

June 23, 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 Federal Power Act Section 205, 16 U.S.C. § 824d, and Section 35.13 of the Rules and Regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”)¹ and Order No. 714² regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following agreement:

Project Construction Agreement Project Title: Utah Municipal Power Agency / Nephi Second Point of Delivery (“Construction Agreement”) between Utah Municipal Power Agency (“UMPA”) and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 768.

As discussed further below, PacifiCorp respectfully requests the Commission accept this Construction Agreement effective August 23, 2022.

1. Background and Reason for Filing

UMPA, on behalf of its member, Nephi City, submitted a request to PacifiCorp for a second point of delivery (“POD”) and relocation of an existing POD and interconnection in Nephi City, Utah (referred to in the Construction Agreement as the “Project”). The Construction Agreement authorizes PacifiCorp to proceed with all work associated with the Project. The scope of work for the Project is set forth in Exhibit B of the Construction Agreement. Pursuant to the Construction Agreement, cost responsibility for the Project will be borne by both UMPA (through payments of the Direct Assignment Facilities) and PacifiCorp (through payments for the Network Upgrades).

2. Effective Date and Request for Waiver

PacifiCorp requests an effective date of August 23, 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.

¹ 18 C.F.R. § 35.13 (2021).

² *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008).

3. Designation

PacifiCorp requests that the Construction Agreement be designated as PacifiCorp Rate Schedule No. 768.

4. Enclosure

The following enclosure is attached hereto:

Construction Agreement between UMPA and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 768.

5. Communications

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

Matthew Loftus
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6. Notice

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

Layne Burningham
Utah Municipal Power Agency
696 West 100 South
Spanish Fork, UT 84660
Layne@UMPA.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 at its earliest convenience and that such order accept the attached Construction Agreement for filing with an effective date of August 23, 2022.

Respectfully submitted,



Matthew Loftus
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Counsel for PacifiCorp

PROJECT CONSTRUCTION AGREEMENT
PROJECT TITLE: UTAH MUNICIPAL POWER AGENCY/ NEPHI SECOND POINT
OF DELIVERY

This PROJECT CONSTRUCTION AGREEMENT (“Agreement”) is made and entered into as of June 14, 2022, by and between PacifiCorp, an Oregon corporation, acting in its transmission function capacity (“Transmission Provider”), and Utah Municipal Power Agency (“Customer”). Transmission Provider and Customer are also each referred to herein as a “Party” and, collectively, as the “Parties.”

RECITALS:

- A. WHEREAS, Transmission Provider is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah;
- B. WHEREAS, Transmission Provider has an Open Access Transmission Tariff (“OATT”) on file with the Federal Energy Regulatory Commission (“FERC”) and provides various services to transmission and interconnection customers, including Customer, in accordance therewith;
- C. 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;
- D. WHEREAS, Customer on behalf of its member, Nephi City, submitted a request to Transmission Provider for a second point of delivery (“POD”) and relocation of an existing POD and interconnection in Nephi City, Utah (referred to as the “Project” and as further explained herein and in Exhibit B);
- E. WHEREAS, Customer and Transmission Provider are parties to the Seventh Amended and Restated Transmission Service and Operating Agreement dated September 23, 2021, and designated as PacifiCorp Rate Schedule No. 637, pursuant to which Transmission Provider provides Customer use of Transmission Provider’s transmission system for service to Customer’s members; and
- F. WHEREAS, the Parties desire that Transmission Provider and Customer (as applicable) perform the Work (as such term is defined below) required to complete the Project, all on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

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 Transmission Provider 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 Transmission Provider’s Transmission System. Direct Assignment Facilities shall be specified in this Agreement. The Customer will not recover the costs of Direct Assignment Facilities from Transmission Provider.

“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, Transmission Provider, or any of their respective Affiliates.

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

“Project Costs” shall have the meaning as set forth in Section 4.7.1 of this Agreement.

2. TERM and 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 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 Transmission Provider, 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 second POD and relocation of an existing POD in Nephi City, Utah, as more fully described in the attached Exhibit B. Simplified one-line diagrams illustrating the interconnection of the Project to Transmission Provider’s transmission system are depicted in the attached Exhibit A.

b. **Transmission Provider Responsibilities.** Transmission Provider 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).

4. OWNERSHIP/RESPONSIBILITY FOR COSTS:

4.1. Ownership. Transmission Provider shall retain ownership of, and be responsible for the maintenance of, all Project equipment installed by Transmission Provider, and Customer shall retain ownership of, and be responsible for the maintenance of, all equipment installed by Customer.

4.2. Cost Estimate; Certain Assumptions.

4.2.1 Cost Estimate. As set forth in Exhibit B (Estimated Scope of Work), as of the date of this Agreement, Transmission Provider’s estimated cost of performing the Work is \$7,330,000 (the “Initial Cost Estimate”), of which (a) \$790,000 constitutes Direct Assignment Facilities costs (the “Initial Direct Assignment Facilities Cost Estimate”) and (b) \$6,540,000 constitutes Network Upgrade costs.

4.2.2 Certain Assumptions. The Initial Cost Estimate includes engineering, labor, materials, subcontracts and applicable overheads, and is based, in part, on the following assumptions:

4.2.2.1 the Initial Cost Estimate is based on calendar year 2022 dollars;

4.2.2.2 if construction is delayed, the Initial Cost Estimate likely will need to be adjusted;

4.2.2.3 the Project will be installed during normal business hours and will not require schedule compression or overtime.

4.3 Direct Assignment Facilities Costs; Final Direct Assignment Facilities Costs.

4.3.1 On the terms and subject to the conditions set forth in this Agreement, Customer agrees to pay to Transmission Provider the amount of all Direct Assignment Facilities costs with respect to the Work, including the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate (as defined below).

4.3.2 Customer shall pay to Transmission Provider an amount equal to the Initial Direct Assignment Facilities Cost Estimate within thirty (30) calendar days after the Effective Date.

4.3.3 Following the completion of the Work, Transmission Provider shall determine the total amount of all Direct Assignment Facilities costs incurred by Transmission Provider with respect to the Work, which amount shall include all direct costs and applicable overheads (the "Final Direct Assignment Facilities Costs").

4.3.4 If the Final Direct Assignment Facilities Costs exceed the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate, if applicable, Transmission Provider shall, within one hundred twenty (120) calendar days following the completion of the Work, deliver to Customer a written statement of the Final Direct Assignment Facilities Costs, together with an invoice in an amount equal to the difference between (a) the Final Direct Assignment Facilities Costs and (b) the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate, if applicable. Customer shall pay such invoice within thirty (30) calendar days after receipt of such invoice.

4.3.5 If the Final Direct Assignment Facilities Costs do not exceed the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate, if applicable, Transmission Provider shall, within one hundred twenty (120) calendar days following the completion of the Work, (a) deliver to Customer a written statement of the Final Direct Assignment Facilities Costs, and (b) refund, by wire transfer of immediately available funds to an account specified by Customer, an amount equal to the difference between

(x) the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate, if applicable, and (y) the Final Direct Assignment Facilities Costs.

4.4 Network Upgrade Costs. On the terms and subject to the conditions set forth in this Agreement, Transmission Provider agrees to pay the amount of all Network Upgrade costs with respect to the Work. Transmission Provider will commence the Work promptly following the Effective Date and after receipt from Customer of (a) an amount equal to the Initial Direct Assignment Facilities Cost Estimate in accordance with Section 4.3.2, and (b) the Customer Security in an amount equal to the Initial Cost Estimate minus the amount of the Initial Direct Assignment Facilities Cost Estimate in accordance with Section 4.5.

4.5 Customer Security.

- 4.5.1 To provide financial security to Transmission Provider for the Work that is to be performed by Transmission Provider under this Agreement, on or prior to the Effective Date, Customer has delivered to Transmission Provider either (a) a letter of credit meeting the requirements of Section 2(a) of Attachment L to the OATT, (b) a guaranty meeting the requirements of Section 2(b) of Attachment L to the OATT, or (c) other reasonable form of security acceptable to Transmission Provider (the “Customer Security”), in each case, in an amount equal to the Initial Cost Estimate minus the amount of the Initial Direct Assignment Facilities Cost Estimate to be paid by Customer pursuant to Section 4.3.2, consistent with commercial practices as established by the Uniform Commercial Code.
- 4.5.2 The Parties agree that the Customer Security, and any Revised Customer Security (as such term is defined below), shall be available to Transmission Provider to settle any obligations of Customer under this Agreement (including obligations of Customer pursuant to Section 4.6 and Section 12).
- 4.5.3 The Customer Security, and any Revised Customer Security, shall remain outstanding and in full force and effect or, in the case of cash security, held by Transmission Provider, until the earlier of (a) the date as of which all of the Work has been completed and the Project has been installed, or (b) the date upon which Transmission Provider has received full payment by Customer for all Project Costs, Enhanced Project Costs, Stop-Work Project Costs or Enhanced Stop-Work Project Costs (as such terms are defined below), as applicable, in accordance with this Agreement (the “Security Termination Date”).
- 4.5.4 Upon the occurrence of the Security Termination Date, (a) in the case of a letter of credit, Transmission Provider shall, within fifteen (15) calendar days after the Security Termination Date, return the remaining balance of such letter of credit to Customer, (b) in the case of a guaranty, Transmission

Provider and Customer shall, within fifteen (15) calendar days after the Security Termination Date, use commercially reasonable efforts to execute and deliver a customary and mutually acceptable termination agreement with respect to such guaranty, (c) in the case of security in the form of cash, Transmission Provider shall, within fifteen (15) calendar days after the Security Termination Date, return to Customer the remaining balance of such cash, with accrued interest as described in Attachment L to the OATT, and (d) in the case of other security, the Parties shall, promptly following the Security Termination Date, use commercially reasonable efforts to return, terminate or otherwise cancel such other security on terms mutually acceptable to the Parties.

