

February 10, 2020

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

RE: *PacifiCorp*
Docket No. ER20-_____-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2018), Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35 (2019), and Order No. 714¹ regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Project Construction Agreement Bonneville Power Administration / West Extension Irrigation District ("Construction Agreement"), between Bonneville Power Administration ("BPA") and PacifiCorp, executed January 31, 2020, to be designated as PacifiCorp Service Agreement No. 974 under PacifiCorp's Volume No. 11 Open Access Transmission Tariff ("OATT").

As discussed more fully below, PacifiCorp respectfully requests the Commission accept this agreement with an effective date of February 11, 2020.

1. Background and Description of Filing

On January 31, 2020, BPA and PacifiCorp entered into the Construction Agreement. Under the Construction Agreement, PacifiCorp agrees to perform and BPA agrees to pay for work necessary to accommodate a separate request for Network Integration Transmission Service submitted by United States Bureau of Reclamation's West Extension Irrigation District.

2. Effective Date and Request for Waiver

The Construction Agreement is intended to implement service under PacifiCorp's OATT. Accordingly, it is a "service agreement" under the Commission's regulations and is being filed within 30 days of service commencing.² Therefore, in accordance with 18 C.F.R. § 35.3(a)(2), PacifiCorp requests an effective date of February 11, 2020 for the Construction Agreement.

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

² 18 C.F.R. § 35.3(a)(2) (2019); *see also Int'l Transmission Co., et al.*, 139 FERC ¶ 61,022 at P 13 (2012).

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

3. Designation

PacifiCorp requests that the Construction Agreement be designated as PacifiCorp Service Agreement No. 974.

4. Enclosure

The following enclosure is attached hereto:

Enclosure Project Construction Agreement between PacifiCorp and BPA, to be designated as PacifiCorp Service Agreement No. 974.

5. Communications

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

Matthew Loftus
Senior Counsel
PacifiCorp
825 N.E. Multnomah, Suite 1600
Portland, OR 97232
(503) 813-6642
(503) 813-7252 (facsimile)
Matthew.Loftus@PacifiCorp.com

Rick Vail
Vice President, Transmission
PacifiCorp
825 N.E. Multnomah, Suite 1600
Portland, OR 97232
(503) 813-6938
(503) 813-6893 (facsimile)
Richard.Vail@PacifiCorp.com

6. Notice

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

Paul Garrett
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232
dlpleger@bpa.gov

Public Utility Commission of Oregon
550 Capitol St. NE #215
PO Box 2148
Salem, OR 97308-2148
PUC.FilingCenter@state.or.us

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

Respectfully Submitted,

/s/ Matthew Loftus

Matthew Loftus

Counsel for PacifiCorp

PROJECT CONSTRUCTION AGREEMENT
BONNEVILLE POWER ADMINISTRATION /
WEST EXTENSION IRRIGATION DISTRICT

This Project Construction Agreement (the “Agreement”) made and entered into this 31st day of January, 2020, between the Bonneville Power Administration (“Bonneville”), and PacifiCorp, an Oregon corporation (“Company”). Hereinafter, Bonneville and Company may be individually referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS:

A. WHEREAS, Company is a Transmission Provider which owns, controls, or operates transmission or distribution facilities used for the transmission of electric energy in interstate commerce and provides transmission service under an Open Access Transmission Tariff (“OATT”);

B. WHEREAS, Bonneville is a Network Customer of Company and receives certain transmission service pursuant to the terms of the Transmission Provider’s Network Integration Transmission Service under Part III of the OATT;

C. WHEREAS, Bonneville has requested to provide service to the United States Bureau of Reclamation’s West Extension Irrigation District (“USBR WEID”) pursuant to the terms of Part III of the OATT;

D. WHEREAS, Company, through its Merchant arm, currently provides service to the USBR WEID;

E. WHEREAS, Company has approved Bonneville’s request to provide service to USBR WEID provided certain metering upgrades required to provide transfer service from Company to Bonneville, as identified in Exhibit A are completed.

NOW THEREFORE, the Parties agree to the following:

1. 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 applicable balancing authorities to which Bonneville and Company are directly interconnected.

