

November 15, 2021

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

RE: *PacifiCorp*  
Project Construction Agreement with UAMPS, PacifiCorp Rate Schedule No. 761  
Docket No. ER22-\_\_\_\_-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)<sup>1</sup>, Part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,<sup>2</sup> and Order No. 714<sup>3</sup> regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Project Construction Agreement UAMPS / City of Lehi – Lehi North Substation: (“Construction Agreement”) between Utah Associated Municipal Power Systems (“UAMPS”) and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 761.

As discussed further below, PacifiCorp respectfully requests that the Commission accept this Construction Agreement effective January 15, 2022.

## **1. Background and Reason for Filing**

PacifiCorp is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah. UAMPS is a joint action agency that provides wholesale electric energy to community-owned member power system load in and around Utah County, Utah.

UAMPS has requested an additional point of delivery for Lehi City, a member city receiving electric services from UAMPS. UAMPS and PacifiCorp have agreed to perform the work required to complete the Project pursuant to the terms and conditions of the attached Construction Agreement. PacifiCorp respectfully requests that the Commission accept the Construction Agreement, attached hereto, for filing.

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<sup>1</sup> 16 U.S.C. § 824d (2018).

<sup>2</sup> 18 C.F.R. Part 35 (2021).

<sup>3</sup> *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008).

**2. Effective Date and Request for Waiver**

PacifiCorp requests an effective date of January 15, 2022, 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.

**3. Designation**

PacifiCorp requests that the Construction Agreement be designated as PacifiCorp Rate Schedule No. 761.

**4. Enclosure**

The following enclosure is attached hereto:

Construction Agreement between UAMPS and PacifiCorp, to be designated as PacifiCorp Rate Schedule No.761.

**5. Communications**

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

Karen Kruse  
Deputy General Counsel  
PacifiCorp  
825 N.E. Multnomah, Suite 2000  
Portland, OR 97232  
(503) 813-5863  
[Karen.Kruse@PacifiCorp.com](mailto:Karen.Kruse@PacifiCorp.com)

Rick Vail  
Vice President, Transmission  
PacifiCorp  
825 N.E. Multnomah, Suite 1600  
Portland, OR 97232  
(503) 813- 6938  
[Richard.Vail@PacifiCorp.com](mailto:Richard.Vail@PacifiCorp.com)

**6. Notice**

Pursuant to 18 C.F.R. § 35.2(e), a copy of this filing is being served on the following:

Rachel Stanford  
Utah Associated Municipal Association System  
155 North 400 West  
Suite 480  
Salt Lake City, UT 84103  
[Rachel@UAMPS.com](mailto:Rachel@UAMPS.com)

Utah Public Service Commission  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, UT 84114  
[psc@utah.gov](mailto:psc@utah.gov)

**7. Conclusion**

For the reasons described herein, PacifiCorp respectfully requests that the Commission issue an order at its earliest convenience within the 60-day filing window and that such order accept the attached Construction Agreement for filing with an effective date of January 15, 2022.

Respectfully Submitted,

/s/ Karen Kruse

Karen Kruse  
Deputy General Counsel  
PacifiCorp

**PROJECT CONSTRUCTION AGREEMENT  
UAMPS/CITY OF LEHI – LEHI NORTH SUBSTATION**

This Project Construction Agreement (“Agreement”) made and entered into this 22nd day of October, 2021, between Utah Associated Municipal Power Systems, a political subdivision of the State of Utah organized under the Utah Interlocal Co-Operation Act and existing under the laws of the State of Utah (“Customer”), and PacifiCorp, a corporation existing under the laws of the State of Oregon (“Company”), is for work to be performed by Company for Customer. Hereinafter, Customer and Company may be individually referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS:

- A. WHEREAS, Company is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah; and
- B. WHEREAS, Customer submitted a request to Company for an additional point of delivery for Lehi City, a member city receiving electric services from Customer (referred to as the “Project” and as further explained herein and in Exhibit B); and
- C. WHEREAS, Customer desires to enter into this Project Construction Agreement with Company for implementation of the Project based on the facilities study report dated August 6, 2021; and
- D. WHEREAS, the Parties have agreed to perform the work required to complete the Project.

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree to the following:

1. DEFINITIONS.

Capitalized terms shall have the meaning established in Company’s Open Access Transmission Tariff (“OATT”), except where expressly defined in this Agreement, including the below defined terms:

**Applicable Laws and Regulations** shall mean all duly promulgated applicable Federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any governmental authority.

**Applicable Reliability Standards** shall mean the requirements and guidelines of North American Electric Reliability Corporation (“NERC”), the Western Electricity Coordinating Council (“WECC”), and the balancing authority area of the transmission system to which the Customer is directly interconnected.

**Direct Assignment Facilities** shall mean facilities or portions of facilities that are constructed by Company for the sole use/benefit of the Customer requesting service. Direct Assignment Facilities shall be specified in this Agreement. The Customer will not recover the costs of Direct Assignment Facilities from Company.

**Good Utility Practice** shall mean any of the practices, methods, and acts 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 light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited 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.

**Governmental Authority** shall mean any Federal, state, local, or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Customer, Company, or any Affiliate thereof.

**Network Upgrades** shall mean additions, modifications, and upgrades to Company's transmission system required at or beyond the point at which the Customer's facilities connect with Company's transmission system.

2. **TERM & TERMINATION.** This Agreement shall be effective upon the later of the following: (1) the date of execution by both Parties, or (2) the effective date established by the Federal Energy Regulatory Commission ("FERC" or "Commission") upon acceptance for filing or approval of this Agreement (referred to herein as the "Effective Date"). Unless terminated earlier pursuant to the termination provisions of Section 4.3 or Section 12, this Agreement shall terminate ninety (90) calendar days after the earliest of the following to occur:

- a) Company's receipt of final payment of actual costs by Customer; or
- b) Company's refund of overpayment to Customer, pursuant to Section 4 of this Agreement; or
- c) Following Company's determination of actual costs after completion of construction, in the event that neither a final payment nor a refund is required pursuant to Section 4 of this Agreement.
- d) Notwithstanding the above, the termination of the Agreement is subject to acceptance by FERC and the effectiveness of such termination shall be subject to FERC's acceptance of the termination.

3. **SCOPE AND PERFORMANCE OF WORK:**

- a. **Project Description and Scope.** Company shall install two switches on the Camp Williams-Lone Peak 138 kilovolt ("138 kV") transmission line, install a new tap to Lehi

City's Northpoint substation and install a new 138 kV switch on the new tap line. A simplified one-line diagram illustrating the interconnection of the Project to Company's transmission system is depicted in the attached Exhibit A, One-Line Diagram.

b. **Company Responsibilities.** Company agrees to design, procure, and install the Project as depicted in the attached Exhibit B, Estimated Scope of Work.

c. **Customer Responsibilities.** Customer agrees to design, procure, and install the Project as depicted in the attached Exhibit B, Estimated Scope of Work.

d. **Performance Standards.** Each Party shall perform all its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice (as such terms are defined in this Agreement). To the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in breach of this Agreement for compliance therewith.