4.6 Revised Cost Estimate; Revised Customer Security; Revised Direct Assignment Facilities Costs; Termination.

- 4.6.1 During the Term, if Transmission Provider determines that the cost of performing the Work may exceed the Initial Cost Estimate, Transmission Provider shall, within thirty (30) calendar days after making such determination, deliver a written notice to Customer (a “Revised Cost and Security Notice”) that includes Transmission Provider’s revised estimated cost of performing the Work (a “Revised Cost Estimate”), together with (a) an invoice in the amount of any increase to the Initial Direct Assignment Facilities Cost Estimate (“Revised Direct Assignment Facilities Cost Invoice”), if applicable, and (b) a request that Customer deliver to Transmission Provider an additional or replacement (x) letter of credit meeting the requirements of Section 2(a) of Attachment L to the OATT, (y) guaranty meeting the requirements of Section 2(b) of Attachment L to the OATT or (z) other reasonable form of security acceptable to Transmission Provider, in an additional or revised amount equal to the Revised Cost Estimate minus, if applicable, the amount of the Revised Direct Assignment Facilities Cost Invoice (the “Revised Customer Security”).
- 4.6.2 Within fifteen (15) calendar days after Transmission Provider delivers to Customer the Revised Cost and Security Notice, Customer shall (a) deliver to Transmission Provider the Revised Customer Security and (b) and, if applicable, pay the Revised Direct Assignment Facilities Cost Invoice. Transmission Provider shall have no obligation to perform or to continue to perform any of the Work until such time that Customer delivers to Transmission Provider the Revised Customer Security and, if applicable, pays the Revised Direct Assignment Facilities Cost Invoice. Upon Customer’s delivery of the Revised Customer Security to Transmission Provider and, if applicable, payment of the Revised Direct Assignment Facilities Cost Invoice, the Parties agree that Exhibit B (Estimated Scope of Work) and Exhibit C (Estimated Schedule and Milestones) shall be amended, if necessary, to reflect any changes associated with the Revised Cost Estimate.

- 4.6.3 If Customer fails to deliver the Revised Customer Security to Transmission Provider and, if applicable, fails to pay the Revised Direct Assignment Facilities Cost Invoice, within such fifteen (15) calendar day period, Transmission Provider shall have the right to terminate this Agreement upon written notice to Customer (a "Termination Notice"); provided that Customer shall have a period of fifteen (15) calendar days after the date of the Termination Notice (the "Cure Period") in which to deliver the Revised Customer Security and, if applicable, to pay the Revised Direct Assignment Facilities Cost Invoice. If Customer fails to deliver the Revised Customer Security and, if applicable, fails to pay the Revised Direct Assignment Facilities Cost Invoice, within the Cure Period, 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 on which the Cure Period expires, and Customer shall be liable to Transmission Provider for the Project Costs or the Enhanced Project Costs, as applicable, subject to Section 4.8 (Network Upgrade Cost Refund Matters).
- 4.7 Project Costs; Enhanced Project Costs. Promptly following the expiration of the Cure Period, Transmission Provider shall determine, in its sole discretion, acting reasonably, if the Work can be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System.
- 4.7.1 If Transmission Provider determines that the Work can be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System: (a) Transmission Provider shall promptly stop all Work, and (b) Customer shall pay to Transmission Provider an amount equal to the sum of (x) the costs incurred by Transmission Provider with respect to the Work as of the date on which the Cure Period expires, 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 Transmission Provider and invoiced to Customer (collectively, the "Project Costs"). Customer shall pay, by wire transfer of immediately available funds to an account specified by Transmission Provider, such Project Costs within thirty (30) calendar days after receipt of such invoice from Transmission Provider. If Customer fails to pay such Project Costs within such thirty (30) calendar day period, Transmission Provider shall be entitled to pursue all rights and remedies available to it at law or in equity, including the right to draw on the Customer Security in an amount equal to the Project Costs.
- 4.7.2 If Transmission Provider determines that the Work cannot be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System: (a) Transmission Provider 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 Transmission Provider an amount equal to the sum of (x) the costs incurred by

Transmission Provider with respect to the Work as of the date on which the Cure Period expires, plus (y) the costs incurred by Transmission Provider after the date on which the Cure Period expires with respect to all system improvements or upgrades, including Network Upgrades, that Transmission Provider determines are reasonably necessary to maintain the safety and reliability of Transmission Provider'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 Transmission Provider and invoiced to Customer (collectively, the "Enhanced Project Costs"). Customer shall pay, by wire transfer of immediately available funds to an account specified by Transmission Provider, such Enhanced Project Costs within thirty (30) calendar days after receipt of such invoice from Transmission Provider. If Customer fails to pay such Enhanced Project Costs within such thirty (30) calendar day period, Transmission Provider shall be entitled to pursue all rights and remedies available to it at law or in equity, including the right to draw on the Customer Security in an amount equal to the Enhanced Project Costs.

- 4.8 Network Upgrade Cost Refund Matters. The amount of Network Upgrade costs represented in the Project Costs or the Enhanced Project Costs, as applicable, whether paid directly by Customer to Transmission Provider or by Transmission Provider having drawn on the Customer Security or the Revised Customer Security, shall be refunded to Customer no later than six (6) calendar months after Transmission Provider has included such Network Upgrade costs in its transmission formula rate under the OATT for a complete Annual Update cycle (including projection and true-up) in accordance with Attachment H-2 to the OATT, without successful challenge by Transmission Customers or other OATT customers resulting in such Network Upgrade costs not being included in Transmission Provider's transmission formula rate (the "Refund Condition"). For the avoidance of doubt, in the event that the Refund Condition has not been met, no Network Upgrade costs (whether as part of Project Costs or Enhanced Project Costs, as applicable) shall be refunded to Customer.
- 4.9 Confirmation of Receipt of Security. Transmission Provider shall provide Customer with written confirmation of receipt of Customer Security or any Revised Customer Security that is in the form of cash promptly upon receipt of the funds. The cash Customer Security or Revised Customer Security may only be drawn upon by Transmission Provider or refunded to Customer in accordance with this Agreement. If Customer elects to provide an alternative form of Customer Security or Revised Customer Security as provided in Section 4.5.1 of the Agreement, Transmission Provider shall refund the then-remaining amount of the cash Customer Security or Revised Customer Security within fifteen (15) calendar days of receipt of such alternative form of Customer Security or Revised Customer Security. All refunds of cash Customer Security or Revised Customer Security by Transmission Provider to Customer under this Agreement shall be made with accrued interest as described in Attachment L to the OATT.

5. TAXES:

5.1 Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Customer to Transmission Provider 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. For purposes of this Section 5, payments made by Customer to Transmission Provider shall include a draw by Transmission Provider on Customer Security or Revised Customer Security pursuant to Section 4.

5.2 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider. Notwithstanding Section 5.1, Customer shall protect, indemnify, and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Customer to Transmission Provider under this Agreement for the Project, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider 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) Transmission Provider has determined, in good faith, that the payments or property transfers made by Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Customer to provide security in an amount calculated in the manner set forth in Section 5.3, in a form reasonably acceptable to Transmission Provider. Customer shall reimburse Transmission Provider 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 Transmission Provider 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 Transmission Provider, in addition to the amount paid for the Project, an amount equal to (1) the current taxes imposed on Transmission Provider (“Current Taxes”) on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Customer to Transmission Provider 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 Transmission Provider 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 Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider 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 Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Customer's liability to Transmission Provider 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 Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider 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 Transmission Provider in good faith that any amount paid or the value of any property transferred by Customer to Transmission Provider under the terms of this Agreement is not taxable to Transmission Provider, (b) any abatement, appeal, protest, or other contest results in a determination that any payments made by Customer to Transmission Provider are not subject to federal income tax, or (c) if Transmission Provider receives a refund from any Governmental Authority for any overpayment of tax attributable to any payment or property transfer by Customer to Transmission Provider pursuant to this Agreement, Transmission Provider 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 Transmission Provider for such taxes which Transmission Provider did not submit to the Governmental 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 Transmission Provider refunds such payment to Customer; and

- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider 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 Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Customer only after and to the extent that Transmission Provider has received a tax refund, credit, or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Project.

The intent of this Section 5 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 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. 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. RECORDS. Transmission Provider shall keep accurate and complete accounting records in support of all cost billings and claims in accordance with generally accepted accounting principles. Upon request by Customer, Transmission Provider shall provide accounting records to Customer following completion of the Project.
9. INSPECTION. Customer may, at its discretion and expense, inspect Transmission Provider's construction work in progress for the Project upon reasonable notice to, and with supervision by, Transmission Provider. If applicable, Transmission Provider may, at its discretion and at Customer's expense, inspect Customer's construction work in progress for the Project upon reasonable notice to, and with supervision by, Customer. If applicable, Customer will provide testing results to Transmission Provider 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 Transmission Provider 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, (a) in the case of modifications that are Direct Assignment Facilities, Customer shall be

responsible for the cost of all such modifications in accordance with Section 4.3, and Transmission Provider may deliver to Customer a Revised Cost Estimate for the Project and a Revised Direct Assignment Facilities Cost Invoice to reflect such modifications in accordance with Section 4.6, and (b) in the case of modifications that are Network Upgrades, Transmission Provider shall be responsible for the cost of all such modifications in accordance with Section 4.4, and Transmission Provider may deliver to Customer a Revised Cost Estimate for the Project to reflect such modifications in accordance with Section 4.6.

