the responsibility of Lehi.
- 5.3 Operations and Maintenance of existing equipment between the Parties shall not be altered as a result of this Agreement.

#### 6. Milestones

The Parties agree to exercise all commercially reasonable efforts to meet the milestones listed in Exhibit C. A Party's obligations under this provision may be extended by written amendment to this Agreement or by a separate written agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately (1) notify the other Party of the reason(s) for not meeting the milestone, (2) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (3) propose appropriate amendments to Exhibit C. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) the affected Party determines that it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) the affected Party has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

## 7. Billing, Payment Procedures and Final Accounting

Within 90 days of completing the work pursuant to Sections 2.2 and 2.3 of this Agreement, PacifiCorp shall provide Lehi with a final accounting report of actual costs and expenses incurred by PacifiCorp. The final accounting report shall describe any difference between (1) Lehi's cost responsibility for the actual cost of such facilities or upgrades, and (2) Lehi's previous aggregate payments to PacifiCorp for such facilities or upgrades. If Lehi's cost responsibility exceeds its previous aggregate payments, PacifiCorp shall invoice Lehi for the final amount due and Lehi shall make payment to PacifiCorp within 30 calendar days. If Lehi's previous aggregate payments exceed its cost responsibility under this agreement, PacifiCorp shall refund to Lehi an amount equal to the difference within 30 calendar days of the final accounting report.

## 8. Force Majeure

As used in this Agreement, a "Force Majeure Event" shall mean any act of God, labor disturbance, act of the public enemy, war, acts of terrorism, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment through no direct, indirect, or contributory act of a Party, any order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause which is in each case (i) beyond the reasonable control of the affected Party, (ii) by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and (iii) by the exercise of due diligence, such Party shall be unable to prevent or overcome.

8.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event ("Affected Party") shall promptly notify the other Party of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, the expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance, and if the initial notification was verbal, it should be promptly followed up with a written notification. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be reasonably mitigated. The Affected Party will use reasonable efforts to resume its performance as soon as possible.

## 9. Consequential Damages

NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY HERETO FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL, OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT, OR OTHERWISE) UNDER OR IN RESPECT TO THIS AGREEMENT OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM ANY PARTY'S SOLE, JOINT, OR CONCURRENT NEGLIGENCE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

#### 10. Indemnification

Each Party ("Indemnifying Party") shall protect, defend, indemnify, and hold harmless the other Party, its officers, employees, and agents (collectively the "Indemnified Party") against and from any and all liability, suits, loss, damage, claims, actions, costs, and expenses of any nature, including court costs and attorney's fees, even if such actions or claims are completely groundless, arising out of or resulting from its acts or omissions, except to the extent caused by the Party being indemnified. In no event shall either Party be liable to the other for loss of revenue, loss of anticipated profits, cost of replacement power, claims of customers, or for any special, incidental, or consequential damages.

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

#### 11. Choice of Law and Forum

This Agreement shall be governed by, and construed, interpreted and enforced in accordance with, the substantive law of the State of Utah, excluding any conflict of laws principles. With respect to any suit, action or proceedings relating to this Agreement (Proceedings), each Party irrevocably submits to the exclusive jurisdiction of the courts of the State of Utah and the United States District Court located in Salt Lake City, Utah and irrevocably waives any objection that it may have at any time to the laying of venue of any proceedings brought in

any such court, waives any claim that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such Party. Nothing in this Agreement precludes either Party from enforcing in any jurisdiction any judgment, order or award obtained in any such court.

#### 12. Jury Waiver

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE, OR TO REQUEST THE CONSOLIDATION OF, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

#### 13. Binding Effect

This Agreement shall be binding on and inure to the benefit of the Parties and their heirs, personal representatives, successors, and personal representatives, successors, and permitted assigns.

## 14. Waiver and Modification

No provision of this Agreement may be modified or waived except in writing. No failure by either Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof.

#### 15. Complete Agreement

This Agreement, including any attachment(s), constitutes the complete and entire expression of agreement between the Parties in connection with the subject matter hereof.

## 16. Points of Contact

Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly given when sent by facsimile, email or by registered or certified first class mail to the persons specified below:

To LEHI:

Joel Eves

LEHI

Power Director 801-768-4833 Office 801-768-4744 Fax 801-420-6284 Cell jeves@lehi-ut.gov

To PacifiCorp:

Rachel Matheson

PacifiCorp

Customer Accounts Manager, Transmission 801-220-2534 desk 801-220-4366 fax Rachel.Matheson@PacifiCorp.com

Either Party may, from time to time, by written notice to the other Party, change the designation or address for notice pursuant to this Agreement.

#### 17. **Counterparts**

This Agreement may be executed in one or more counterparts, whether electronically or otherwise, and each counterpart shall have the same force and effect as an original Agreement and as if all the Parties had signed the same document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date this Agreement has been signed by both Parties.

**LEHI CITY** 

By: Kert Wilson Name: Bert Wilson

Title: Mayor Date 4-8-14 **PACIFICORP** 

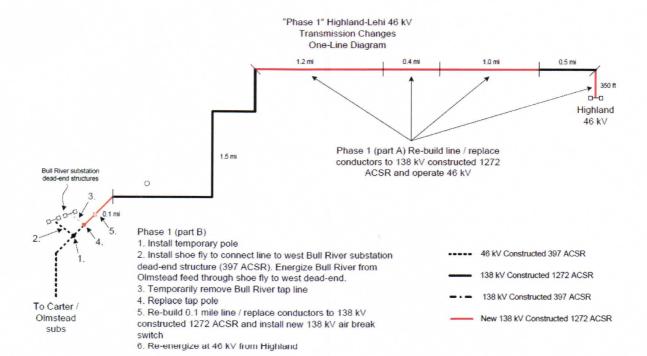
By: Rest Val

Name Rich Vail

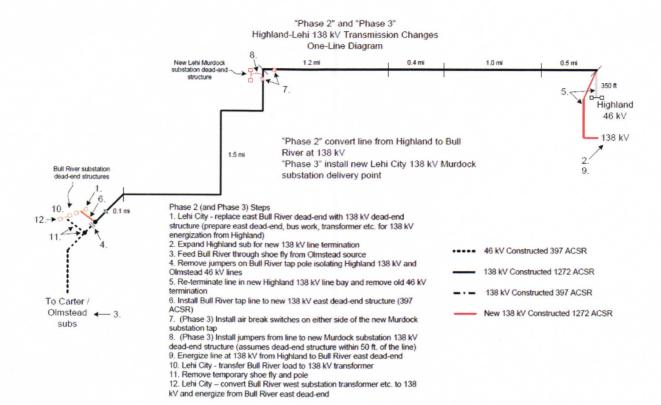
Title: Up Transmission

Date: 4/14/14

# EXHIBIT A Phase 1



# EXHIBIT B Phase 2 and Phase 3



## EXHIBIT C Milestones

March 2014 Execution of the Transmission Line Upgrade Construction Agreement

April, 2014 Engineering Design, Procurement of Major Materials, Permitting (6 months)

October, 2014 Bidding, Construction, Testing and Commissioning (7 months)

April, 2015 Project Completion

## Dependencies:

Phase 1 to be completed prior to June 2014

Phase 2 and Phase 3 to begin September 2014

Energize 138kV Highland-Bull River line prior to April 2014