#### 4. OWNERSHIP/RESPONSIBILITY FOR COSTS:

4.1. Ownership. Each Party shall retain ownership and maintain equipment installed by the respective Party.

4.2. Estimated Costs. The Company's estimated cost for Company's Scope of Work for the Project is \$385,000, which are all Direct Assignment Facilities costs. There are no Network Upgrade costs for the Project. Direct Assignment Facilities costs are those costs associated with the installation of Direct Assignment Facilities, while Network Upgrade costs are those costs associated with the installation of Network Upgrades. Company shall notify Customer, in writing, within thirty (30) calendar days if, at any time during the course of the Project, Company expects the cost of performing the work identified under this Agreement to exceed \$385,000.

The estimated cost includes engineering, labor, materials, subcontracts, and applicable overheads. The cost estimate is based on the following assumptions:

- a) Cost estimate is based on calendar year 2021 dollars.
- b) If construction is delayed, the cost estimate will likely need to be adjusted.
- c) No exceptional site preparation will be needed.
- d) Project will be built during normal hours and will not require schedule compression or overtime.
- e) Rights of way shall be provided by Customer and no right of way costs are included in the cost estimate.

4.2.1. Direct Assignment Facilities Costs. In consideration of the work to be performed by Company, Customer agrees to pay the estimated Direct Assignment Facilities costs of \$385,000 within thirty (30) calendar days after the Effective Date. Customer shall reimburse Company for the actual cost to complete the work consistent with Section 4.4.

4.2.2. Network Upgrade Costs. There are no Network Upgrade costs for this Project. Company will commence work following filing of this Agreement and acceptance or approval by the Commission, and receipt of Direct Assignment Facilities costs and applicable Network Upgrade-related security from the Customer in accordance with the OATT.

4.3. Authorization of Additional Amounts for Project Costs. In the event that Company determines the Project costs may exceed \$385,000, Company shall notify Customer and request that Customer provide written approval authorizing such additional amounts for Project costs within thirty (30) days of such notice. Company's obligation to proceed with the Project associated with such additional amounts shall be contingent upon receipt of such approval, along with a prepayment in such additional amount. Customer shall be responsible for such estimated costs, as increased pursuant to such written authorization. If Customer does not authorize such additional amounts within such thirty (30) day period, this Agreement shall terminate after Company gives Customer written notice and an additional fifteen (15) days to cure. If Customer agrees to the cost increase, a modification to this Agreement will be prepared to indicate the additional funding amount.

4.4. Payment of Actual Costs. Customer shall reimburse Company for the actual cost to complete the work. Following completion of the Project, Company shall determine its actual costs for the Project identified in the Scope of Work. Company's actual costs shall include all direct costs plus applicable overheads. If the actual costs are more than the estimated costs, Company will forward a copy of the actual costs to Customer along with an invoice for the additional amount within one hundred twenty (120) calendar days after completion of construction. Customer will have thirty (30) calendar days after receiving any invoice to make payment in full. If the actual costs are less than the estimated costs, Company will forward a copy of the actual costs to Customer along with a refund to cover the overage.

Company shall keep accurate and complete accounting records in support of all cost billings and claims in accordance with generally accepted accounting principles. Upon request, Company shall provide accounting records to Customer following completion of Project.

## 5. TAXES:

5.1. Customer Payments Not Taxable. The Parties intend that all payments made by Customer to Company for the installation of the Project shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code ("IRC") and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the IRC and any applicable state income tax laws.

5.2. Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Company. Notwithstanding Section 5.1, Customer shall protect, indemnify, and hold harmless Company from the cost consequences of any current tax liability imposed against Company as the result of payments made by Customer to Company under this Agreement

for the Project, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Company.

Company shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Customer under this Agreement unless (i) Company has determined, in good faith, that the payments or property transfers made by Customer to Company should be reported as income subject to taxation or (ii) any governmental authority directs Company to report payments or property as income subject to taxation. Customer shall reimburse Company for such costs on a fully grossed-up basis, in accordance with Section 5.3, within thirty (30) calendar days of receiving written notification from Company of the amount due, including detail about how the amount was calculated.

5.3. Tax Gross-up Amount. Customer's liability for the cost consequences of any current tax liability under this Section 5 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the Parties, this means that Customer will pay Company, in addition to the amount paid for the Project, an amount equal to (1) the current taxes imposed on Company ("Current Taxes") on the excess of (a) the gross income realized by Company as a result of payments made by Customer to Company under this Agreement (without regard to any payments under this Article) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Company to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (1) Current Taxes shall be computed based on Company's composite Federal and state tax rates at the time the payments or property transfers are received and Company will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (2) the Present Value Depreciation Amount shall be computed by discounting Company's anticipated tax depreciation deductions as a result of such payments by Company's current weighted average cost of capital. Thus, the formula for calculating Customer's liability to Company pursuant to this Article can be expressed as follows:

***(Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation)) / (1- Current Tax Rate).***

5.4. Contests. In the event any governmental authority determines that Company's receipt of payments or property constitutes income that is subject to taxation, Company shall notify Customer, in writing, within thirty (30) calendar days of receiving notification of such determination by a governmental authority.

5.5. Refund. In the event that (a) a private letter ruling is issued to Company which holds that any amount paid by Customer to Company under the terms of this Agreement is not subject to Federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company



in good faith that any amount paid by Customer to Company under the terms of this Agreement is not taxable to Company, (c) any abatement, appeal, protest, or other contest results in a determination that any payments made by Customer to Company are not subject to Federal income tax, or (d) if Company receives a refund from any taxing authority for any overpayment of tax attributable to any payment by Customer to Company pursuant to this Agreement, Company shall promptly refund to Customer the following:

- (i) any payment made by Customer under this Section 5 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;
- (ii) interest on any amounts paid by Customer to Company for such taxes which Company did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Customer to the date Company refunds such payment to Customer; and
- (iii) with respect to any such taxes paid by Company, any refund or credit Company receives or to which it may be entitled from any governmental authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Company for such overpayment of taxes (including any reduction in interest otherwise payable by Company to any governmental authority resulting from an offset or credit); provided, however, that Company will remit such amount promptly to Customer only after and to the extent that Company has received a tax refund, credit, or offset from any governmental authority for any applicable overpayment of income tax related to Company's Project.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for the Project hereunder, in the same position they would have been in had no such tax payments been made.

