

March 10, 2022

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

RE: *PacifiCorp*
Docket No. ER22-_____-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹, Part 35 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,² and Order No. 714³ regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Project Construction Agreement Project Title: Utah Associated Municipal Power Systems / St. George POTT Scheme: (“Construction Agreement”) Utah Associated Municipal Power Systems and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 765.

As discussed further below, PacifiCorp respectfully requests that the Commission accept this Construction Agreement effective May 10, 2022.

1. Background and Reason for Filing

Utah Associated Municipal Power Systems (“UAMPS”) on behalf of its member, St. George City, submitted a request to PacifiCorp for installation of a Permissive Overreaching Transfer Trip (“POTT”) scheme at St. George Substation. PacifiCorp and UAMPS are parties to the Fifth Amended and Restated Transmission Service and Operating Agreement dated August 25, 2020, and designated as PacifiCorp Rate Schedule No. 297, pursuant to which PacifiCorp provides UAMPS use of PacifiCorp’s transmission system for service to UAMPS members.

On March 2, 2022 UAMPS and PacifiCorp entered into the Construction Agreement. The Construction Agreement sets forth the design, procurement, and installation work to be performed by PacifiCorp to support the request. Accordingly, PacifiCorp respectfully requests that the Commission accept the Construction Agreement, attached hereto, for filing.

2. Effective Date and Request for Waiver

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

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

PacifiCorp requests an effective date of May 10, 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. 765.

4. Enclosure

The following enclosure is attached hereto:

Construction Agreement between UAMPS and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 765.

5. Communications

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

Matthew P. Loftus
Assistant General Counsel
PacifiCorp
825 N.E. Multnomah, Suite 1600
Portland, OR 97232
(512) 771-7434
Matthew.Loftus@PacifiCorp.com

Rick Vail
Vice President, Transmission
PacifiCorp
825 N.E. Multnomah, Suite 1600
Portland, OR 97232
(503) 813- 6938
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

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114
psc@utah.gov

7. Conclusion

For the reasons described herein, PacifiCorp respectfully requests that the Commission issue an order accepting the attached Construction Agreement for filing with an effective date of May 10, 2022.

Respectfully Submitted,

/s/ Matthew P. Loftus

Matthew P. Loftus
Counsel for PacifiCorp

PROJECT CONSTRUCTION AGREEMENT
PROJECT TITLE: UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS / ST.
GEORGE POTT SCHEME

This Project Construction Agreement (“Agreement”) made and entered into this 2nd day of March, 2022, between Utah Associated Municipal Power Systems (“Customer”), and PacifiCorp (“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 is 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; and
- C. WHEREAS, Customer on behalf of its member, St. George City, submitted a request to Company for installation of a Permissive Overreaching Transfer Trip (“POTT”) scheme at St. George Substation (referred to as the “Project” and as further explained herein and in Exhibit A); and
- D. WHEREAS, Customer and Company are parties to the Fifth Amended and Restated Transmission Service and Operating Agreement dated August 25, 2020, and designated as PacifiCorp Rate Schedule No. 297, pursuant to which Company provides Customer use of Company’s transmission system for service to Customer’s members; and
- E. 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. CERTAIN DEFINITIONS.

“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 the North American Electric Reliability Corporation (“NERC”), the Western Electricity Coordinating Council (“WECC”), and the Balancing Authority Area of the Transmission System to which 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 Customer. Direct Assignment Facilities refers to those facilities from the Customer’s facilities up to (but not including) the point of interconnection with the Company’s Transmission System. Direct Assignment Facilities shall be specified in this Agreement. The Customer will not recover the costs of Direct Assignment Facilities.

“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 of their respective Affiliates.

“Network Upgrades” shall mean additions, modifications and upgrades to Company's Transmission System required at or beyond the point at which Customer’s facilities connect with Company’s Transmission System.

2. TERM & TERMINATION.

2.1. Term. This Agreement shall become effective upon the later of the following: (a) the date of execution by both Parties, or (b) the effective date established by the Federal Energy Regulatory Commission (“FERC”) upon acceptance of this Agreement for filing or the approval by the FERC of this Agreement (such later date being the “Effective Date”), and shall remain in effect until the earlier of (x) the completion of the Work or (y) the earlier termination of this Agreement in accordance with Section 2.2 (the “Term”).