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 Transmission Provider, to require Transmission Provider to stop all Work on the Project (a "Stop-Work Notice"). If Customer delivers a Stop-Work Notice to Transmission Provider, 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 Transmission Provider 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 Transmission Provider's receipt of a Stop-Work Notice, Transmission Provider shall determine, in its sole and reasonable discretion, if the Work can be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System.

12.2.1 If Transmission Provider determines that the Work can be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System: (a) Transmission Provider shall promptly stop all Work, and (b) Customer shall pay to Transmission Provider an amount equal to the sum of (x) the costs incurred by Transmission Provider 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 Transmission Provider 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 Transmission Provider, such Stop-Work Project Costs within thirty (30) calendar days after receipt of such invoice from Transmission Provider. If Customer fails to pay the Stop-Work

Project Costs within such thirty (30) calendar day period, Transmission Provider shall be entitled to pursue all rights and remedies available to it at law or in equity, including the right to draw on the Customer Security or the Revised Customer Security, as applicable, in an amount equal to the Stop-Work Project Costs.

12.2.2 If Transmission Provider determines that the Work cannot be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System: (a) Transmission Provider 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 Transmission Provider an amount equal to the sum of (x) the costs incurred by Transmission Provider with respect to the Work as of the date of the Stop-Work Notice, plus (y) the costs incurred by Transmission Provider after the date of the Stop-Work Notice with respect to all system improvements or upgrades, including Network Upgrades, that Transmission Provider determines are reasonably necessary to maintain the safety and reliability of Transmission Provider'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 Transmission Provider 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 Transmission Provider, such Enhanced Stop-Work Project Costs within thirty (30) calendar days after receipt of such invoice from Transmission Provider. If Customer fails to pay the Enhanced Stop-Work Project Costs within such thirty (30) calendar day period, Transmission Provider shall be entitled to pursue all rights and remedies available to it at law or in equity, including the right to draw on the Customer Security or the Revised Customer Security, as applicable, in an amount equal to the Enhanced Stop-Work Project Costs.

12.2.3 Network Upgrade Cost Refund Matters. The amount of Network Upgrade costs represented in the Stop-Work Project Costs or the Enhanced Stop-Work Project Costs, as applicable, whether paid directly by Customer to Transmission Provider or by Transmission Provider having drawn on the Customer Security or the Revised Customer Security, shall be refunded to Customer no later than six (6) calendar months after Transmission Provider has included such Network Upgrade costs in its transmission formula rate under the OATT for a complete Annual Update cycle (including projection and true-up) in accordance with Attachment H-2 to the OATT, without successful challenge by Transmission Customers or other OATT customers resulting in such Network Upgrade costs not being included in Transmission Provider's transmission formula rate (the "Stop-Work Refund Condition"). For the avoidance of doubt, in the event that the Stop-Work Refund Condition has not been met, no Network Upgrade costs (whether as

part of Stop-Work Project Costs or Enhanced Stop-Work Project Costs, as applicable) shall be refunded to Customer.

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. Transmission Provider 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: (a) Affiliate; (b) successor in interest with respect to the Project; or (c) corporation or any other business entity in conjunction with a merger, consolidation, or other business reorganization to which Transmission Provider is a party. Affiliate of Transmission Provider 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, Transmission Provider 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 Transmission Provider, 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:

VP, Energy Operations
Utah Municipal Power Agency
696 West 100 South
Spanish Fork, UT 84660

Transmission Provider:

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: Transmission Provider Transmission
P.O. Box 2757
Portland, OR 97208

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

20. INDEMNIFICATION. Customer shall indemnify and hold harmless Transmission Provider, 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 reasonable 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 Transmission Provider 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 Transmission Provider 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 Transmission Provider 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.

[Signature page follows.]

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

TRANSMISSION PROVIDER

CUSTOMER

/s/ Rick Vail
Signature

/s/ Layne Burningham
Signature

Rick Vail
Printed Name of Signor

Layne Burningham
Printed Name of Signor

VP, Transmission
Title of Signor

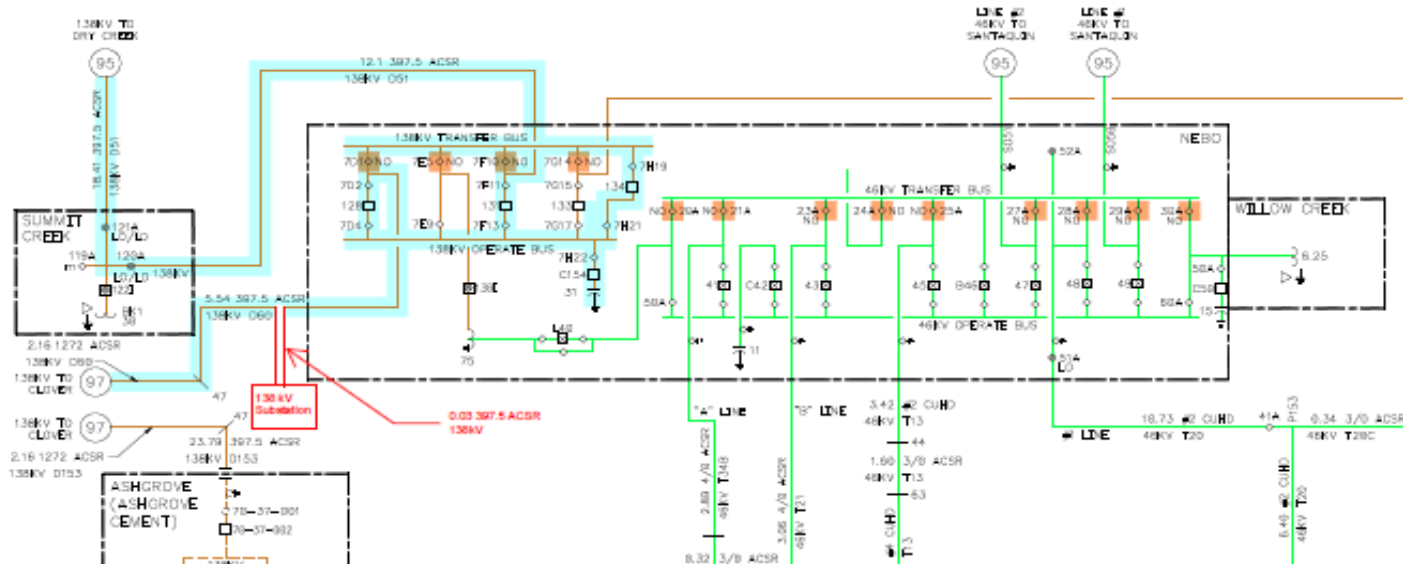
President/CEO
Title of Signor

6/14/2022
Date

June 13, 2022
Date

Exhibit A One-Line Diagrams

Clover-Nebo 138 kV Transmission Line



Nebo-Scipio 46 kV Line

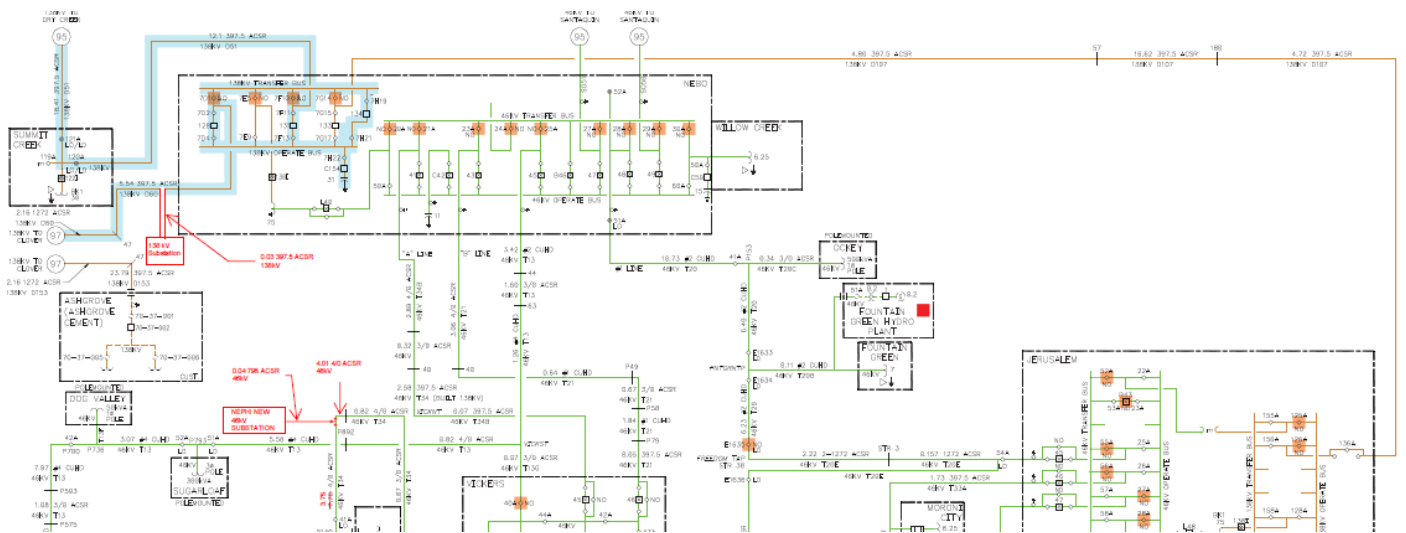


Exhibit B Estimated Scope of Work

Clover-Nebo 138 kV Transmission Line

The Clover-Nebo 138 kV line will be modified to loop in and out of a new 138 kV substation located approximately 4.5 miles from Clover substation.