6. PROJECT SCHEDULE. The Parties have agreed to the Estimated Schedule and Milestones attached as Exhibit C for the completion of the Project. All Project schedule milestones shall be best estimates of the time required to complete each Party's task at the time the schedule was developed.
7. STANDARD OF WORK. All work performed pursuant to this Agreement by either Party or their agents shall be performed in a good and workmanlike manner in accordance with Good Utility Practice and with any and all prudent and Applicable Reliability Standards.
8. CHANGES. The Parties may at any time, in writing, mutually agree to changes and/or additions within the general scope of this Agreement or any amendment hereto, direct the omission of or variation in work, or alter the schedule. If such direction results in a material change in the amount or character of the work, an equitable adjustment in estimated costs and other such provisions of this Agreement as may be affected shall be made and this Agreement shall be modified in writing accordingly.

No change shall be binding upon the Parties until a change order is executed by each Party which is in writing and expressly states that it constitutes a change order to this Agreement. The issuance of information, advice, approvals, or instructions verbally or by an exchange of e-mail or in any other manner short of a writing executed by both Parties shall not constitute an authorized change order pursuant to this provision.

9. INSPECTION. Customer may, at its discretion and expense, inspect Company's construction work of the Project in progress upon reasonable notice and with supervision by Company. Company may, at its discretion and Customer's expense, inspect Customer's construction work of the Project in progress upon reasonable notice and with supervision by Customer. Customer will provide testing results to Company as specified in the technical specifications.

10. TESTING. Before the new facilities required for the Project are energized, such new facilities shall be tested by Company to ensure their safe and reliable operation in accordance with Good Utility Practice, all applicable FERC, NERC and WECC criteria and requirements, and all applicable Federal, state, and local law, regulations, and requirements. If testing indicates that modifications are required, Customer shall bear the cost of all such modifications in accordance with Section 4 above, except to the extent that any such modifications are required as a result of Company's or its agents' or its subcontractors' negligence, willful misconduct, or failure to comply with Good Utility Practice.

11. ACCESS. Either Party shall grant the other Party reasonable escorted access to the Project consistent with such access rights as are established in prior agreements between the Parties, provided that each Party provides reasonable notice and complies with the other Party's safety and security rules.

12. RIGHT TO STOP WORK. Customer reserves the right, upon thirty (30) days advance written notice to Company, to require Company at any time to stop all work by Company pursuant to this Agreement, provided that such stop-work order is the result of suspension or termination of the Project. Issuance of any such stop-work order shall terminate this Agreement. Upon issuance of any such stop-work order, Customer shall pay to Company all Project costs that Company has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts and any cancellation costs for equipment that is already ordered for the Project. Customer shall pay for such costs within thirty (30) calendar days of receiving an invoice from the Company.

13. GOVERNING LAW. Enforcement or interpretation of this Agreement shall be in the state court of the State of Utah, and all parties hereby submit to the jurisdiction of said court for the stated purpose. Furthermore, this Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

14. NO PARTNERSHIP. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

15. ASSIGNMENT. Company may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest with respect to the Project; or (iii) corporation or any other business entity in conjunction with a merger, consolidation, or other business reorganization to which Company is a party. Affiliate of Company includes any entity in which Berkshire Hathaway, Inc. owns more than a 5% interest, over which Berkshire Hathaway exercises management control. Should such assignment take place, Company will provide written notice to Customer. Customer shall not assign its rights, nor delegate its obligations, under this agreement without the prior written consent of Company, which shall not be unreasonably withheld, and any attempted transfer in violation of the restriction shall be void.

16. PROVISIONAL REMEDIES. Either Party may seek provisional legal remedies, if in such Party's judgment such action is necessary to avoid irreparable damage or preserve the status quo.

17. ENTIRE CONTRACT. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and there are no oral or written understandings, representations, or commitments of any kind, express or implied, which are not expressly set forth herein.

18. NOTICES. Any correspondence regarding this work shall be directed to the appropriate party (or parties) as shown below:

Customer: Director of Transmission Operations & Contracts  
Utah Associated Municipal Power Systems  
155 North 400 West, Suite 480  
Salt Lake City, UT 84103

Company: Vice President, Transmission Services  
825 NE Multnomah St., Suite 1600  
Portland, OR 97232

19. PAYMENT. Payments shall be sent to:

US Mail Deliveries: Company Transmission  
P.O. Box 2757  
Portland, OR 97208

Other Deliveries: Company Transmission  
Attn: Central Cashiers  
825 NE Multnomah St., Suite 550  
Portland, OR 97232

20. INDEMNIFICATION. Customer shall indemnify and hold harmless the Company, including its officers, employees, contractors and agents (collectively, the "Indemnified Parties") from and against any and all actual or alleged liability, loss, damage, claims, actions, costs and

expenses of any nature, including court costs and attorneys' fees (individually, a "Liability" or collectively, "Liabilities"), arising in any way in connection with, or related to the Customer's or the Indemnified Parties' performance of work and other obligations under the Agreement, excluding any third-party claims directly attributable to the sole negligence of the Indemnified Parties. Customer's indemnification obligations set forth herein shall not be limited by workers compensation, disability, or employee benefit laws applicable to Customer or any Indemnified Party. At the request of an Indemnified Party, Customer shall defend any action, claim, or suit asserting a Liability that might be covered by this indemnity. If an Indemnified Party makes such election under the preceding sentence, (i) counsel for Customer who shall conduct the defense of such action, claim, or suit shall be reasonably satisfactory to the Indemnified Party; (ii) the Indemnified Party may participate in such defense; and (iii) the Customer may not settle any such action, claim, or suit without the consent of the Indemnified Party, such consent not to be unreasonably withheld or delayed. The Customer shall pay all costs and expenses that may be incurred by any Indemnified Party in enforcing this indemnity and defense agreement, including attorneys' fees actually paid by any Indemnified Party.

21. LIMITATION OF LIABILITY. Except as otherwise expressly provided in this Agreement, each Party's liability to the other Party for any loss, cost, claim, injury, damage, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as specifically authorized by this Agreement.

22. FORCE MAJEURE. A Party shall not be subject to any liability or damages for inability to meet its obligations under this Agreement to the extent that such failure shall be due to causes beyond the control of the Party, including, but not limited to the following: (a) the operation and effect of any new or modified rules, regulations, and orders promulgated by FERC, any applicable state public utility commission, any municipality, or any governmental agency of the United States, or subdivision thereof (so long as the claiming party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such government action); (b) restraining order, injunction, or similar decree of any court; (c) any Force Majeure event.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

The Party claiming Force Majeure shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible. Except for the obligation to pay amounts owed when due, time periods for performance obligations of either Party herein shall be extended for the period during which Force Majeure was in effect.

23. SUCCESSORS. This Agreement will be binding upon the Parties and will inure to the benefit of their respective successors.

24. SEVERABILITY. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

25. WAIVER OF JURY TRIAL. 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.

26. MULTIPLE COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

27. CONTRACTORS AND SUBCONTRACTORS. Nothing in this Agreement shall prevent Company or Customer from utilizing the services of any third party contractor or subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that Company and Customer shall require a third party contractor and subcontractor to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such third party contractor and subcontractor.