2.2. Termination. This Agreement may be terminated:

(i) by Company, in accordance with Section 4.5 (Revised Cost Estimate; Revised Customer Security; Termination); or

(ii) by Customer, in accordance with Section 12 (Right to Stop Work).

Notwithstanding clauses (i) and (ii) above, any termination of this Agreement (and the effectiveness thereof) shall be subject to acceptance by the FERC.

3. SCOPE AND PERFORMANCE OF WORK:

- a. **Project Description and Scope.** Installation of a POTT scheme at St. George Substation, as more fully described in the attached Exhibit A.
- b. **Company Responsibilities.** Company agrees to design, procure, and install the Project as depicted in the attached Exhibit A, Estimated Scope of Work.
- c. **Customer Responsibilities.** Customer agrees to design, procure, and install the Project as depicted in the attached Exhibit A, 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 \$15,970, for Direct Assignment Facilities costs (the "Direct Assignment Facilities Costs"). There are no Network Upgrade costs. 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 Direct Assignment Facilities Costs to exceed \$15,970.

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 2022 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) No new permitting, property, rights of way or easements will be required.

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 \$15,970 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. Company will commence work following filing of this Agreement and acceptance or approval by the Commission and receipt of payment of the estimated Direct Assignment Facilities Costs from the Customer.

4.3. Authorization of Additional Amounts for Project Costs.

In the event that Company determines the Project Costs may exceed \$15,970. 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. Customer shall be responsible for such estimated costs, as increased pursuant to such written authorization. Company's obligation to proceed with the Project associated with such additional amounts shall be contingent upon receipt of such written approval, along with a payment of such additional estimated amount. 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 for the Project are more than the estimated costs, Company will, within one hundred twenty (120) calendar days following completion of work, deliver to Customer a written statement of the actual costs, together with an invoice in an amount equal to the additional amount. 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 or property transfers made by Customer to Company for the installation of the Project shall be non-taxable, either as contributions to capital, or as a refundable 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 or property transfers 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 or property transfers made by Customer to Company under this Agreement (without regard to any payments under this Section 5) (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 or property transfers (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 or property transfers by Company's current weighted average cost of capital. Thus, the formula for calculating Customer's liability to Company pursuant to this Section 5 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) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company

in good faith that any amount paid or the value of any property transferred 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 or property transfer 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. As of the date of this Agreement, the Parties have agreed to the Estimated Schedule and Milestones attached as Exhibit B 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. Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards and Good Utility Practice. To the extent a Party is required to take, or is prevented from or limited in taking, any action by any of the foregoing, such Party shall not be deemed to be in breach of this Agreement for compliance therewith.

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.

All revisions to this Agreement, if originally filed at FERC, will be filed by Company as an amended and restated agreement.

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

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, Applicable Laws and Regulations, and Applicable Reliability Standards. If testing indicates that modifications are required, Customer shall bear the cost of all such modifications in accordance with Section 4.3 above, and Company may deliver a revised Direct Assignment Facilities Costs in accordance with Section 4.3.

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.

12.1. Right to Stop Work; Termination. During the Term, Customer reserves the right, upon thirty (30) days' advance written notice to Company, to require Company to stop all Work on the Project (a "Stop-Work Notice"). If Customer delivers a Stop-Work Notice to Company, this Agreement shall, without further action by either Party (but subject to acceptance by the FERC pursuant to Section 2.2), automatically terminate as of the date of the Stop-Work Notice and Customer shall be liable to Company for the Stop-Work Project Costs or the Enhanced Stop-Work Project Costs (as each such term is defined below).

12.2. Stop-Work Project Costs; Enhanced Stop-Work Project Costs. Upon Company's receipt of a Stop-Work Notice, Company shall determine, in its sole and reasonable discretion, if the Work can be promptly stopped without adversely affecting the safety and reliability of Company's Transmission System.