Transmission Provider Responsibilities

Line Modification

- Rebuild the Clover-Nebo 138 kV line to 1272 ACSR.
- Install approximately 4.5 miles of 3/8-inch OPGW from Clover to the new substation.
- A network topography change will need to be made in the PacifiCorp system model to coordinate with the California Independent System Operation (“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.

Substation Interface and Structures

- Install conductors and insulators to the dead-end structure at the substation. Line tensions will be coordinated with the substation engineer.
- New structures required will be avian safe.

Surveys, Permitting and Right-of-Way

- Conduct preconstruction and post-construction ground surveys.
- Satellite phasing will be required at the new tap location.
- Review right-of-way to ensure compliance with length and width requirements

New Three Breaker Ring Bus – North Substation

Build a new three breaker ring bus substation on the Clover-Nebo 138 kV line. Install fiber communications from Clover to ring bus substation.

Customer Responsibilities

Property

- Provide property with dimensions of 320’ x 185’. GPS coordinates: 39.762368-111.844190 (site location may change during the property acquisition process).

- Provide access to two 24' double wide gates. Access to the property will be off of Nortonville Road on the north side of the property. GPS coordinates: 39.762757-111.844189 (site location may change during the property acquisition process).

Civil and Structural

- Provide in accordance with PacifiCorp standards, a topographic survey of the property lines and area included within and an ALTA survey for property.
- Provide in accordance with PacifiCorp standards, a geotechnical report including resistivity and borings for the substation design.

Revenue Metering

- Customer shall be responsible for the metering.

Transmission Provider Responsibilities

Permitting and Environmental

- Determine required permitting – CUP likely required.
- Conduct Phase One environmental study.

Electrical

- Install 3-138kV 2000A Circuit breaker, -40C, 18CT, 7000', 125VDC.
- Install 8- 138kV 2000A Vertical break switches. Review placement of all switches to accommodate future breakers.
- Install 3- 138 kV 2000A Line switches w/ motor operators.
- Install 11- 138 kV CCVT.
- Install 9- 138kV surge arrestors.
- Install 1- 138kV 100 kVA SSVT.
- Determine conductor size during design; 2000A design: 2-1272 AAC.
- Include AC load centers in new control house. Install 138 kV SSVT in the substation as the main power source. Backup distribution source with an automatic transfer switch.
- Install 125 VDC battery in new control house.
- Install 28'x40' control house in the substation.
- Install all yard lighting, shielding, and grounding in accordance with PacifiCorp standards.
- Conduct grounding analysis (CDEGS) on new substation.
- Install new control cables in new substation.
- Install all conduits in accordance with PacifiCorp standards.

Civil and Structural

- Perform site work as required:
 - Top Soil Stripping & Disposal
 - Excavation Cut
 - Native or Imported Fill
 - Aggregate Base Course
 - Road Rock
 - Yard Rock
- Comply with IEEE 693 Seismic Zone requirements.
- Install 942' of PacifiCorp standard chain link fence with (2) 24' gates.
- Install 138 kV Steel structures as required for the project.
- Install miscellaneous Steel structures as required for the project.
- Concrete/Foundations as needed to support equipment.
- Install approximately 195' of 15"x24" pedestrian trench with 30' of roadway trench.
- Obtain civil inspection services.

Protection and Control

- Install SEL-411L relays via Mirrored bits POTTD scheme communicating over fiber path. The 411Ls need to communicate with SEL-311L relays on each end of New Ring Bus to Clover 138 kV Line and New Ring Bus to Nebo 138 kV Line.
- Install SEL-411L current differential Panel for customer 138 kV line and metering substation.
- Remove 3 – PL 975 SBR panels
- Remove 3 – PC 220 breaker control panels, w/o BE1-851 and BE1-25 relays.

SCADA

- In the new control house, install a 30" open frame rack containing an Orion LXm RTU with Orion I/O. The primary RTU will provide controls and indication for three breakers. RTU will acquire Line MW, MV, Line Volts A,B,C and Line Fault Location analogs from the two 11a line relays. Provide a new annunciator per standard CS805.
- Install one DC circuit to power the new RTU and one DC circuit to power the new CS805 annunciator.

Communications

- Install approximately 4.5 miles of OPGW on the existing 138 kV line from the Clover 138 kV substation to the new Nephi (UMPA) substation.
- Install 11A/11B relaying between the Clover 138 kV substation and the new Nephi substation and between the Nebo substation and the new Nephi substation.
- Install Cisco IR1101 router and a Cisco IE-3300 switch.
- Install required racks, panels, and equipment:

- 1 lot – Approximately 4.5 miles of OPGW fiber optic cable
- 1 lot – PacifiCorp standard ADSS undergrounded from the line dead end to a rack where the fiber patch panel will be inside the control house
- 1 each – PacifiCorp standard rack mount fiber patch panel
- 1 each – Ciena 3926m fiber node
- 1 each – Loop channel bank with common cards and the following:
 - 1 each – 8DBRA card for the Orion data
 - 2 each – 4C37 card for relay communication
 - 1 each – FXS card for voice communication
 - 4 each – SEL-2894 fiber optic transceivers
 - 1 each – IR1101 router
 - 1 each – IE-3300 switch
 - 1 each – 48 Volt battery and charger system
- 1 lot – Miscellaneous material including fiber jumpers
- Install AC requirements:
 - 3 each – 240 Volt breakers for the battery charger
 - 1 lot – 120 Volt breakers for outlets for test equipment
- Install a 3' X 10' footprint communications battery.

Nebo Substation

Transmission Provider Responsibilities

Protection and Control

- Install SEL-311L Relays (11A/B) Firmware may be required to upgrade.
- Modify existing Nebo CB128 line relay (SEL-311L) from STEP D to POTTD scheme for Nebo to New ring bus substation 138KV line protection.
- Install required panels and special equipment:
 - 2- (43TT) 3 position control switch
 - 1- (43TEST) 2 position oil-tight switch

SCADA and Communications

- Perform work pursuant to RTU requirements: There are spare TSL blocks on interposition panel 3N to connect the 43TT control and indications for the line relay.
- Install 11A/11B relaying between the Nebo substation and the new Nephi substation.
- Establish a new T1 from Nebo substation to the new Nephi substation.
- Install racks, panels, and equipment required for communications Nebo substation:
 - 1 each – Loop channel bank with common cards and two (2) 4C37 cards
 - 2 each – SEL-2894 fiber optic transceivers
 - 1 lot – Miscellaneous material including fiber jumpers
- Install racks, panels, and equipment required for communications Mona 345 kV substation:
 - 1 each – T1 connection from the Ciena 3926m fiber node to the Nebo microwave radio

Clover Substation

Transmission Provider Responsibilities

Protection and Control

- Install SEL-311L Relays (11A/B) Firmware may be required to upgrade.
- Modify existing Clover CB125/CB145 line relay (SEL-311L) from STEPD to POTTD scheme for Clover to New ring bus substation 138 kV line protection.
- Install required panels and special equipment:
 - 2- (43TT) 3 position control switch
 - (43TEST) 2 position oil-tight switch

SCADA and Communications

- Perform work pursuant to RTU requirements: There are spare TSL blocks on interposition panel C16JJ o connect the 43TT control and indications for the line relay.
- Install 11A/11B relaying between the Clover 138 kV substation and the new Nephi substation.
- Install required racks, panels and equipment for communications:
 - 1 lot – PacifiCorp standard ADSS undergrounded from the line dead end to rack B17 inside the control house
 - 1 each – PacifiCorp standard rack mount fiber patch panel
 - 1 each – Ciena 3926m fiber node
 - 1 each – Loop channel bank with common cards and two (2) 4C37 cards
 - 2 each – SEL-2894 fiber optic transceivers
 - 1 lot – Miscellaneous material including fiber jumpers

Vickers Substation

Remove Nephi City delivery at Vickers substation.

Transmission Provider Responsibilities

Electrical, Protection and Control, and SCADA

- Remove span from Vickers to customer owned substation (Switch 47A to the city). Control wiring between Customer and Transmission Provider.
- Verify and coordinate Vickers CB 41 relay setting. Remove contribution from CB 47.
- Spare out RTU points for CB 47 to Nephi.

Nebo-Scipio 46 kV Line

Tap the Nebo-Scipio 46 kV line at the proposed POD location. Install three new 46 kV switches to (north and south of the new POD location on the main line and one on the new tap to the customer owned substation).

Customer Responsibilities

Substation Interface and Structures

- Build final span into Customer's new substation including conductors and insulators. The new Nephi South Substation will be at the following coordinates: 39.660034-111.872001 (site location may change during the property acquisition process).

Transmission Provider Responsibilities

Line Information

- A network topography change will need to be made in the PacifiCorp system model to coordinate with the California Independent System Operation ("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.

Substation Interface and Structures

- Install three new 46 kV switches.
- Install new tap on new TE255 structure near Customer's new substation.
- New structures required will be avian safe.

Surveys, Permitting and Right-of-Way

- Conduct preconstruction and post-construction ground surveys.
- Satellite phasing will be required at the new tap location.
- Review right-of-way to ensure compliance with length and width requirements.

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.