28. NO THIRD-PARTY BENEFICIARIES. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

29. SURVIVAL. All payment obligations and liabilities incurred before the termination or expiration of this Agreement, will survive its termination or expiration.

30. MODIFICATIONS OR AMENDMENTS. No modification or amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by an authorized representative of the Parties. All modifications or amendments to this Agreement, if originally filed at FERC, will be filed by Company as an amended and restated agreement.

31. RECITALS. The above stated recitals are incorporated into and made part of this Agreement by this reference to the same extent as if these recitals were set forth in full at this point.

32. WAIVER. Waiver of any right, privilege, claim, obligation, condition, or default shall be in writing and signed by the waiving Party. No waiver by a Party of any breach of this Agreement shall be a waiver of any preceding or succeeding breach, and no waiver by a Party of any right

under this Agreement shall be construed as a waiver of any other right.

33. DISPUTE RESOLUTION.

33.1. Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement, such Party shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party’s receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have at law.

33.2. Arbitration Procedures. Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

33.3. Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms, and conditions of service.

33.4. Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the

Parties.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective as of the day and year first herein above written.

COMPANY

CUSTOMER

/s/ Rick Vail  
Signature

/s/ Rachel Stanford  
Signature

Rick Vail  
Printed Name of Signor

Rachel Stanford  
Printed Name of Signor

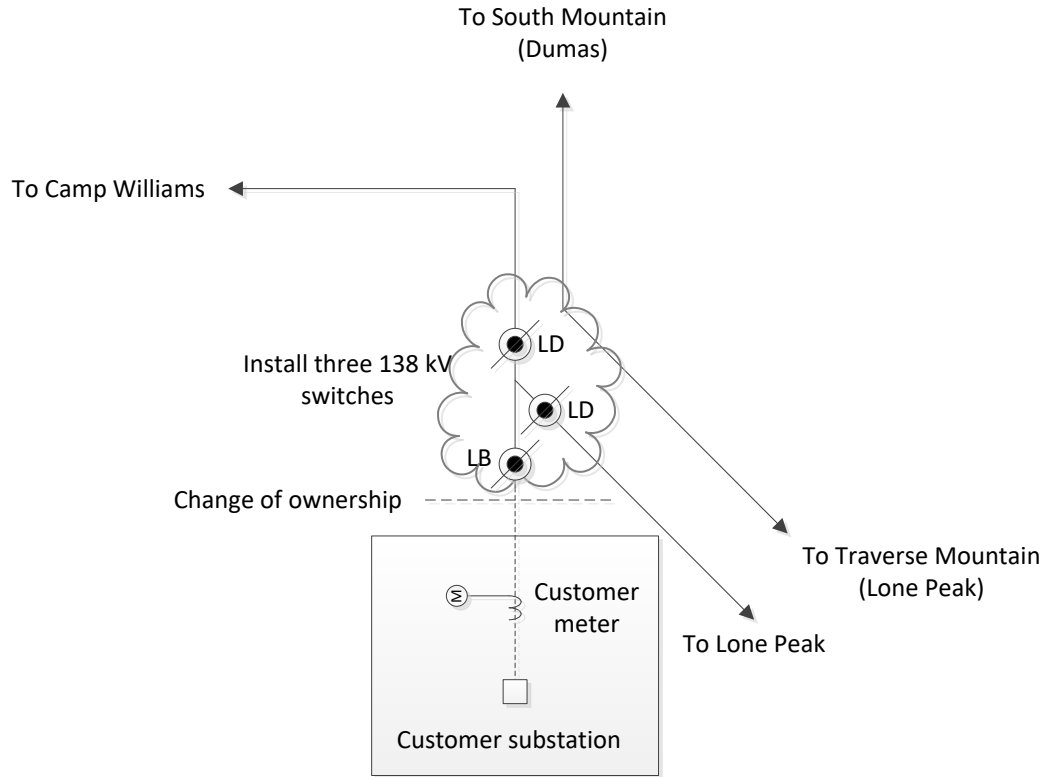
VP, Transmission  
Title of Signor

Director of Transmission Operations  
Title of Signor

10/22/2021  
Date

10/22/2021  
Date

# Exhibit A One-Line Diagram





## **Exhibit B**

### **Estimated Scope of Work**

Company shall install two switches on the Camp Williams-Lone Peak 138 kV transmission line, install a new tap to Lehi City's Northpoint substation and install a new 138 kV switch on the new tap line.

#### **Camp Williams-Lone Peak 138kV Transmission Line**

Company shall install two 138 kV switches on the Camp Williams-Lone Peak 138 kV transmission line. The Transmission Provider will also install a new tap to Lehi City's Northpoint substation and a new 138 kV switch on the tap line.

#### CAISO Notification

A network topography change will need to be made in the PacifiCorp system model to coordinate with the CAISO model of the system. CAISO deployments of model changes occur every three months and require the submission of the model changes to be submitted in a timely manner in accordance with CAISO's schedule for model changes. Company shall submit modeling data to the CAISO in accordance with the CAISO's schedule.

#### Northpoint Substation Interface

Company shall:

- Change line protection settings as required.
- Install structures, conductors and insulators from the Camp Williams – Lone Peak 138 kV line to the dead-end structure at Northpoint substation. The conductor will be 397.5 ACSR "Ibis".
- Coordinate line tensions with Customer's Northpoint substation engineer.

#### Surveys, Permitting and Right of Way

Company shall:

- Conduct pre-construction and post-construction ground surveys.
- Comply with permitting requirements, if any.
- Coordinate required outages.
- Perform satellite phasing at the new tap location at Northpoint substation.

Customer shall provide right-of-way for required access and construction that is acceptable to Company.

#### **Camp Williams Substation**

Company shall modify relay settings required due to new load tapped to the 138 kV line to Lone Peak substation.

### Protection and Control

Company shall:

- Coordinate with Customer on relay settings required due to new load tapped on 138kV line to Lone Peak substation.
- Conduct wide-area ground coordination study to determine possible impacts on approximately one to five additional substations.
- Verify the existing SEL-321 relay settings and modify as needed based on the new tapped load on the 138kV line to Lone Peak substation (CB 121).

### **Lone Peak Substation**

Company shall modify relay settings required due to new load tapped to the 138 kV line to Camp Williams substation.

### Protection and Control

Company shall:

- Coordinate with Customer on relay settings required due to new load tapped on 138kV line to Camp Williams substation.
- Conduct wide-area ground coordination study to determine possible impacts on approximately one to five additional substations.
- Verify the existing SEL-321 relay settings and modify as needed based on the new tapped load on the 138kV line to Camp Williams substation (CBs 116 and 117).