12.2.1. If Company determines that the Work can be promptly stopped without adversely affecting the safety and reliability of Company's Transmission System: (a) Company shall promptly stop all Work, and (b) Customer shall pay to Company an amount equal to the sum of (x) the costs incurred by Company with respect to the Work as of the date of the Stop-Work Notice, plus (y) interest on the costs described in clause (x) above, as calculated in accordance with the methodology set forth in the FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii), in each case, as determined by Company and invoiced to Customer (collectively, the "Stop-Work Project Costs"). Customer shall pay, by wire transfer of immediately available funds to an account specified by Company, such Stop-Work Project Costs within thirty (30) calendar days after receipt of such invoice from Company. If Customer fails to pay the Stop-Work Project Costs within such thirty (30) calendar day period, Company shall be entitled to pursue all rights and remedies available to it at law or in equity.

12.2.2. If Company determines that the Work cannot be promptly stopped without adversely affecting the safety and reliability of Company's Transmission System: (a) Company shall, as soon as reasonably practical and in accordance with Applicable Laws and Regulations, Applicable Reliability Standards and Good Utility Practice, stop all Work, and (b) Customer shall pay to Company an amount equal to the sum of (x) the costs incurred by Company with respect to the Work as of the date of the Stop-Work Notice, plus (y) the costs incurred by Company after the date of the Stop-Work Notice with respect to all system improvements or upgrades, including Network Upgrades, that Company determines are reasonably necessary to maintain the safety and reliability of Company's Transmission System, plus (z) interest on the costs described in clauses (x) and (y) above, as calculated in accordance with the methodology set forth in the FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii), in each case, as determined by Company and invoiced to Customer (collectively, the "Enhanced Stop-Work Project Costs"). Customer shall pay, by wire transfer of immediately available funds to an account specified by Company, such Enhanced Stop-Work Project Costs within thirty (30) calendar days after receipt of such invoice from Company. If Customer fails to pay the Enhanced Stop-Work Project Costs within such thirty (30) calendar day period, Company shall be entitled to pursue all rights and remedies available to it at law or in equity.

13. GOVERNING LAW. Enforcement or interpretation of this Agreement shall be in the state courts of the State of Utah, and all Parties hereby submit to the jurisdiction of said courts 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 assignment, delegation or other 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 Agreement 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. Except as otherwise provided in this Agreement, all 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 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 “Loss” and collectively, “Losses”), arising in any way in connection with, or related to Customer’s or the Indemnified Parties’ performance of Work and other obligations under this 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 Loss that might be covered by this indemnity. If an Indemnified Party makes such election under the preceding sentence, (a) counsel for Customer who shall conduct the defense of such action, claim, or suit shall be reasonably satisfactory to the Indemnified Party; (b) the Indemnified Party may participate in such defense; and (c) 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. 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 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.

22.1. 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 Governmental Authority (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 governmental action); (b) restraining order, injunction, or similar decree of any court; and (c) any Force Majeure event.

22.2. 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.

- 22.3. 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, (a) such portion or provision shall be deemed separate and independent, (b) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (c) 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 (if applicable) 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 (if applicable) shall require any 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 (a "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 or in equity.

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 in writing, 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 (absent manifest error), 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: (a) 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 (b) 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/ Brian Fritz
Signature

/s/ Rachel Stanford
Signature

Brian Fritz
Printed Name of Signor

Rachel Stanford
Printed Name of Signor

Director, Transmission Services
Title of Signor

Director of Transmission Operations
Title of Signor

3/2/2022
Date

2/24/2022
Date

Exhibit A

Estimated Scope of Work

Protection and Control

The following outlines the design, procurement, construction, installation, and ownership of any protection and control modifications that need to be made to facilitate the project at St. George Substation.

Company Responsibilities

- Convert the 138 kV River Line to a digital POTT.
- On the River Line panels, move the existing data port connection from Port 2 on the SEL-321 relays to Port 3.
- Use/add fiber optic transceivers to Port 2 to provide Mirrored Bits Communications.
- Review the existing relay settings and revise as necessary to provide standard POTT protection.
- Coordinate settings changes with Customer and St. George City.
- Procure two SEL-2829 protocol converters for RS-232.
- During design, review need for integration software/firmware additions or upgrades.