Milestone	Date
Construction Agreement Executed	Wednesday, June 15, 2022
Construction Agreement Filed with FERC	Wednesday, June 22, 2022
Construction Agreement Effective (Accepted by FERC)	Wednesday, August 24, 2022
Start of Project	Wednesday, September 7, 2022
Engineering Begins	Wednesday, November 30, 2022
Procurement Begins	Friday, March 10, 2023
Energy Imbalance Market Modeling Data Submittal	Wednesday, April 26, 2023
Engineering Design Complete	Wednesday, June 28, 2023
Construction Begins	Wednesday, October 25, 2023
Construction Complete	Sunday, July 21, 2024
Commissioning Activities Complete	Wednesday, August 21, 2024
Commissioning Document Review Complete	Wednesday, August 28, 2024
Project Complete	Wednesday, September 4, 2024

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

PROJECT CONSTRUCTION AGREEMENT
PROJECT TITLE: UTAH MUNICIPAL POWER AGENCY/ NEPHI SECOND POINT
OF DELIVERY

This PROJECT CONSTRUCTION AGREEMENT (“Agreement”) is made and entered into as of June 14, 2022, by and between PacifiCorp, an Oregon corporation, acting in its transmission function capacity (“Transmission Provider”), and Utah Municipal Power Agency (“Customer”). Transmission Provider and Customer are also each referred to herein as a “Party” and, collectively, as the “Parties.”

RECITALS:

- A. WHEREAS, Transmission Provider is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Utah;
- B. WHEREAS, Transmission Provider has an Open Access Transmission Tariff (“OATT”) on file with the Federal Energy Regulatory Commission (“FERC”) and provides various services to transmission and interconnection customers, including Customer, in accordance therewith;
- C. 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;
- D. WHEREAS, Customer on behalf of its member, Nephi City, submitted a request to Transmission Provider for a second point of delivery (“POD”) and relocation of an existing POD and interconnection in Nephi City, Utah (referred to as the “Project” and as further explained herein and in Exhibit B);
- E. WHEREAS, Customer and Transmission Provider are parties to the Seventh Amended and Restated Transmission Service and Operating Agreement dated September 23, 2021, and designated as PacifiCorp Rate Schedule No. 637, pursuant to which Transmission Provider provides Customer use of Transmission Provider’s transmission system for service to Customer’s members; and
- F. WHEREAS, the Parties desire that Transmission Provider and Customer (as applicable) perform the Work (as such term is defined below) required to complete the Project, all on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

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 Transmission Provider 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 Transmission Provider’s Transmission System. Direct Assignment Facilities shall be specified in this Agreement. The Customer will not recover the costs of Direct Assignment Facilities from Transmission Provider.

“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, Transmission Provider, or any of their respective Affiliates.

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

“Project Costs” shall have the meaning as set forth in Section 4.7.1 of this Agreement.

2. TERM and 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 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 Transmission Provider, 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 second POD and relocation of an existing POD in Nephi City, Utah, as more fully described in the attached Exhibit B. Simplified one-line diagrams illustrating the interconnection of the Project to Transmission Provider’s transmission system are depicted in the attached Exhibit A.

b. **Transmission Provider Responsibilities.** Transmission Provider 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).

4. OWNERSHIP/RESPONSIBILITY FOR COSTS:

4.1. Ownership. Transmission Provider shall retain ownership of, and be responsible for the maintenance of, all Project equipment installed by Transmission Provider, and Customer shall retain ownership of, and be responsible for the maintenance of, all equipment installed by Customer.

4.2. Cost Estimate; Certain Assumptions.

4.2.1 Cost Estimate. As set forth in Exhibit B (Estimated Scope of Work), as of the date of this Agreement, Transmission Provider’s estimated cost of performing the Work is \$7,330,000 (the “Initial Cost Estimate”), of which (a) \$790,000 constitutes Direct Assignment Facilities costs (the “Initial Direct Assignment Facilities Cost Estimate”) and (b) \$6,540,000 constitutes Network Upgrade costs.

4.2.2 Certain Assumptions. The Initial Cost Estimate includes engineering, labor, materials, subcontracts and applicable overheads, and is based, in part, on the following assumptions:

4.2.2.1 the Initial Cost Estimate is based on calendar year 2022 dollars;

4.2.2.2 if construction is delayed, the Initial Cost Estimate likely will need to be adjusted;

4.2.2.3 the Project will be installed during normal business hours and will not require schedule compression or overtime.

4.3 Direct Assignment Facilities Costs; Final Direct Assignment Facilities Costs.

4.3.1 On the terms and subject to the conditions set forth in this Agreement, Customer agrees to pay to Transmission Provider the amount of all Direct Assignment Facilities costs with respect to the Work, including the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate (as defined below).

4.3.2 Customer shall pay to Transmission Provider an amount equal to the Initial Direct Assignment Facilities Cost Estimate within thirty (30) calendar days after the Effective Date.

4.3.3 Following the completion of the Work, Transmission Provider shall determine the total amount of all Direct Assignment Facilities costs incurred by Transmission Provider with respect to the Work, which amount shall include all direct costs and applicable overheads (the "Final Direct Assignment Facilities Costs").

4.3.4 If the Final Direct Assignment Facilities Costs exceed the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate, if applicable, Transmission Provider shall, within one hundred twenty (120) calendar days following the completion of the Work, deliver to Customer a written statement of the Final Direct Assignment Facilities Costs, together with an invoice in an amount equal to the difference between (a) the Final Direct Assignment Facilities Costs and (b) the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate, if applicable. Customer shall pay such invoice within thirty (30) calendar days after receipt of such invoice.

4.3.5 If the Final Direct Assignment Facilities Costs do not exceed the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate, if applicable, Transmission Provider shall, within one hundred twenty (120) calendar days following the completion of the Work, (a) deliver to Customer a written statement of the Final Direct Assignment Facilities Costs, and (b) refund, by wire transfer of immediately available funds to an

account specified by Customer, an amount equal to the difference between (x) the amount of the Initial Direct Assignment Facilities Cost Estimate and any increase in the amount of Direct Assignment Facilities costs reflected in any Revised Cost Estimate, if applicable, and (y) the Final Direct Assignment Facilities Costs.

4.4 Network Upgrade Costs. On the terms and subject to the conditions set forth in this Agreement, Transmission Provider agrees to pay the amount of all Network Upgrade costs with respect to the Work. Transmission Provider will commence the Work promptly following the Effective Date and after receipt from Customer of (a) an amount equal to the Initial Direct Assignment Facilities Cost Estimate in accordance with Section 4.3.2, and (b) the Customer Security in an amount equal to the Initial Cost Estimate minus the amount of the Initial Direct Assignment Facilities Cost Estimate in accordance with Section 4.5.

4.5 Customer Security.

4.5.1 To provide financial security to Transmission Provider for the Work that is to be performed by Transmission Provider under this Agreement, on or prior to the Effective Date, Customer has delivered to Transmission Provider either (a) a letter of credit meeting the requirements of Section 2(a) of Attachment L to the OATT, (b) a guaranty meeting the requirements of Section 2(b) of Attachment L to the OATT, or (c) other reasonable form of security acceptable to Transmission Provider (the “Customer Security”), in each case, in an amount equal to the Initial Cost Estimate minus the amount of the Initial Direct Assignment Facilities Cost Estimate to be paid by Customer pursuant to Section 4.3.2, consistent with commercial practices as established by the Uniform Commercial Code.

4.5.2 The Parties agree that the Customer Security, and any Revised Customer Security (as such term is defined below), shall be available to Transmission Provider to settle any obligations of Customer under this Agreement (including obligations of Customer pursuant to Section 4.6 and Section 12).

4.5.3 The Customer Security, and any Revised Customer Security, shall remain outstanding and in full force and effect or, in the case of cash security, held by Transmission Provider, until the earlier of (a) the date as of which all of the Work has been completed and the Project has been installed, or (b) the date upon which Transmission Provider has received full payment by Customer for all Project Costs, Enhanced Project Costs, Stop-Work Project Costs or Enhanced Stop-Work Project Costs (as such terms are defined below), as applicable, in accordance with this Agreement (the “Security Termination Date”).

4.5.4 Upon the occurrence of the Security Termination Date, (a) in the case of a letter of credit, Transmission Provider shall, within fifteen (15) calendar days after the Security Termination Date, return the remaining balance of

such letter of credit to Customer, (b) in the case of a guaranty, Transmission Provider and Customer shall, within fifteen (15) calendar days after the Security Termination Date, use commercially reasonable efforts to execute and deliver a customary and mutually acceptable termination agreement with respect to such guaranty, (c) in the case of security in the form of cash, Transmission Provider shall, within fifteen (15) calendar days after the Security Termination Date, return to Customer the remaining balance of such cash, with accrued interest as described in Attachment L to the OATT, and (d) in the case of other security, the Parties shall, promptly following the Security Termination Date, use commercially reasonable efforts to return, terminate or otherwise cancel such other security on terms mutually acceptable to the Parties.

4.6 Revised Cost Estimate; Revised Customer Security; Revised Direct Assignment Facilities Costs; Termination.

4.6.1 During the Term, if Transmission Provider determines that the cost of performing the Work may exceed the Initial Cost Estimate, Transmission Provider shall, within thirty (30) calendar days after making such determination, deliver a written notice to Customer (a “Revised Cost and Security Notice”) that includes Transmission Provider’s revised estimated cost of performing the Work (a “Revised Cost Estimate”), together with (a) an invoice in the amount of any increase to the Initial Direct Assignment Facilities Cost Estimate (“Revised Direct Assignment Facilities Cost Invoice”), if applicable, and (b) a request that Customer deliver to Transmission Provider an additional or replacement (x) letter of credit meeting the requirements of Section 2(a) of Attachment L to the OATT, (y) guaranty meeting the requirements of Section 2(b) of Attachment L to the OATT or (z) other reasonable form of security acceptable to Transmission Provider, in an additional or revised amount equal to the Revised Cost Estimate minus, if applicable, the amount of the Revised Direct Assignment Facilities Cost Invoice (the “Revised Customer Security”).