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.

Facility shall have the meaning given to that term in the recitals.

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 Bonneville, Company, or any affiliate thereof.

The Project shall mean the work and related actions required to be taken by this Agreement in order to allow Bonneville to provide service to USBR WEID.

2. **TERM & TERMINATION.**

2.1 This Agreement shall be effective upon the later of the following:

- (1) the date of execution by both Parties, or
- (2) the effective date established by FERC upon acceptance for filing.

2.2 This Agreement shall terminate ninety (90) days after the earliest of the following to occur:

- (1) receipt of final payment of actual costs by Bonneville; or Company's refund of overpayment to Bonneville, pursuant to Section 4 of this Agreement. In the event that the final accounting provided in Section 4.4 results in neither a final invoice nor a final refund, this Agreement shall terminate ninety (90) calendar days following Company's notice of final accounting;
- (2) as provided in Section 4.3 of this Agreement; or
- (3) as provided in Section 11 of this Agreement.

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

3.1. **Project Description and Scope.** Bonneville has requested to provide service to the USBR WEID pursuant to the terms of Part III of the OATT.

3.2. **Company Responsibilities.** Company agrees to design, procure, and install the

Project as outlined in the attached Exhibit A, Estimated Scope of Work.

3.3. **Bonneville Responsibilities.** Bonneville agrees to design, procure, and install the Project as outlined in the attached Exhibit A, Estimated Scope of Work.

3.4. **Performance Standards.** Each Party shall perform, and as applicable shall require its representatives and agents to perform, all 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 or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in breach of this Agreement for compliance therewith.

4. OWNERSHIP/RESPONSIBILITY FOR COSTS.

4.1. **Ownership.** Each Party shall retain ownership and maintain equipment installed by the respective Party, except as otherwise provided in Exhibit A.

4.2. **Estimated Costs.** Company's estimated cost for the Scope of Work outlined in Exhibit A for the Project is \$8,000. Company shall notify Bonneville, in writing, within thirty (30) calendar days if, at any time during the course of the Project, Company expects the cost of performing the work identified under this Agreement to exceed \$8,000 (which is the estimated costs plus 10%).

4.3. **Authorization of Additional Amounts for Project Costs.** Bonneville must agree to any increase in costs in the event the costs are estimated to exceed \$8,000, evidenced by a written amendment to this Agreement. Company's obligation to proceed with the Project work associated with amounts in excess of \$8,000 shall be contingent upon the Parties entering into such written amendment. Bonneville shall be responsible for all estimated costs, as may be increased pursuant to such written amendment. If Bonneville does not authorize any such additional amounts within thirty (30) days of Bonneville's receipt of the notice described in Section 4.2, Company shall terminate, as provided in Section 2.2 of this Agreement, after giving Bonneville written notice and an additional fifteen (15) days to cure. In the event of termination pursuant to this Section 4.3, Bonneville shall pay all of the costs incurred by Company pursuant to this Agreement prior to termination, up to the then-agreed maximum estimate.

4.4. **Payment of Actual Costs.** Company's actual cost of performing the Project shall be reimbursed by Bonneville, including applicable overheads. Company's actual costs shall include all direct costs plus applicable overheads estimated to be 15%. Company will provide an invoice on a monthly basis to Bonneville and will include as an attachment to such invoice a Project cost report containing sufficient detail to demonstrate applicability of the charged costs to the Project, including any allocable overheads, for the preceding month. Bonneville shall pay to Company the invoiced amount within thirty (30) calendar days following receipt of such invoice from Company.

Following completion of the Project, Company shall calculate its actual costs, including

actual applicable overhead costs, for the completed Project. Company will forward a copy of the calculation to Bonneville, and, if necessary, a final invoice or a refund for the difference between the accumulated amounts provided by Bonneville under the monthly invoicing cycles and the actual costs of the Project's construction. Such final accounting will be provided no later than one hundred twenty (120) calendar days after completion of construction. Bonneville will have thirty (30) calendar days after receiving any invoice to make a payment. If Bonneville's accumulated amounts paid during the monthly invoicing cycles exceed the total costs of construction, Company shall remit to Bonneville as a refund, the excess amount within thirty (30) calendar days of the date of Company's notice of final accounting.