Customer Responsibilities

Coordinate settings changes with Company.

Communications

The following outlines the design, procurement, construction, installation, and ownership of any communications modifications that need to be made to facilitate the project at St. George Substation.

Company Responsibilities

- Provide the electronic communications required to support the digital POTT of the 138 kV St. George – River Line via direct fiber (“DFI”) which is owned by St. George City.
- Install two duplex, single mode fiber jumpers from St. George City’s fiber patch panel associated with the 138 kV River Line to Port 2 on each of the SEL-321 relays (A and B) with associated fiber optic transceivers, SEL-2829M.
- Install interface with St. George City.

Customer Responsibilities

Coordinate with Company on required communications modifications.

Exhibit B
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.

Milestone	Estimated Date
Construction Agreement Executed	March 1, 2022
Construction Agreement Filed with FERC	March 10, 2022
Construction Agreement Effective	May 9, 2022
Engineering Detailed Design Complete	July 1, 2022
Procure Construction Services Complete	September 1, 2022
Construction Begins	September 1, 2022
Construction Complete	November 1, 2022
Testing Complete	December 1, 2022
Commercial Operation	December 1, 2022

PROJECT CONSTRUCTION AGREEMENT
PROJECT TITLE: UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS / ST.
GEORGE POTT SCHEME

This Project Construction Agreement (“Agreement”) made and entered into this 2nd day of March, 2022, between Utah Associated Municipal Power Systems (“Customer”), and PacifiCorp (“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 is 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; and
- C. WHEREAS, Customer on behalf of its member, St. George City, submitted a request to Company for installation of a Permissive Overreaching Transfer Trip (“POTT”) scheme at St. George Substation (referred to as the “Project” and as further explained herein and in Exhibit A); and
- D. WHEREAS, Customer and Company are parties to the Fifth Amended and Restated Transmission Service and Operating Agreement dated August 25, 2020, and designated as PacifiCorp Rate Schedule No. 297, pursuant to which Company provides Customer use of Company’s transmission system for service to Customer’s members; and
- E. 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. CERTAIN DEFINITIONS.

“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 the North American Electric Reliability Corporation (“NERC”), the Western Electricity

Coordinating Council (“WECC”), and the Balancing Authority Area of the Transmission System to which 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 Customer. Direct Assignment Facilities refers to those facilities from the Customer’s facilities up to (but not including) the point of interconnection with the Company’s Transmission System. Direct Assignment Facilities shall be specified in this Agreement. The Customer will not recover the costs of Direct Assignment Facilities.

“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 of their respective Affiliates.

“Network Upgrades” shall mean additions, modifications and upgrades to Company's Transmission System required at or beyond the point at which Customer’s facilities connect with Company’s Transmission System.

2. TERM & TERMINATION.

2.1. Term. This Agreement shall become effective upon the later of the following: (a) the date of execution by both Parties, or (b) the effective date established by the Federal Energy Regulatory Commission (“FERC”) upon acceptance of this Agreement for filing or the approval by the FERC of this Agreement (such later date being the “Effective Date”), and shall remain in effect until the earlier of (x) the completion of the Work or (y) the earlier termination of this Agreement in accordance with Section 2.2 (the “Term”).

2.2. Termination. This Agreement may be terminated:

(i) by Company, in accordance with Section 4.5 (Revised Cost Estimate; Revised Customer Security; Termination); or

(ii) by Customer, in accordance with Section 12 (Right to Stop Work).

Notwithstanding clauses (i) and (ii) above, any termination of this Agreement (and the effectiveness thereof) shall be subject to acceptance by the FERC.

3. SCOPE AND PERFORMANCE OF WORK:

a. **Project Description and Scope.** Installation of a POTT scheme at St. George Substation, as more fully described in the attached Exhibit A.

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

c. **Customer Responsibilities.** Customer agrees to design, procure, and install the Project as depicted in the attached Exhibit A, 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 \$15,970, for Direct Assignment Facilities costs (the "Direct Assignment Facilities Costs"). There are no Network Upgrade costs. 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 Direct Assignment Facilities Costs to exceed \$15,970.