4.6.2 Within fifteen (15) calendar days after Transmission Provider delivers to Customer the Revised Cost and Security Notice, Customer shall (a) deliver to Transmission Provider the Revised Customer Security and (b) and, if applicable, pay the Revised Direct Assignment Facilities Cost Invoice. Transmission Provider shall have no obligation to perform or to continue to perform any of the Work until such time that Customer delivers to Transmission Provider the Revised Customer Security and, if applicable, pays the Revised Direct Assignment Facilities Cost Invoice. Upon Customer’s delivery of the Revised Customer Security to Transmission Provider and, if applicable, payment of the Revised Direct Assignment Facilities Cost Invoice, the Parties agree that Exhibit B (Estimated Scope of Work) and Exhibit C (Estimated Schedule and Milestones) shall be amended, if necessary, to reflect any changes associated with the Revised Cost Estimate.

- 4.6.3 If Customer fails to deliver the Revised Customer Security to Transmission Provider and, if applicable, fails to pay the Revised Direct Assignment Facilities Cost Invoice, within such fifteen (15) calendar day period, Transmission Provider shall have the right to terminate this Agreement upon written notice to Customer (a “Termination Notice”); provided that Customer shall have a period of fifteen (15) calendar days after the date of the Termination Notice (the “Cure Period”) in which to deliver the Revised Customer Security and, if applicable, to pay the Revised Direct Assignment Facilities Cost Invoice. If Customer fails to deliver the Revised Customer Security and, if applicable, fails to pay the Revised Direct Assignment Facilities Cost Invoice, within the Cure Period, 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 on which the Cure Period expires, and Customer shall be liable to Transmission Provider for the Project Costs or the Enhanced Project Costs, as applicable, subject to Section 4.8 (Network Upgrade Cost Refund Matters).
- 4.7 Project Costs; Enhanced Project Costs. Promptly following the expiration of the Cure Period, Transmission Provider shall determine, in its sole discretion, acting reasonably, if the Work can be promptly stopped without adversely affecting the safety and reliability of Transmission Provider’s Transmission System.
- 4.7.1 If Transmission Provider determines that the Work can be promptly stopped without adversely affecting the safety and reliability of Transmission Provider’s Transmission System: (a) Transmission Provider shall promptly stop all Work, and (b) Customer shall pay to Transmission Provider an amount equal to the sum of (x) the costs incurred by Transmission Provider with respect to the Work as of the date on which the Cure Period expires, 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 Transmission Provider and invoiced to Customer (collectively, the “Project Costs”). Customer shall pay, by wire transfer of immediately available funds to an account specified by Transmission Provider, such Project Costs within thirty (30) calendar days after receipt of such invoice from Transmission Provider. If Customer fails to pay such Project Costs within such thirty (30) calendar day period, Transmission Provider shall be entitled to pursue all rights and remedies available to it at law or in equity, including the right to draw on the Customer Security in an amount equal to the Project Costs.
- 4.7.2 If Transmission Provider determines that the Work cannot be promptly stopped without adversely affecting the safety and reliability of Transmission Provider’s Transmission System: (a) Transmission Provider 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 Transmission Provider an amount equal to the sum of (x) the costs incurred by

Transmission Provider with respect to the Work as of the date on which the Cure Period expires, plus (y) the costs incurred by Transmission Provider after the date on which the Cure Period expires with respect to all system improvements or upgrades, including Network Upgrades, that Transmission Provider determines are reasonably necessary to maintain the safety and reliability of Transmission Provider'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 Transmission Provider and invoiced to Customer (collectively, the "Enhanced Project Costs"). Customer shall pay, by wire transfer of immediately available funds to an account specified by Transmission Provider, such Enhanced Project Costs within thirty (30) calendar days after receipt of such invoice from Transmission Provider. If Customer fails to pay such Enhanced Project Costs within such thirty (30) calendar day period, Transmission Provider shall be entitled to pursue all rights and remedies available to it at law or in equity, including the right to draw on the Customer Security in an amount equal to the Enhanced Project Costs.

- 4.8 Network Upgrade Cost Refund Matters. The amount of Network Upgrade costs represented in the Project Costs or the Enhanced Project Costs, as applicable, whether paid directly by Customer to Transmission Provider or by Transmission Provider having drawn on the Customer Security or the Revised Customer Security, shall be refunded to Customer no later than six (6) calendar months after Transmission Provider has included such Network Upgrade costs in its transmission formula rate under the OATT for a complete Annual Update cycle (including projection and true-up) in accordance with Attachment H-2 to the OATT, without successful challenge by Transmission Customers or other OATT customers resulting in such Network Upgrade costs not being included in Transmission Provider's transmission formula rate (the "Refund Condition"). For the avoidance of doubt, in the event that the Refund Condition has not been met, no Network Upgrade costs (whether as part of Project Costs or Enhanced Project Costs, as applicable) shall be refunded to Customer.
- 4.9 Confirmation of Receipt of Security. Transmission Provider shall provide Customer with written confirmation of receipt of Customer Security or any Revised Customer Security that is in the form of cash promptly upon receipt of the funds. The cash Customer Security or Revised Customer Security may only be drawn upon by Transmission Provider or refunded to Customer in accordance with this Agreement. If Customer elects to provide an alternative form of Customer Security or Revised Customer Security as provided in Section 4.5.1 of the Agreement, Transmission Provider shall refund the then-remaining amount of the cash Customer Security or Revised Customer Security within fifteen (15) calendar days of receipt of such alternative form of Customer Security or Revised Customer Security. All refunds of cash Customer Security or Revised Customer Security by Transmission

Provider to Customer under this Agreement shall be made with accrued interest as described in Attachment L to the OATT.

5. TAXES:

5.1 Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Customer to Transmission Provider 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. For purposes of this Section 5, payments made by Customer to Transmission Provider shall include a draw by Transmission Provider on Customer Security or Revised Customer Security pursuant to Section 4.

5.2 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider. Notwithstanding Section 5.1, Customer shall protect, indemnify, and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Customer to Transmission Provider under this Agreement for the Project, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider 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) Transmission Provider has determined, in good faith, that the payments or property transfers made by Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Customer to provide security in an amount calculated in the manner set forth in Section 5.3, in a form reasonably acceptable to Transmission Provider. Customer shall reimburse Transmission Provider 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 Transmission Provider 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 Transmission Provider, in addition to the amount paid for the Project, an amount equal to (1) the current taxes imposed on Transmission Provider (“Current Taxes”) on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Customer to Transmission Provider 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 Transmission Provider 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 Transmission Provider’s composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider 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 Transmission Provider’s anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider’s current weighted average cost of capital. Thus, the formula for calculating Customer’s liability to Transmission Provider 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 Transmission Provider’s receipt of payments or property constitutes income that is subject to taxation, Transmission Provider 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 Transmission Provider in good faith that any amount paid or the value of any property transferred by Customer to Transmission Provider under the terms of this Agreement is not taxable to Transmission Provider, (b) any abatement, appeal, protest, or other contest results in a determination that any payments made by Customer to Transmission Provider are not subject to federal income tax, or (c) if Transmission Provider receives a refund from any Governmental Authority for any overpayment of tax attributable to any payment or property transfer by Customer to Transmission Provider pursuant to this Agreement, Transmission Provider 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 Transmission Provider for such taxes which Transmission Provider did not submit to the Governmental 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 Transmission Provider refunds such payment to Customer; and

- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider 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 Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Customer only after and to the extent that Transmission Provider has received a tax refund, credit, or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Project.

The intent of this Section 5 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 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. 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. RECORDS. Transmission Provider shall keep accurate and complete accounting records in support of all cost billings and claims in accordance with generally accepted accounting principles. Upon request by Customer, Transmission Provider shall provide accounting records to Customer following completion of the Project.
9. INSPECTION. Customer may, at its discretion and expense, inspect Transmission Provider's construction work in progress for the Project upon reasonable notice to, and with supervision by, Transmission Provider. If applicable, Transmission Provider may, at its discretion and at Customer's expense, inspect Customer's construction work in progress for the Project upon reasonable notice to, and with supervision by, Customer. If applicable, Customer will provide testing results to Transmission Provider 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 Transmission Provider 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, (a) in the case of modifications that are Direct Assignment Facilities, Customer shall be responsible for the cost of all such modifications in accordance with Section 4.3, and Transmission Provider may deliver to Customer a Revised Cost Estimate for the Project and a Revised Direct Assignment Facilities Cost Invoice to reflect such modifications in accordance with Section 4.6, and (b) in the case of modifications that are Network Upgrades, Transmission Provider shall be responsible for the cost of all such modifications in accordance with Section 4.4, and Transmission Provider may deliver to Customer a Revised Cost Estimate for the Project to reflect such modifications in accordance with Section 4.6.

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 Transmission Provider, to require Transmission Provider to stop all Work on the Project (a "Stop-Work Notice"). If Customer delivers a Stop-Work Notice to Transmission Provider, 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 Transmission Provider 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 Transmission Provider's receipt of a Stop-Work Notice, Transmission Provider shall determine, in its sole and reasonable discretion, if the Work can be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System.