Company shall keep accurate and complete accounting records in support of all cost billings and claims in accordance with generally accepted accounting principles.

5. TAXES.

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

5.2. **Reimbursement for the Cost Consequences of Current Tax Liability Imposed Upon Company.** Notwithstanding Section 5.1, Bonneville shall reimburse Company for the cost consequences of any current tax liability imposed against Company as the result of payments made by Bonneville to Company under this Agreement for the Project, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Company.

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

5.3. **Tax Gross-up Amount.** Bonneville'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 Bonneville will pay Company, as a cost of the Project, an amount equal to (1) the current taxes imposed on Company ("Current Taxes") on the excess of (a) the gross income realized by Company as a result of payments made by Bonneville to Company under this Agreement (without regard to any payments under this Article) (the "Gross Income Amount") over (b) the

present value of future tax deductions for depreciation that will be available as a result of such payments (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Company to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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

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

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

5.5. **Refund.** In the event that (a) a private letter ruling is issued to Company which holds that any amount paid by Bonneville to Company under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company in good faith that any amount paid by Bonneville to Company under the terms of this Agreement is not taxable to Company, (c) any abatement, appeal, protest, or other contest results in a determination that any payments made by Bonneville to Company are not subject to federal income tax, or (d) if Company receives a refund from any taxing authority for any overpayment of tax attributable to any payment by Bonneville to Company pursuant to this Agreement, Company shall promptly refund to Bonneville the following:

- (i) any payment made by Bonneville 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 Bonneville to Company for such taxes which Company did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Bonneville to the date Company refunds such payment to Bonneville; and
- (iii) with respect to any such taxes paid by Company, any refund or credit Company receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i),

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

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

6. PROJECT SCHEDULE. The Parties have agreed to the estimated timeframes attached as Exhibit B, Timeframe and Milestones, for the completion of the Project. All Project schedule milestones are good faith estimates of the time required to complete the Project at the time the schedule was developed.

7. CHANGES. The Parties may at any time, in writing, mutually agree to changes and/or additions within the general scope of this Agreement or any amendment hereto, direct the omission of or variation in Project work, or alter the schedule. If such direction results in a material change in the amount or character of the Project work, an equitable adjustment in estimated costs and other such provisions of this Agreement as may be affected shall be made and this Agreement shall be modified in writing accordingly.

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

8. INSPECTION. Bonneville may, at its discretion and expense, reasonably inspect Company's construction work with respect to the Project upon reasonable notice and with supervision by Company. Company may, at its discretion and Bonneville's expense, reasonably inspect Bonneville's construction work with respect to the Project upon reasonable notice and with supervision by Bonneville.

9. TESTING. Before the new facilities required for the Project are energized, such new facilities shall be tested by Company to ensure their safe and reliable operation in accordance with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. If testing indicates that modifications are required, Bonneville shall bear the cost of all such modifications in accordance with the cost allocation in Section 4 above, except to the extent that any such modifications are required as a result of Company's or its agents' or its subcontractors' negligence, willful misconduct, or failure to comply with Good Utility Practice. Each Party will provide the other with the results of any testing.

10. ACCESS. Either Party shall, upon reasonable advance notice by the other Party, and to the extent practicable and consistent with Good Utility Practice, grant the other Party escorted access to the Project consistent with any access rights that may be established in other agreements between the Parties, provided that the Party being granted access agrees to comply with the safety and security protocols of the Party granting access.

11. RIGHT TO STOP WORK. Bonneville reserves the right, upon thirty (30) days advance written notice to Company, to require Company at any time to stop all work by Company pursuant to this Agreement. Issuance of any such stop-work order shall terminate this Agreement as provided in Section 2.2 of this Agreement. Upon issuance of any such stop-work order, Bonneville shall pay the Project-related costs Company has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts.

12. GOVERNING LAW AND FORUM. This Agreement shall be interpreted, construed, enforced and implemented pursuant to Federal law. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, or other forum pursuant to Federal Law, unless the parties agree to pursue alternative dispute resolution.