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 2022 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) No new permitting, property, rights of way or easements will be required.

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 \$15,970 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. Company will commence work following filing of this Agreement and acceptance or approval by the Commission and receipt of payment of the estimated Direct Assignment Facilities Costs from the Customer.

4.3. Authorization of Additional Amounts for Project Costs.

In the event that Company determines the Project Costs may exceed \$15,970. 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. Customer shall be responsible for such estimated costs, as increased pursuant to such written authorization. Company's obligation to proceed with the Project associated with such additional amounts shall be contingent upon receipt of such written approval, along with a payment of such additional estimated amount. 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 for the Project are more than the estimated costs, Company will, within one hundred twenty (120) calendar days following completion of work, deliver to Customer a written statement of the actual costs, together with an invoice in an amount equal to the additional amount. 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 or property transfers made by Customer to Company for the installation of the Project shall be non-taxable, either as contributions to capital, or as a refundable 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 or property transfers 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 or property transfers made by Customer to Company under this Agreement (without regard to any payments under this Section 5) (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 or property transfers (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 or property transfers by Company's current weighted average cost of capital. Thus, the formula for calculating Customer's liability to Company pursuant to this Section 5 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) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company in good faith that any amount paid or the value of any property transferred 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 or property transfer 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. As of the date of this Agreement, the Parties have agreed to the Estimated Schedule and Milestones attached as Exhibit B 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. Each Party shall perform all of its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards

and Good Utility Practice. To the extent a Party is required to take, or is prevented from or limited in taking, any action by any of the foregoing, such Party shall not be deemed to be in breach of this Agreement for compliance therewith.

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.

All revisions to this Agreement, if originally filed at FERC, will be filed by Company as an amended and restated agreement.

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

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, Applicable Laws and Regulations, and Applicable Reliability Standards. If testing indicates that modifications are required, Customer shall bear the cost of all such modifications in accordance with Section 4.3 above, and Company may deliver a revised Direct Assignment Facilities Costs in accordance with Section 4.3.

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.

12.1. Right to Stop Work; Termination. During the Term, Customer reserves the right, upon thirty (30) days' advance written notice to Company, to require Company to stop all Work on the Project (a "Stop-Work Notice"). If Customer delivers a Stop-Work Notice to Company, this Agreement shall, without further action by either Party (but subject to acceptance by the FERC pursuant to Section 2.2), automatically

terminate as of the date of the Stop-Work Notice and Customer shall be liable to Company for the Stop-Work Project Costs or the Enhanced Stop-Work Project Costs (as each such term is defined below).

12.2. Stop-Work Project Costs; Enhanced Stop-Work Project Costs. Upon Company's receipt of a Stop-Work Notice, Company shall determine, in its sole and reasonable discretion, if the Work can be promptly stopped without adversely affecting the safety and reliability of Company's Transmission System.

12.2.1. If Company determines that the Work can be promptly stopped without adversely affecting the safety and reliability of Company's Transmission System: (a) Company shall promptly stop all Work, and (b) Customer shall pay to Company an amount equal to the sum of (x) the costs incurred by Company with respect to the Work as of the date of the Stop-Work Notice, plus (y) interest on the costs described in clause (x) above, as calculated in accordance with the methodology set forth in the FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii), in each case, as determined by Company and invoiced to Customer (collectively, the "Stop-Work Project Costs"). Customer shall pay, by wire transfer of immediately available funds to an account specified by Company, such Stop-Work Project Costs within thirty (30) calendar days after receipt of such invoice from Company. If Customer fails to pay the Stop-Work Project Costs within such thirty (30) calendar day period, Company shall be entitled to pursue all rights and remedies available to it at law or in equity.