### **Customer Substation (Northpoint)**

Customer shall provide detailed description of Customer's Northpoint substation and equipment, including:

- Identify of all rigid bus and conductor ratings, including specification of the conductor size.
- Identify the number of sources required pursuant to the AC Station Service policy and the origin of the identified sources.
- Provide all metering required, including any metering interface to SCADA and communication from the Customer's meter to the Transmission Provider's meter data management system.
- Provide right-of-way for required access and construction that is acceptable to the Transmission Provider.

**Exhibit C**  
**Estimated Schedule and Milestones**

The estimated schedule and milestones are driven by the below timeframes which may be adjusted through the course of the Project. If there is a delay in any of the below activities, there will be, at a minimum, a day-for-day slip in the entire schedule. Any delays in the Project have the potential to affect the entire schedule.

<b>Milestones</b>	<b>Estimated Date</b>
Construction Agreement Executed	October 29, 2021
Construction Agreement Filed with FERC	November 12, 2021
Construction Agreement Effective (Accepted by FERC)	January 12, 2022
Private Easement Negotiation & Acquisition Complete	January 28, 2022
* Energy Imbalance Market Modeling Data Submitted	February 16, 2022
Engineering Detailed Design Complete	March 16, 2022
Procure Construction Services Complete	August 17, 2022
Construction Begins	August 18, 2022
Construction Complete	September 19, 2022
Testing Complete	October 27, 2022
Commercial Operation	October 27, 2022

\*Any design modifications to the Project after this date requiring updates to the Company's network model will result in a minimum of three months added to all future milestones including Commercial Operation.

**PROJECT CONSTRUCTION AGREEMENT  
UAMPS/CITY OF LEHI – LEHI NORTH SUBSTATION**

This Project Construction Agreement (“Agreement”) made and entered into this 22nd day of October, 2021, between Utah Associated Municipal Power Systems, a political subdivision of the State of Utah organized under the Utah Interlocal Co-Operation Act and existing under the laws of the State of Utah (“Customer”), and PacifiCorp, a corporation existing under the laws of the State of Oregon (“Company”), is for work to be performed by Company for Customer. Hereinafter, Customer and Company may be individually referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS:

- A. WHEREAS, Company is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah; and
- B. WHEREAS, Customer submitted a request to Company for an additional point of delivery for Lehi City, a member city receiving electric services from Customer (referred to as the “Project” and as further explained herein and in Exhibit B); and
- C. WHEREAS, Customer desires to enter into this Project Construction Agreement with Company for implementation of the Project based on the facilities study report dated August 6, 2021; and
- D. WHEREAS, the Parties have agreed to perform the work required to complete the Project.

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree to the following:

1. DEFINITIONS.

Capitalized terms shall have the meaning established in Company’s Open Access Transmission Tariff (“OATT”), except where expressly defined in this Agreement, including the below defined terms:

**Applicable Laws and Regulations** shall mean all duly promulgated applicable Federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any governmental authority.

**Applicable Reliability Standards** shall mean the requirements and guidelines of North American Electric Reliability Corporation (“NERC”), the Western Electricity Coordinating Council (“WECC”), and the balancing authority area of the transmission system to which the Customer is directly interconnected.

**Direct Assignment Facilities** shall mean facilities or portions of facilities that are constructed by Company for the sole use/benefit of the Customer requesting service. Direct Assignment Facilities shall be specified in this Agreement. The Customer will not recover the costs of Direct Assignment Facilities from Company.

**Good Utility Practice** shall mean any of the practices, methods, and acts 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 light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited 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.

**Governmental Authority** shall mean any Federal, state, local, or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Customer, Company, or any Affiliate thereof.

**Network Upgrades** shall mean additions, modifications, and upgrades to Company's transmission system required at or beyond the point at which the Customer's facilities connect with Company's transmission system.

2. **TERM & TERMINATION.** This Agreement shall be effective upon the later of the following: (1) the date of execution by both Parties, or (2) the effective date established by the Federal Energy Regulatory Commission ("FERC" or "Commission") upon acceptance for filing or approval of this Agreement (referred to herein as the "Effective Date"). Unless terminated earlier pursuant to the termination provisions of Section 4.3 or Section 12, this Agreement shall terminate ninety (90) calendar days after the earliest of the following to occur:

- a) Company's receipt of final payment of actual costs by Customer; or
- b) Company's refund of overpayment to Customer, pursuant to Section 4 of this Agreement; or
- c) Following Company's determination of actual costs after completion of construction, in the event that neither a final payment nor a refund is required pursuant to Section 4 of this Agreement.
- d) Notwithstanding the above, the termination of the Agreement is subject to acceptance by FERC and the effectiveness of such termination shall be subject to FERC's acceptance of the termination.

3. **SCOPE AND PERFORMANCE OF WORK:**

- a. **Project Description and Scope.** Company shall install two switches on the Camp Williams-Lone Peak 138 kilovolt ("138 kV") transmission line, install a new tap to Lehi

City's Northpoint substation and install a new 138 kV switch on the new tap line. A simplified one-line diagram illustrating the interconnection of the Project to Company's transmission system is depicted in the attached Exhibit A, One-Line Diagram.

b. **Company Responsibilities.** Company agrees to design, procure, and install the Project as depicted in the attached Exhibit B, Estimated Scope of Work.

c. **Customer Responsibilities.** Customer agrees to design, procure, and install the Project as depicted in the attached Exhibit B, Estimated Scope of Work.

d. **Performance Standards.** Each Party shall perform all its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice (as such terms are defined in this Agreement). To the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in breach of this Agreement for compliance therewith.

#### 4. OWNERSHIP/RESPONSIBILITY FOR COSTS:

4.1. Ownership. Each Party shall retain ownership and maintain equipment installed by the respective Party.

4.2. Estimated Costs. The Company's estimated cost for Company's Scope of Work for the Project is \$385,000, which are all Direct Assignment Facilities costs. There are no Network Upgrade costs for the Project. Direct Assignment Facilities costs are those costs associated with the installation of Direct Assignment Facilities, while Network Upgrade costs are those costs associated with the installation of Network Upgrades. Company shall notify Customer, in writing, within thirty (30) calendar days if, at any time during the course of the Project, Company expects the cost of performing the work identified under this Agreement to exceed \$385,000.

The estimated cost includes engineering, labor, materials, subcontracts, and applicable overheads. The cost estimate is based on the following assumptions:

- a) Cost estimate is based on calendar year 2021 dollars.
- b) If construction is delayed, the cost estimate will likely need to be adjusted.
- c) No exceptional site preparation will be needed.
- d) Project will be built during normal hours and will not require schedule compression or overtime.
- e) Rights of way shall be provided by Customer and no right of way costs are included in the cost estimate.

4.2.1. Direct Assignment Facilities Costs. In consideration of the work to be performed by Company, Customer agrees to pay the estimated Direct Assignment Facilities costs of \$385,000 within thirty (30) calendar days after the Effective Date. Customer shall reimburse Company for the actual cost to complete the work consistent with Section 4.4.