12.2.1 If Transmission Provider determines that the Work can be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System: (a) Transmission Provider shall promptly stop all Work, and (b) Customer shall pay to Transmission Provider an amount equal to the sum of (x) the costs incurred by Transmission Provider 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 Transmission Provider 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 Transmission Provider, such Stop-Work Project Costs within thirty (30) calendar days after receipt of such invoice from Transmission Provider. If Customer fails to pay the Stop-Work Project Costs within such thirty (30) calendar day period, Transmission Provider shall be entitled to pursue all rights and remedies available to it at law or in equity, including the right to draw on the Customer Security or the Revised Customer Security, as applicable, in an amount equal to the Stop-Work Project Costs.

12.2.2 If Transmission Provider determines that the Work cannot be promptly stopped without adversely affecting the safety and reliability of Transmission Provider's Transmission System: (a) Transmission Provider 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 Transmission Provider an amount equal to the sum of (x) the costs incurred by Transmission Provider with respect to the Work as of the date of the Stop-Work Notice, plus (y) the costs incurred by Transmission Provider after the date of the Stop-Work Notice with respect to all system improvements or upgrades, including Network Upgrades, that Transmission Provider determines are reasonably necessary to maintain the safety and reliability of Transmission Provider'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 Transmission Provider 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 Transmission Provider, such Enhanced Stop-Work Project Costs within thirty (30) calendar days after receipt of such invoice from Transmission Provider. If Customer fails to pay the Enhanced Stop-Work Project Costs within such thirty (30) calendar day period, Transmission Provider shall be entitled to pursue all rights and remedies available to it at law or in equity, including the right to draw on the Customer Security or the Revised Customer Security, as applicable, in an amount equal to the Enhanced Stop-Work Project Costs.

12.2.3 Network Upgrade Cost Refund Matters. The amount of Network Upgrade costs represented in the Stop-Work Project Costs or the Enhanced Stop-Work Project Costs, as applicable, whether paid directly by Customer to Transmission Provider or by Transmission Provider having drawn on the Customer Security or the Revised Customer Security, shall be refunded to Customer no later than six (6) calendar months after Transmission Provider has included such Network Upgrade costs in its transmission formula rate under the OATT for a complete Annual Update cycle (including projection and true-up) in accordance with Attachment H-2 to the OATT, without successful challenge by Transmission Customers or other OATT customers

resulting in such Network Upgrade costs not being included in Transmission Provider's transmission formula rate (the "Stop-Work Refund Condition"). For the avoidance of doubt, in the event that the Stop-Work Refund Condition has not been met, no Network Upgrade costs (whether as part of Stop-Work Project Costs or Enhanced Stop-Work Project Costs, as applicable) shall be refunded to Customer.

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. Transmission Provider 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: (a) Affiliate; (b) successor in interest with respect to the Project; or (c) corporation or any other business entity in conjunction with a merger, consolidation, or other business reorganization to which Transmission Provider is a party. Affiliate of Transmission Provider 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, Transmission Provider 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 Transmission Provider, 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:

VP, Energy Operations
Utah Municipal Power Agency
696 West 100 South
Spanish Fork, UT 84660

Transmission Provider:

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: Transmission Provider Transmission
P.O. Box 2757
Portland, OR 97208

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

20. INDEMNIFICATION. Customer shall indemnify and hold harmless Transmission Provider, 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 reasonable 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 Transmission Provider 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 Transmission Provider 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 Transmission Provider 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.

[Signature page follows.]

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

TRANSMISSION PROVIDER

Rick Vail

Digitally signed by Rick Vail
Date: 2022.06.14 05:44:44 -07'00'

Signature

Rick Vail

Printed Name of Signor

VP, Transmission

Title of Signor

06/14/2022

Date

CUSTOMER



Signature

Layne Burningham

Printed Name of Signor

President/CEO

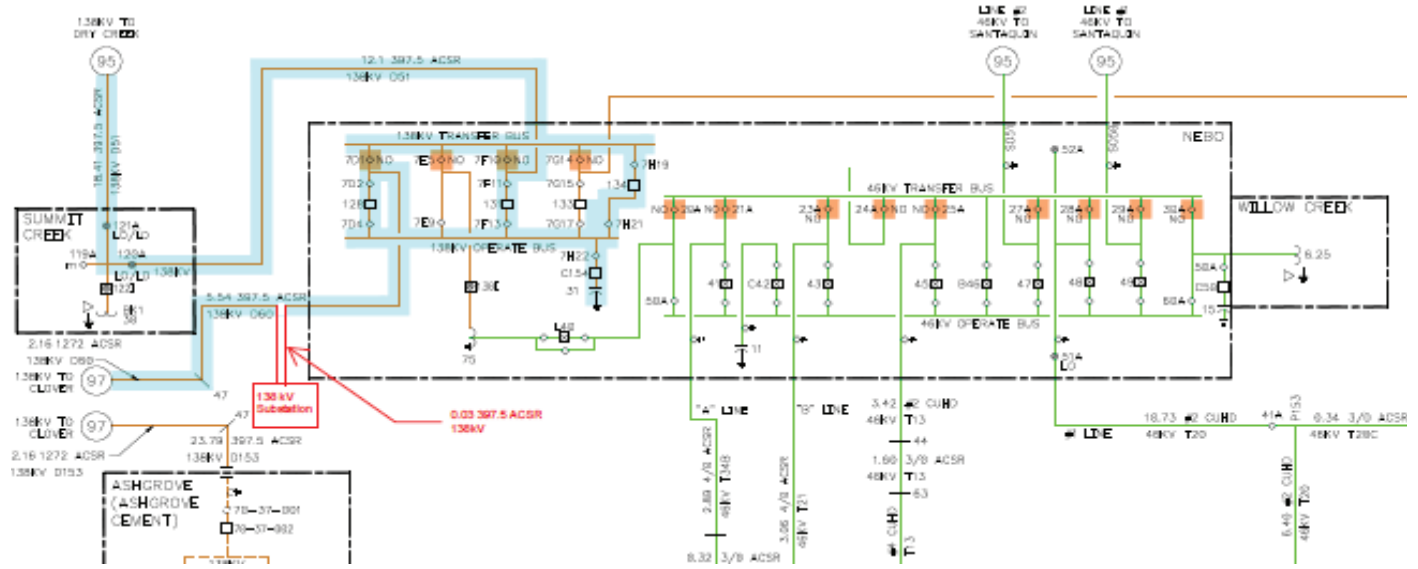
Title of Signor

June 13, 2022

Date

Exhibit A One-Line Diagrams

Clover-Nebo 138 kV Transmission Line



Nebo-Scipio 46 kV Line

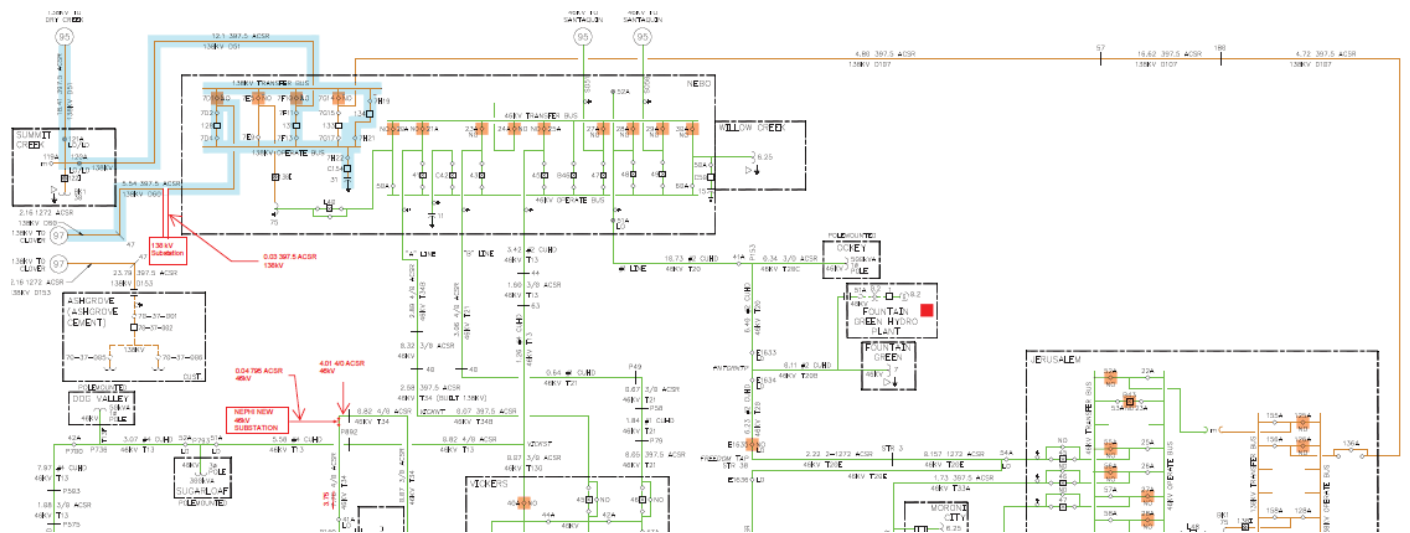


Exhibit B Estimated Scope of Work

Clover-Nebo 138 kV Transmission Line

The Clover-Nebo 138 kV line will be modified to loop in and out of a new 138 kV substation located approximately 4.5 miles from Clover substation.

Transmission Provider Responsibilities

Line Modification

- Rebuild the Clover-Nebo 138 kV line to 1272 ACSR.
- Install approximately 4.5 miles of 3/8-inch OPGW from Clover to the new substation.
- A network topography change will need to be made in the PacifiCorp system model to coordinate with the California Independent System Operation (“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.

Substation Interface and Structures

- Install conductors and insulators to the dead-end structure at the substation. Line tensions will be coordinated with the substation engineer.
- New structures required will be avian safe.