13. 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.

14. ASSIGNMENT. This Agreement is binding on any successors and assigns of the Parties. Neither Party may transfer or assign this Agreement, in whole or in part, without the other Party's written consent (which shall not be unreasonably withheld), except that, after 30 days written notice to the other Party, either Party may assign this Agreement to any: (i) affiliate, (ii) successor in interest, or (iii) corporation or any other business entity acquiring all or substantially all assets of the Party.

15. 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.

16. 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.

17. NOTICES. Any correspondence regarding this work shall be directed to the appropriate Party (or Parties) as shown below:

Bonneville: U.S. Department of Energy
Bonneville Power Administration
ATTN: Derrick Pleger
P. O. Box 3621 PSST-6
Portland, OR 97208-3621

Company: PacifiCorp
ATTN: Vice President, Transmission Services
825 NE Multnomah St., Suite 1600
Portland, OR 97232
Phone: (503) 813-6938
Fax: (503) 813-6893

18. BILLING AND PAYMENT. Billings and payments shall be sent to:

Bonneville: U.S. Department of Energy
Bonneville Power Administration
ATTN: PROGRAM ANALYST KEW-B-4
P. O. Box 3621
Portland, OR 97208-3621

Company: US Mail Deliveries: PacifiCorp Transmission
P.O. Box 2757
Portland, OR 97208
Other Deliveries: PacifiCorp Transmission
ATTN: Central Cashiers
P.O. Box 5504
Portland, OR 97228-5504

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

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

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

Provided, 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.

21. 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 Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

22. 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.

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

24. 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.

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

26. MODIFICATIONS OR AMENDMENTS. Subject to Section 8, no modification or amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by authorized representative of the Parties.

27. 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.

28. DISPUTE RESOLUTION

28.1. **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 (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute").

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below to the extent consistent with Federal law. 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 under Federal law.

28.2. 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.

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

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

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective pursuant to Section 2.1.

PACIFICORP

/s/ Rick Vail

Signature

Rick Vail

Printed Name of Signor

VP, Transmission

Title of Signor

1/31/2020

Date

U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER
ADMINISTRATION

/s/ Paul Garrett

Signature

Paul Garrett

Printed Name of Signor

Manager, Power Account Services

Title of Signor

01-30-2020

Date

Exhibit A

Estimated Scope of Work

The following metering modifications are required to be installed, tested and in service in order to provide the requested service:

1. Metering Upgrades

The following outlines the design, procurement, construction, installation, and ownership of equipment to facilitate the requested Network Integration Transmission Service.

1.1. Bonneville to be Responsible For:

- Procuring a KYZ pulse recorder and cellular device. These can either be installed by Transmission Customer or Transmission Provider.
- Coordinating installation and testing of KYZ pulse recorder and cellular device with Transmission Provider.
- Owning and maintaining the KYZ pulse recorder and cellular device

1.2. Company to be Responsible For:

- Adding a KYZ board to the meter and program KYZ pulse weights in order to provide KWH and KVARH energy pulses to a Transmission Customer data recorder.
- Mounting a fiber optic isolator in the existing meter enclosure and mounting the Transmission Customer's meter on available space on the pole.

Exhibit B
Estimated Timeframe

It is estimated that it will take 6 to 8 months to complete the work identified in Exhibit B.

PROJECT CONSTRUCTION AGREEMENT
BONNEVILLE POWER ADMINISTRATION /
WEST EXTENSION IRRIGATION DISTRICT

This Project Construction Agreement (the "Agreement") made and entered into this 31st day of January, 2020, between the Bonneville Power Administration ("Bonneville"), and PacifiCorp, an Oregon corporation ("Company"). Hereinafter, Bonneville and Company may be individually referred to as a "Party" or collectively referred to as the "Parties."