4.2.2. Network Upgrade Costs. There are no Network Upgrade costs for this Project. Company will commence work following filing of this Agreement and acceptance or approval by the Commission, and receipt of Direct Assignment Facilities costs and applicable Network Upgrade-related security from the Customer in accordance with the OATT.

4.3. Authorization of Additional Amounts for Project Costs. In the event that Company determines the Project costs may exceed \$385,000, Company shall notify Customer and request that Customer provide written approval authorizing such additional amounts for Project costs within thirty (30) days of such notice. Company's obligation to proceed with the Project associated with such additional amounts shall be contingent upon receipt of such approval, along with a prepayment in such additional amount. Customer shall be responsible for such estimated costs, as increased pursuant to such written authorization. If Customer does not authorize such additional amounts within such thirty (30) day period, this Agreement shall terminate after Company gives Customer written notice and an additional fifteen (15) days to cure. If Customer agrees to the cost increase, a modification to this Agreement will be prepared to indicate the additional funding amount.

4.4. Payment of Actual Costs. Customer shall reimburse Company for the actual cost to complete the work. Following completion of the Project, Company shall determine its actual costs for the Project identified in the Scope of Work. Company's actual costs shall include all direct costs plus applicable overheads. If the actual costs are more than the estimated costs, Company will forward a copy of the actual costs to Customer along with an invoice for the additional amount within one hundred twenty (120) calendar days after completion of construction. Customer will have thirty (30) calendar days after receiving any invoice to make payment in full. If the actual costs are less than the estimated costs, Company will forward a copy of the actual costs to Customer along with a refund to cover the overage.

Company shall keep accurate and complete accounting records in support of all cost billings and claims in accordance with generally accepted accounting principles. Upon request, Company shall provide accounting records to Customer following completion of Project.

## 5. TAXES:

5.1. Customer Payments Not Taxable. The Parties intend that all payments made by Customer to Company for the installation of the Project shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code ("IRC") and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the IRC and any applicable state income tax laws.

5.2. Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Company. Notwithstanding Section 5.1, Customer shall protect, indemnify, and hold harmless Company from the cost consequences of any current tax liability imposed against Company as the result of payments made by Customer to Company under this Agreement

for the Project, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Company.

Company shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Customer under this Agreement unless (i) Company has determined, in good faith, that the payments or property transfers made by Customer to Company should be reported as income subject to taxation or (ii) any governmental authority directs Company to report payments or property as income subject to taxation. Customer shall reimburse Company for such costs on a fully grossed-up basis, in accordance with Section 5.3, within thirty (30) calendar days of receiving written notification from Company of the amount due, including detail about how the amount was calculated.

5.3. Tax Gross-up Amount. Customer's liability for the cost consequences of any current tax liability under this Section 5 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the Parties, this means that Customer will pay Company, in addition to the amount paid for the Project, an amount equal to (1) the current taxes imposed on Company ("Current Taxes") on the excess of (a) the gross income realized by Company as a result of payments made by Customer to Company under this Agreement (without regard to any payments under this Article) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Company to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (1) Current Taxes shall be computed based on Company's composite Federal and state tax rates at the time the payments or property transfers are received and Company will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (2) the Present Value Depreciation Amount shall be computed by discounting Company's anticipated tax depreciation deductions as a result of such payments by Company's current weighted average cost of capital. Thus, the formula for calculating Customer's liability to Company pursuant to this Article can be expressed as follows:

***(Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation)) / (1- Current Tax Rate).***

5.4. Contests. In the event any governmental authority determines that Company's receipt of payments or property constitutes income that is subject to taxation, Company shall notify Customer, in writing, within thirty (30) calendar days of receiving notification of such determination by a governmental authority.

5.5. Refund. In the event that (a) a private letter ruling is issued to Company which holds that any amount paid by Customer to Company under the terms of this Agreement is not subject to Federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company



in good faith that any amount paid by Customer to Company under the terms of this Agreement is not taxable to Company, (c) any abatement, appeal, protest, or other contest results in a determination that any payments made by Customer to Company are not subject to Federal income tax, or (d) if Company receives a refund from any taxing authority for any overpayment of tax attributable to any payment by Customer to Company pursuant to this Agreement, Company shall promptly refund to Customer the following:

- (i) any payment made by Customer under this Section 5 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;
- (ii) interest on any amounts paid by Customer to Company for such taxes which Company did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Customer to the date Company refunds such payment to Customer; and
- (iii) with respect to any such taxes paid by Company, any refund or credit Company receives or to which it may be entitled from any governmental authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Company for such overpayment of taxes (including any reduction in interest otherwise payable by Company to any governmental authority resulting from an offset or credit); provided, however, that Company will remit such amount promptly to Customer only after and to the extent that Company has received a tax refund, credit, or offset from any governmental authority for any applicable overpayment of income tax related to Company's Project.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for the Project hereunder, in the same position they would have been in had no such tax payments been made.

6. PROJECT SCHEDULE. The Parties have agreed to the Estimated Schedule and Milestones attached as Exhibit C for the completion of the Project. All Project schedule milestones shall be best estimates of the time required to complete each Party's task at the time the schedule was developed.
7. STANDARD OF WORK. All work performed pursuant to this Agreement by either Party or their agents shall be performed in a good and workmanlike manner in accordance with Good Utility Practice and with any and all prudent and Applicable Reliability Standards.
8. CHANGES. The Parties may at any time, in writing, mutually agree to changes and/or additions within the general scope of this Agreement or any amendment hereto, direct the omission of or variation in work, or alter the schedule. If such direction results in a material change in the amount or character of the work, an equitable adjustment in estimated costs and other such provisions of this Agreement as may be affected shall be made and this Agreement shall be modified in writing accordingly.

No change shall be binding upon the Parties until a change order is executed by each Party which is in writing and expressly states that it constitutes a change order to this Agreement. The issuance of information, advice, approvals, or instructions verbally or by an exchange of e-mail or in any other manner short of a writing executed by both Parties shall not constitute an authorized change order pursuant to this provision.

9. INSPECTION. Customer may, at its discretion and expense, inspect Company's construction work of the Project in progress upon reasonable notice and with supervision by Company. Company may, at its discretion and Customer's expense, inspect Customer's construction work of the Project in progress upon reasonable notice and with supervision by Customer. Customer will provide testing results to Company as specified in the technical specifications.

10. TESTING. Before the new facilities required for the Project are energized, such new facilities shall be tested by Company to ensure their safe and reliable operation in accordance with Good Utility Practice, all applicable FERC, NERC and WECC criteria and requirements, and all applicable Federal, state, and local law, regulations, and requirements. If testing indicates that modifications are required, Customer shall bear the cost of all such modifications in accordance with Section 4 above, except to the extent that any such modifications are required as a result of Company's or its agents' or its subcontractors' negligence, willful misconduct, or failure to comply with Good Utility Practice.