Surveys, Permitting and Right-of-Way

- Conduct preconstruction and post-construction ground surveys.
- Satellite phasing will be required at the new tap location.
- Review right-of-way to ensure compliance with length and width requirements

New Three Breaker Ring Bus – North Substation

Build a new three breaker ring bus substation on the Clover-Nebo 138 kV line. Install fiber communications from Clover to ring bus substation.

Customer Responsibilities

Property

- Provide property with dimensions of 320’ x 185’. GPS coordinates: 39.762368-111.844190 (site location may change during the property acquisition process).

- Provide access to two 24' double wide gates. Access to the property will be off of Nortonville Road on the north side of the property. GPS coordinates: 39.762757-111.844189 (site location may change during the property acquisition process).

Civil and Structural

- Provide in accordance with PacifiCorp standards, a topographic survey of the property lines and area included within and an ALTA survey for property.
- Provide in accordance with PacifiCorp standards, a geotechnical report including resistivity and borings for the substation design.

Revenue Metering

- Customer shall be responsible for the metering.

Transmission Provider Responsibilities

Permitting and Environmental

- Determine required permitting – CUP likely required.
- Conduct Phase One environmental study.

Electrical

- Install 3-138kV 2000A Circuit breaker, -40C, 18CT, 7000', 125VDC.
- Install 8- 138kV 2000A Vertical break switches. Review placement of all switches to accommodate future breakers.
- Install 3- 138 kV 2000A Line switches w/ motor operators.
- Install 11- 138 kV CCVT.
- Install 9- 138kV surge arrestors.
- Install 1- 138kV 100 kVA SSVT.
- Determine conductor size during design; 2000A design: 2-1272 AAC.
- Include AC load centers in new control house. Install 138 kV SSVT in the substation as the main power source. Backup distribution source with an automatic transfer switch.
- Install 125 VDC battery in new control house.
- Install 28'x40' control house in the substation.
- Install all yard lighting, shielding, and grounding in accordance with PacifiCorp standards.
- Conduct grounding analysis (CDEGS) on new substation.
- Install new control cables in new substation.
- Install all conduits in accordance with PacifiCorp standards.

Civil and Structural

- Perform site work as required:
 - Top Soil Stripping & Disposal
 - Excavation Cut
 - Native or Imported Fill
 - Aggregate Base Course
 - Road Rock
 - Yard Rock
- Comply with IEEE 693 Seismic Zone requirements.
- Install 942' of PacifiCorp standard chain link fence with (2) 24' gates.
- Install 138 kV Steel structures as required for the project.
- Install miscellaneous Steel structures as required for the project.
- Concrete/Foundations as needed to support equipment.
- Install approximately 195' of 15"x24" pedestrian trench with 30' of roadway trench.
- Obtain civil inspection services.

Protection and Control

- Install SEL-411L relays via Mirrored bits POTTD scheme communicating over fiber path. The 411Ls need to communicate with SEL-311L relays on each end of New Ring Bus to Clover 138 kV Line and New Ring Bus to Nebo 138 kV Line.
- Install SEL-411L current differential Panel for customer 138 kV line and metering substation.
- Remove 3 – PL 975 SBR panels
- Remove 3 – PC 220 breaker control panels, w/o BE1-851 and BE1-25 relays.

SCADA

- In the new control house, install a 30" open frame rack containing an Orion LXm RTU with Orion I/O. The primary RTU will provide controls and indication for three breakers. RTU will acquire Line MW, MV, Line Volts A,B,C and Line Fault Location analogs from the two 11a line relays. Provide a new annunciator per standard CS805.
- Install one DC circuit to power the new RTU and one DC circuit to power the new CS805 annunciator.

Communications

- Install approximately 4.5 miles of OPGW on the existing 138 kV line from the Clover 138 kV substation to the new Nephi (UMPA) substation.
- Install 11A/11B relaying between the Clover 138 kV substation and the new Nephi substation and between the Nebo substation and the new Nephi substation.
- Install Cisco IR1101 router and a Cisco IE-3300 switch.
- Install required racks, panels, and equipment:

- 1 lot – Approximately 4.5 miles of OPGW fiber optic cable
- 1 lot – PacifiCorp standard ADSS undergrounded from the line dead end to a rack where the fiber patch panel will be inside the control house
- 1 each – PacifiCorp standard rack mount fiber patch panel
- 1 each – Ciena 3926m fiber node
- 1 each – Loop channel bank with common cards and the following:
 - 1 each – 8DBRA card for the Orion data
 - 2 each – 4C37 card for relay communication
 - 1 each – FXS card for voice communication
 - 4 each – SEL-2894 fiber optic transceivers
 - 1 each – IR1101 router
 - 1 each – IE-3300 switch
 - 1 each – 48 Volt battery and charger system
- 1 lot – Miscellaneous material including fiber jumpers
- Install AC requirements:
 - 3 each – 240 Volt breakers for the battery charger
 - 1 lot – 120 Volt breakers for outlets for test equipment
- Install a 3' X 10' footprint communications battery.

Nebo Substation

Transmission Provider Responsibilities

Protection and Control

- Install SEL-311L Relays (11A/B) Firmware may be required to upgrade.
- Modify existing Nebo CB128 line relay (SEL-311L) from STEPDP to POTTD scheme for Nebo to New ring bus substation 138KV line protection.
- Install required panels and special equipment:
 - 2- (43TT) 3 position control switch
 - 1- (43TEST) 2 position oil-tight switch

SCADA and Communications

- Perform work pursuant to RTU requirements: There are spare TSL blocks on interposition panel 3N to connect the 43TT control and indications for the line relay.
- Install 11A/11B relaying between the Nebo substation and the new Nephi substation.
- Establish a new T1 from Nebo substation to the new Nephi substation.
- Install racks, panels, and equipment required for communications Nebo substation:
 - 1 each – Loop channel bank with common cards and two (2) 4C37 cards
 - 2 each – SEL-2894 fiber optic transceivers
 - 1 lot – Miscellaneous material including fiber jumpers
- Install racks, panels, and equipment required for communications Mona 345 kV substation:
 - 1 each – T1 connection from the Ciena 3926m fiber node to the Nebo microwave radio

Clover Substation

Transmission Provider Responsibilities

Protection and Control

- Install SEL-311L Relays (11A/B) Firmware may be required to upgrade.
- Modify existing Clover CB125/CB145 line relay (SEL-311L) from STEPD to POTTD scheme for Clover to New ring bus substation 138 kV line protection.
- Install required panels and special equipment:
 - 2- (43TT) 3 position control switch
 - (43TEST) 2 position oil-tight switch

SCADA and Communications

- Perform work pursuant to RTU requirements: There are spare TSL blocks on interposition panel C16JJ o connect the 43TT control and indications for the line relay.
- Install 11A/11B relaying between the Clover 138 kV substation and the new Nephi substation.
- Install required racks, panels and equipment for communications:
 - 1 lot – PacifiCorp standard ADSS undergrounded from the line dead end to rack B17 inside the control house
 - 1 each – PacifiCorp standard rack mount fiber patch panel
 - 1 each – Ciena 3926m fiber node
 - 1 each – Loop channel bank with common cards and two (2) 4C37 cards
 - 2 each – SEL-2894 fiber optic transceivers
 - 1 lot – Miscellaneous material including fiber jumpers

Vickers Substation

Remove Nephi City delivery at Vickers substation.

Transmission Provider Responsibilities

Electrical, Protection and Control, and SCADA

- Remove span from Vickers to customer owned substation (Switch 47A to the city). Control wiring between Customer and Transmission Provider.
- Verify and coordinate Vickers CB 41 relay setting. Remove contribution from CB 47.
- Spare out RTU points for CB 47 to Nephi.

Nebo-Scipio 46 kV Line

Tap the Nebo-Scipio 46 kV line at the proposed POD location. Install three new 46 kV switches to (north and south of the new POD location on the main line and one on the new tap to the customer owned substation).

Customer Responsibilities

Substation Interface and Structures

- Build final span into Customer's new substation including conductors and insulators. The new Nephi South Substation will be at the following coordinates: 39.660034-111.872001 (site location may change during the property acquisition process).

Transmission Provider Responsibilities

Line Information

- A network topography change will need to be made in the PacifiCorp system model to coordinate with the California Independent System Operation ("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.

Substation Interface and Structures

- Install three new 46 kV switches.
- Install new tap on new TE255 structure near Customer's new substation.
- New structures required will be avian safe.

Surveys, Permitting and Right-of-Way

- Conduct preconstruction and post-construction ground surveys.
- Satellite phasing will be required at the new tap location.
- Review right-of-way to ensure compliance with length and width requirements.

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.

Milestone	Date
Construction Agreement Executed	Wednesday, June 15, 2022
Construction Agreement Filed with FERC	Wednesday, June 22, 2022
Construction Agreement Effective (Accepted by FERC)	Wednesday, August 24, 2022
Start of Project	Wednesday, September 7, 2022
Engineering Begins	Wednesday, November 30, 2022
Procurement Begins	Friday, March 10, 2023
Energy Imbalance Market Modeling Data Submittal	Wednesday, April 26, 2023
Engineering Design Complete	Wednesday, June 28, 2023
Construction Begins	Wednesday, October 25, 2023
Construction Complete	Sunday, July 21, 2024
Commissioning Activities Complete	Wednesday, August 21, 2024
Commissioning Document Review Complete	Wednesday, August 28, 2024
Project Complete	Wednesday, September 4, 2024

*Any design modifications to the Customer’s project after this date requiring updates to the Transmission Provider’s network model will result in a minimum of three months added to all future milestones including Commercial Operation.