RECITALS:

A. WHEREAS, Company is a Transmission Provider which owns, controls, or operates transmission or distribution facilities used for the transmission of electric energy in interstate commerce and provides transmission service under an Open Access Transmission Tariff ("OATT");

B. WHEREAS, Bonneville is a Network Customer of Company and receives certain transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the OATT;

C. WHEREAS, Bonneville has requested to provide service to the United States Bureau of Reclamation's West Extension Irrigation District ("USBR WEID") pursuant to the terms of Part III of the OATT;

D. WHEREAS, Company, through its Merchant arm, currently provides service to the USBR WEID;

E. WHEREAS, Company has approved Bonneville's request to provide service to USBR WEID provided certain metering upgrades required to provide transfer service from Company to Bonneville, as identified in Exhibit A are completed.

NOW THEREFORE, the Parties agree to the following:

1. 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 applicable balancing authorities to which Bonneville and Company are directly interconnected.

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.

Facility shall have the meaning given to that term in the recitals.

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 Bonneville, Company, or any affiliate thereof.

The Project shall mean the work and related actions required to be taken by this Agreement in order to allow Bonneville to provide service to USBR WEID.

2. **TERM & TERMINATION.**

2.1 This Agreement shall be effective upon the later of the following:

- (1) the date of execution by both Parties, or
- (2) the effective date established by FERC upon acceptance for filing.

2.2 This Agreement shall terminate ninety (90) days after the earliest of the following to occur:

- (1) receipt of final payment of actual costs by Bonneville; or Company's refund of overpayment to Bonneville, pursuant to Section 4 of this Agreement. In the event that the final accounting provided in Section 4.4 results in neither a final invoice nor a final refund, this Agreement shall terminate ninety (90) calendar days following Company's notice of final accounting;
- (2) as provided in Section 4.3 of this Agreement; or
- (3) as provided in Section 11 of this Agreement.

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

3.1. **Project Description and Scope.** Bonneville has requested to provide service to the USBR WEID pursuant to the terms of Part III of the OATT.

3.2. **Company Responsibilities.** Company agrees to design, procure, and install the

Project as outlined in the attached Exhibit A, Estimated Scope of Work.

3.3. **Bonneville Responsibilities.** Bonneville agrees to design, procure, and install the Project as outlined in the attached Exhibit A, Estimated Scope of Work.

3.4. **Performance Standards.** Each Party shall perform, and as applicable shall require its representatives and agents to perform, all 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 or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in breach of this Agreement for compliance therewith.

4. OWNERSHIP/RESPONSIBILITY FOR COSTS.

4.1. **Ownership.** Each Party shall retain ownership and maintain equipment installed by the respective Party, except as otherwise provided in Exhibit A.

4.2. **Estimated Costs.** Company's estimated cost for the Scope of Work outlined in Exhibit A for the Project is \$8,000. Company shall notify Bonneville, in writing, within thirty (30) calendar days if, at any time during the course of the Project, Company expects the cost of performing the work identified under this Agreement to exceed \$8,000 (which is the estimated costs plus 10%).

4.3. **Authorization of Additional Amounts for Project Costs.** Bonneville must agree to any increase in costs in the event the costs are estimated to exceed \$8,000, evidenced by a written amendment to this Agreement. Company's obligation to proceed with the Project work associated with amounts in excess of \$8,000 shall be contingent upon the Parties entering into such written amendment. Bonneville shall be responsible for all estimated costs, as may be increased pursuant to such written amendment. If Bonneville does not authorize any such additional amounts within thirty (30) days of Bonneville's receipt of the notice described in Section 4.2, Company shall terminate, as provided in Section 2.2 of this Agreement, after giving Bonneville written notice and an additional fifteen (15) days to cure. In the event of termination pursuant to this Section 4.3, Bonneville shall pay all of the costs incurred by Company pursuant to this Agreement prior to termination, up to the then-agreed maximum estimate.

4.4. **Payment of Actual Costs.** Company's actual cost of performing the Project shall be reimbursed by Bonneville, including applicable overheads. Company's actual costs shall include all direct costs plus applicable overheads estimated to be 15%. Company will provide an invoice on a monthly basis to Bonneville and will include as an attachment to such invoice a Project cost report containing sufficient detail to demonstrate applicability of the charged costs to the Project, including any allocable overheads, for the preceding month. Bonneville shall pay to Company the invoiced amount within thirty (30) calendar days following receipt of such invoice from Company.