11. ACCESS. Either Party shall grant the other Party reasonable escorted access to the Project consistent with such access rights as are established in prior agreements between the Parties, provided that each Party provides reasonable notice and complies with the other Party's safety and security rules.

12. RIGHT TO STOP WORK. Customer reserves the right, upon thirty (30) days advance written notice to Company, to require Company at any time to stop all work by Company pursuant to this Agreement, provided that such stop-work order is the result of suspension or termination of the Project. Issuance of any such stop-work order shall terminate this Agreement. Upon issuance of any such stop-work order, Customer shall pay to Company all Project costs that Company has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts and any cancellation costs for equipment that is already ordered for the Project. Customer shall pay for such costs within thirty (30) calendar days of receiving an invoice from the Company.

13. GOVERNING LAW. Enforcement or interpretation of this Agreement shall be in the state court of the State of Utah, and all parties hereby submit to the jurisdiction of said court for the stated purpose. Furthermore, this Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

14. NO PARTNERSHIP. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as

or be an agent or representative of, or to otherwise bind, the other Party.

15. ASSIGNMENT. Company may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest with respect to the Project; or (iii) corporation or any other business entity in conjunction with a merger, consolidation, or other business reorganization to which Company is a party. Affiliate of Company includes any entity in which Berkshire Hathaway, Inc. owns more than a 5% interest, over which Berkshire Hathaway exercises management control. Should such assignment take place, Company will provide written notice to Customer. Customer shall not assign its rights, nor delegate its obligations, under this agreement without the prior written consent of Company, which shall not be unreasonably withheld, and any attempted transfer in violation of the restriction shall be void.

16. PROVISIONAL REMEDIES. Either Party may seek provisional legal remedies, if in such Party's judgment such action is necessary to avoid irreparable damage or preserve the status quo.

17. ENTIRE CONTRACT. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and there are no oral or written understandings, representations, or commitments of any kind, express or implied, which are not expressly set forth herein.

18. NOTICES. Any correspondence regarding this work shall be directed to the appropriate party (or parties) as shown below:

Customer: Director of Transmission Operations & Contracts  
Utah Associated Municipal Power Systems  
155 North 400 West, Suite 480  
Salt Lake City, UT 84103

Company: Vice President, Transmission Services  
825 NE Multnomah St., Suite 1600  
Portland, OR 97232

19. PAYMENT. Payments shall be sent to:

US Mail Deliveries: Company Transmission  
P.O. Box 2757  
Portland, OR 97208

Other Deliveries: Company Transmission  
Attn: Central Cashiers  
825 NE Multnomah St., Suite 550  
Portland, OR 97232

20. INDEMNIFICATION. Customer shall indemnify and hold harmless the Company, including its officers, employees, contractors and agents (collectively, the "Indemnified Parties")

from and against any and all actual or alleged liability, loss, damage, claims, actions, costs and expenses of any nature, including court costs and attorneys' fees (individually, a "Liability" or collectively, "Liabilities"), arising in any way in connection with, or related to the Customer's or the Indemnified Parties' performance of work and other obligations under the Agreement, excluding any third-party claims directly attributable to the sole negligence of the Indemnified Parties. Customer's indemnification obligations set forth herein shall not be limited by workers compensation, disability, or employee benefit laws applicable to Customer or any Indemnified Party. At the request of an Indemnified Party, Customer shall defend any action, claim, or suit asserting a Liability that might be covered by this indemnity. If an Indemnified Party makes such election under the preceding sentence, (i) counsel for Customer who shall conduct the defense of such action, claim, or suit shall be reasonably satisfactory to the Indemnified Party; (ii) the Indemnified Party may participate in such defense; and (iii) the Customer may not settle any such action, claim, or suit without the consent of the Indemnified Party, such consent not to be unreasonably withheld or delayed. The Customer shall pay all costs and expenses that may be incurred by any Indemnified Party in enforcing this indemnity and defense agreement, including attorneys' fees actually paid by any Indemnified Party.

21. LIMITATION OF LIABILITY. Except as otherwise expressly provided in this Agreement, each Party's liability to the other Party for any loss, cost, claim, injury, damage, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as specifically authorized by this Agreement.

22. FORCE MAJEURE. A Party shall not be subject to any liability or damages for inability to meet its obligations under this Agreement to the extent that such failure shall be due to causes beyond the control of the Party, including, but not limited to the following: (a) the operation and effect of any new or modified rules, regulations, and orders promulgated by FERC, any applicable state public utility commission, any municipality, or any governmental agency of the United States, or subdivision thereof (so long as the claiming party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such government action); (b) restraining order, injunction, or similar decree of any court; (c) any Force Majeure event.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

The Party claiming Force Majeure shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible. Except for the obligation to pay amounts owed when due, time periods for performance obligations of either Party herein shall be extended for the period during which Force Majeure was in effect.

23. SUCCESSORS. This Agreement will be binding upon the Parties and will inure to the benefit of their respective successors.

24. SEVERABILITY. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

25. WAIVER OF JURY TRIAL. 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.

26. MULTIPLE COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

27. CONTRACTORS AND SUBCONTRACTORS. Nothing in this Agreement shall prevent Company or Customer from utilizing the services of any third party contractor or subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that Company and Customer shall require a third party contractor and subcontractor to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such third party contractor and subcontractor.

28. NO THIRD-PARTY BENEFICIARIES. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

29. SURVIVAL. All payment obligations and liabilities incurred before the termination or expiration of this Agreement, will survive its termination or expiration.

30. MODIFICATIONS OR AMENDMENTS. No modification or amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by an authorized representative of the Parties. All modifications or amendments to this Agreement, if originally filed at FERC, will be filed by Company as an amended and restated agreement.

31. RECITALS. The above stated recitals are incorporated into and made part of this Agreement by this reference to the same extent as if these recitals were set forth in full at this point.

32. WAIVER. Waiver of any right, privilege, claim, obligation, condition, or default shall be in writing and signed by the waiving Party. No waiver by a Party of any breach of this Agreement

shall be a waiver of any preceding or succeeding breach, and no waiver by a Party of any right under this Agreement shall be construed as a waiver of any other right.

33. DISPUTE RESOLUTION.

33.1. Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement, such Party shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party’s receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have at law.

33.2. Arbitration Procedures. Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

33.3. Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms, and conditions of service.

33.4. Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third

arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective as of the day and year first herein above written.