12.2.2. If Company determines that the Work cannot be promptly stopped without adversely affecting the safety and reliability of Company's Transmission System: (a) Company shall, as soon as reasonably practical and in accordance with Applicable Laws and Regulations, Applicable Reliability Standards and Good Utility Practice, stop all Work, and (b) Customer shall pay to Company an amount equal to the sum of (x) the costs incurred by Company with respect to the Work as of the date of the Stop-Work Notice, plus (y) the costs incurred by Company after the date of the Stop-Work Notice with respect to all system improvements or upgrades, including Network Upgrades, that Company determines are reasonably necessary to maintain the safety and reliability of Company's Transmission System, plus (z) interest on the costs described in clauses (x) and (y) above, as calculated in accordance with the methodology set forth in the FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii), in each case, as determined by Company and invoiced to Customer (collectively, the "Enhanced Stop-Work Project Costs"). Customer shall pay, by wire transfer of immediately available funds to an account specified by Company, such Enhanced Stop-Work Project Costs within thirty (30) calendar days after receipt of such invoice from Company. If Customer fails to pay the Enhanced Stop-Work Project Costs within such thirty (30) calendar day period, Company shall be entitled to pursue all rights and remedies available to it at law or in equity.

13. GOVERNING LAW. Enforcement or interpretation of this Agreement shall be in the state courts of the State of Utah, and all Parties hereby submit to the jurisdiction of said courts 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 assignment, delegation or other 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 Agreement 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. Except as otherwise provided in this Agreement, all 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 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 “Loss” and collectively, “Losses”), arising in any way in connection with, or related to Customer’s or the Indemnified Parties’ performance of Work and other obligations under this 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 Loss that might be covered by this indemnity. If an Indemnified Party makes such election under the preceding sentence, (a) counsel for Customer who shall conduct the defense of such action, claim, or suit shall be reasonably satisfactory to the Indemnified Party; (b) the Indemnified Party may participate in such defense; and (c) 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. 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 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.

22.1. 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 Governmental Authority (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 governmental action); (b) restraining order, injunction, or similar decree of any court; and (c) any Force Majeure event.

- 22.2. 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.
- 22.3. 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, (a) such portion or provision shall be deemed separate and independent, (b) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (c) 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 (if applicable) 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 (if applicable) shall require any 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 (a "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 or in equity.

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 in writing, 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 (absent manifest error), 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: (a) 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 (b) 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

Brian Fritz Digitally signed by Brian Fritz
Date: 2022.03.02 14:36:47 -08'00'

Signature

Brian Fritz

Printed Name of Signor

Director, Transmission Services

Title of Signor

03/02/2022

Date

Signature

Rachel

Printed Name of Signor

Stanford

Title of Signor

rd

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: 2022-02-24 08:09-07:00

Exhibit A

Estimated Scope of Work

Protection and Control

The following outlines the design, procurement, construction, installation, and ownership of any protection and control modifications that need to be made to facilitate the project at St. George Substation.

Company Responsibilities

- Convert the 138 kV River Line to a digital POTT.
- On the River Line panels, move the existing data port connection from Port 2 on the SEL-321 relays to Port 3.
- Use/add fiber optic transceivers to Port 2 to provide Mirrored Bits Communications.
- Review the existing relay settings and revise as necessary to provide standard POTT protection.
- Coordinate settings changes with Customer and St. George City.
- Procure two SEL-2829 protocol converters for RS-232.
- During design, review need for integration software/firmware additions or upgrades.

Customer Responsibilities

Coordinate settings changes with Company.

Communications

The following outlines the design, procurement, construction, installation, and ownership of any communications modifications that need to be made to facilitate the project at St. George Substation.

Company Responsibilities

- Provide the electronic communications required to support the digital POTT of the 138 kV St. George – River Line via direct fiber (“DFI”) which is owned by St. George City.
- Install two duplex, single mode fiber jumpers from St. George City’s fiber patch panel associated with the 138 kV River Line to Port 2 on each of the SEL-321 relays (A and B) with associated fiber optic transceivers, SEL-2829M.
- Install interface with St. George City.

Customer Responsibilities

Coordinate with Company on required communications modifications.

Exhibit B
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.

Milestone	Estimated Date
Construction Agreement Executed	March 1, 2022
Construction Agreement Filed with FERC	March 10, 2022
Construction Agreement Effective	May 9, 2022
Engineering Detailed Design Complete	July 1, 2022
Procure Construction Services Complete	September 1, 2022
Construction Begins	September 1, 2022
Construction Complete	November 1, 2022
Testing Complete	December 1, 2022
Commercial Operation	December 1, 2022