Following completion of the Project, Company shall calculate its actual costs, including

actual applicable overhead costs, for the completed Project. Company will forward a copy of the calculation to Bonneville, and, if necessary, a final invoice or a refund for the difference between the accumulated amounts provided by Bonneville under the monthly invoicing cycles and the actual costs of the Project's construction. Such final accounting will be provided no later than one hundred twenty (120) calendar days after completion of construction. Bonneville will have thirty (30) calendar days after receiving any invoice to make a payment. If Bonneville's accumulated amounts paid during the monthly invoicing cycles exceed the total costs of construction, Company shall remit to Bonneville as a refund, the excess amount within thirty (30) calendar days of the date of Company's notice of final accounting.

Company shall keep accurate and complete accounting records in support of all cost billings and claims in accordance with generally accepted accounting principles.

5. TAXES.

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

5.2. **Reimbursement for the Cost Consequences of Current Tax Liability Imposed Upon Company.** Notwithstanding Section 5.1, Bonneville shall reimburse Company for the cost consequences of any current tax liability imposed against Company as the result of payments made by Bonneville to Company under this Agreement for the Project, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Company.

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

5.3. **Tax Gross-up Amount.** Bonneville'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 Bonneville will pay Company, as a cost of the Project, an amount equal to (1) the current taxes imposed on Company ("Current Taxes") on the excess of (a) the gross income realized by Company as a result of payments made by Bonneville to Company under this Agreement (without regard to any payments under this Article) (the "Gross Income Amount") over (b) the

present value of future tax deductions for depreciation that will be available as a result of such payments (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Company to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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

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

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

5.5. **Refund.** In the event that (a) a private letter ruling is issued to Company which holds that any amount paid by Bonneville to Company under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company in good faith that any amount paid by Bonneville to Company under the terms of this Agreement is not taxable to Company, (c) any abatement, appeal, protest, or other contest results in a determination that any payments made by Bonneville to Company are not subject to federal income tax, or (d) if Company receives a refund from any taxing authority for any overpayment of tax attributable to any payment by Bonneville to Company pursuant to this Agreement, Company shall promptly refund to Bonneville the following:

- (i) any payment made by Bonneville 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 Bonneville to Company for such taxes which Company did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Bonneville to the date Company refunds such payment to Bonneville; and
- (iii) with respect to any such taxes paid by Company, any refund or credit Company receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i),

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

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

6. PROJECT SCHEDULE. The Parties have agreed to the estimated timeframes attached as Exhibit B, Timeframe and Milestones, for the completion of the Project. All Project schedule milestones are good faith estimates of the time required to complete the Project at the time the schedule was developed.

7. CHANGES. The Parties may at any time, in writing, mutually agree to changes and/or additions within the general scope of this Agreement or any amendment hereto, direct the omission of or variation in Project work, or alter the schedule. If such direction results in a material change in the amount or character of the Project work, an equitable adjustment in estimated costs and other such provisions of this Agreement as may be affected shall be made and this Agreement shall be modified in writing accordingly.

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

8. INSPECTION. Bonneville may, at its discretion and expense, reasonably inspect Company's construction work with respect to the Project upon reasonable notice and with supervision by Company. Company may, at its discretion and Bonneville's expense, reasonably inspect Bonneville's construction work with respect to the Project upon reasonable notice and with supervision by Bonneville.

9. TESTING. Before the new facilities required for the Project are energized, such new facilities shall be tested by Company to ensure their safe and reliable operation in accordance with Good Utility Practice, Applicable Reliability Standards, and Applicable Laws and Regulations. If testing indicates that modifications are required, Bonneville shall bear the cost of all such modifications in accordance with the cost allocation in Section 4 above, except to the extent that any such modifications are required as a result of Company's or its agents' or its subcontractors' negligence, willful misconduct, or failure to comply with Good Utility Practice. Each Party will provide the other with the results of any testing.