COMPANY

CUSTOMER

**Rick Vail**

Digitally signed by Rick Vail  
Date: 2021.10.22 16:11:28  
-07'00'

Signature

Rick Vail

Printed Name of Signor

VP, Transmission

Title of Signor

10/22/2021

Date

Signature

**Rachel  
Stanfo  
rd**

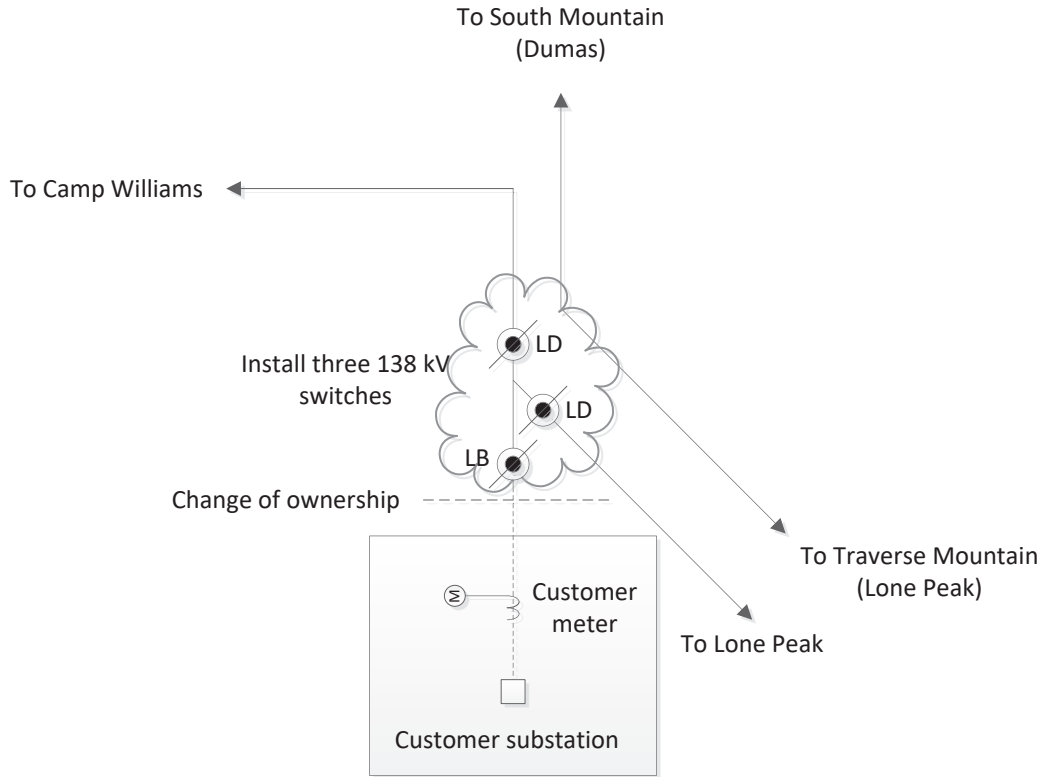
Printed Name of Signor

Title of Signor

Date

Digitally signed by Rachel  
Stanford  
DN: cn=Rachel Stanford  
gn=Rachel Stanford c=US  
United States l=US United  
States o=UAMPS  
ou=Director of Transmission  
Operations  
Reason: I agree to the terms  
defined by the placement of  
my signature in this  
document  
Location:  
Date: 2021-10-22  
12:38-06:00

# Exhibit A One-Line Diagram





## **Exhibit B**

### **Estimated Scope of Work**

Company shall install two switches on the Camp Williams-Lone Peak 138 kV transmission line, install a new tap to Lehi City's Northpoint substation and install a new 138 kV switch on the new tap line.

#### **Camp Williams-Lone Peak 138kV Transmission Line**

Company shall install two 138 kV switches on the Camp Williams-Lone Peak 138 kV transmission line. The Transmission Provider will also install a new tap to Lehi City's Northpoint substation and a new 138 kV switch on the tap line.

#### CAISO Notification

A network topography change will need to be made in the PacifiCorp system model to coordinate with the CAISO model of the system. CAISO deployments of model changes occur every three months and require the submission of the model changes to be submitted in a timely manner in accordance with CAISO's schedule for model changes. Company shall submit modeling data to the CAISO in accordance with the CAISO's schedule.

#### Northpoint Substation Interface

Company shall:

- Change line protection settings as required.
- Install structures, conductors and insulators from the Camp Williams – Lone Peak 138 kV line to the dead-end structure at Northpoint substation. The conductor will be 397.5 ACSR "Ibis".
- Coordinate line tensions with Customer's Northpoint substation engineer.

#### Surveys, Permitting and Right of Way

Company shall:

- Conduct pre-construction and post-construction ground surveys.
- Comply with permitting requirements, if any.
- Coordinate required outages.
- Perform satellite phasing at the new tap location at Northpoint substation.

Customer shall provide right-of-way for required access and construction that is acceptable to Company.

#### **Camp Williams Substation**

Company shall modify relay settings required due to new load tapped to the 138 kV line to Lone Peak substation.

### Protection and Control

Company shall:

- Coordinate with Customer on relay settings required due to new load tapped on 138kV line to Lone Peak substation.
- Conduct wide-area ground coordination study to determine possible impacts on approximately one to five additional substations.
- Verify the existing SEL-321 relay settings and modify as needed based on the new tapped load on the 138kV line to Lone Peak substation (CB 121).

### **Lone Peak Substation**

Company shall modify relay settings required due to new load tapped to the 138 kV line to Camp Williams substation.

### Protection and Control

Company shall:

- Coordinate with Customer on relay settings required due to new load tapped on 138kV line to Camp Williams substation.
- Conduct wide-area ground coordination study to determine possible impacts on approximately one to five additional substations.
- Verify the existing SEL-321 relay settings and modify as needed based on the new tapped load on the 138kV line to Camp Williams substation (CBs 116 and 117).

### **Customer Substation (Northpoint)**

Customer shall provide detailed description of Customer's Northpoint substation and equipment, including:

- Identify of all rigid bus and conductor ratings, including specification of the conductor size.
- Identify the number of sources required pursuant to the AC Station Service policy and the origin of the identified sources.
- Provide all metering required, including any metering interface to SCADA and communication from the Customer's meter to the Transmission Provider's meter data management system.
- Provide right-of-way for required access and construction that is acceptable to the Transmission Provider.

**Exhibit C**  
**Estimated Schedule and Milestones**

The estimated schedule and milestones are driven by the below timeframes which may be adjusted through the course of the Project. If there is a delay in any of the below activities, there will be, at a minimum, a day-for-day slip in the entire schedule. Any delays in the Project have the potential to affect the entire schedule.

<b>Milestones</b>	<b>Estimated Date</b>
Construction Agreement Executed	October 29, 2021
Construction Agreement Filed with FERC	November 12, 2021
Construction Agreement Effective (Accepted by FERC)	January 12, 2022
Private Easement Negotiation & Acquisition Complete	January 28, 2022
* Energy Imbalance Market Modeling Data Submitted	February 16, 2022
Engineering Detailed Design Complete	March 16, 2022
Procure Construction Services Complete	August 17, 2022
Construction Begins	August 18, 2022
Construction Complete	September 19, 2022
Testing Complete	October 27, 2022
Commercial Operation	October 27, 2022

\*Any design modifications to the Project after this date requiring updates to the Company's network model will result in a minimum of three months added to all future milestones including Commercial Operation.