10. ACCESS. Either Party shall, upon reasonable advance notice by the other Party, and to the extent practicable and consistent with Good Utility Practice, grant the other Party escorted access to the Project consistent with any access rights that may be established in other agreements between the Parties, provided that the Party being granted access agrees to comply with the safety and security protocols of the Party granting access.

11. RIGHT TO STOP WORK. Bonneville reserves the right, upon thirty (30) days advance written notice to Company, to require Company at any time to stop all work by Company pursuant to this Agreement. Issuance of any such stop-work order shall terminate this Agreement as provided in Section 2.2 of this Agreement. Upon issuance of any such stop-work order, Bonneville shall pay the Project-related costs Company has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts.

12. GOVERNING LAW AND FORUM. This Agreement shall be interpreted, construed, enforced and implemented pursuant to Federal law. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, or other forum pursuant to Federal Law, unless the parties agree to pursue alternative dispute resolution.

13. 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.

14. ASSIGNMENT. This Agreement is binding on any successors and assigns of the Parties. Neither Party may transfer or assign this Agreement, in whole or in part, without the other Party's written consent (which shall not be unreasonably withheld), except that, after 30 days written notice to the other Party, either Party may assign this Agreement to any: (i) affiliate, (ii) successor in interest, or (iii) corporation or any other business entity acquiring all or substantially all assets of the Party.

15. 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.

16. 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.

17. NOTICES. Any correspondence regarding this work shall be directed to the appropriate Party (or Parties) as shown below:

Bonneville: U.S. Department of Energy
Bonneville Power Administration
ATTN: Derrick Pleger
P. O. Box 3621 PSST-6
Portland, OR 97208-3621

Company: PacifiCorp
ATTN: Vice President, Transmission Services
825 NE Multnomah St., Suite 1600
Portland, OR 97232
Phone: (503) 813-6938
Fax: (503) 813-6893

18. BILLING AND PAYMENT. Billings and payments shall be sent to:

Bonneville: U.S. Department of Energy
Bonneville Power Administration
ATTN: PROGRAM ANALYST KEW-B-4
P. O. Box 3621
Portland, OR 97208-3621

Company: US Mail Deliveries: PacifiCorp Transmission
P.O. Box 2757
Portland, OR 97208
Other Deliveries: PacifiCorp Transmission
ATTN: Central Cashiers
P.O. Box 5504
Portland, OR 97228-5504

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

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

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

Provided, 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.

21. 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 Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

22. 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.

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

24. 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.

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

26. MODIFICATIONS OR AMENDMENTS. Subject to Section 8, no modification or amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by authorized representative of the Parties.

27. 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.

28. DISPUTE RESOLUTION

28.1. **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 (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute").

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below to the extent consistent with Federal law. 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 under Federal law.

28.2. 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.

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

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

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective pursuant to Section 2.1.

PACIFICORP

U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER

Rick Vail

Digitally signed by Rick Vail
Date: 2020.01.31 05:41:31
-08'00'

Signature

Rick Vail

Printed Name of Signor

VP, Transmission

Title of Signor

1/31/2020

Date

ADMINISTRATION



Signature

Paul Garrett

Printed Name of Signor

Manager, Power Account Services

Title of Signor

01.30.2020

Date

Exhibit A Estimated Scope of Work

The following metering modifications are required to be installed, tested and in service in order to provide the requested service:

1. Metering Upgrades

The following outlines the design, procurement, construction, installation, and ownership of equipment to facilitate the requested Network Integration Transmission Service.

1.1. Bonneville to be Responsible For:

- Procuring a KYZ pulse recorder and cellular device. These can either be installed by Transmission Customer or Transmission Provider.
- Coordinating installation and testing of KYZ pulse recorder and cellular device with Transmission Provider.
- Owning and maintaining the KYZ pulse recorder and cellular device

1.2. Company to be Responsible For:

- Adding a KYZ board to the meter and program KYZ pulse weights in order to provide KWH and KVARH energy pulses to a Transmission Customer data recorder.
- Mounting a fiber optic isolator in the existing meter enclosure and mounting the Transmission Customer's meter on available space on the pole.

Exhibit B
Estimated Timeframe

It is estimated that it will take 6 to 8 months to complete the work identified in Exhibit B.