

August 7, 2015

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

RE: *PacifiCorp*
Docket No. ER15-_____-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2006), Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35 (2014), and Order No. 714¹ regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Engineering and Procurement Agreement ("E&P Agreement"), between Clatskanie People's Utility District ("Clatskanie PUD") and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 713.

1. Background and Reason for Filing

Clatskanie PUD has requested to interconnect to PacifiCorp's transmission system. In order for Clatskanie PUD to obtain interconnection service, it will be necessary for PacifiCorp to construct certain facilities. To advance implementation of the project, Clatskanie PUD requests that PacifiCorp begin certain activities relative to the project prior to the execution of the Construction Agreement. During the period prior to the execution of the Construction Agreement, the parties have entered into the E&P Agreement, dated July 30, 2015. This agreement provides the terms and conditions under which PacifiCorp is authorized to begin to design, engineer, and procure items necessary to advance the implementation of the interconnection facilities. PacifiCorp respectfully requests the Commission accept the E&P Agreement, attached as Enclosure 1 hereto, for filing.

2. Effective Date and Request for Waiver

In accordance with 18 C.F.R. § 35.3(a)(1), PacifiCorp respectfully requests that the Commission establish an effective date of October 7, 2015, for the E&P Agreement.

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

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 E&P Agreement be designated as PacifiCorp Rate Schedule No. 713.

4. Enclosure

The following enclosure is attached hereto:

Enclosure E&P Agreement between Clatskanie PUD and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 713

5. Communications

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

Patrick C. Cannon
Senior Counsel
PacifiCorp
825 N.E. Multnomah, Suite 1800
Portland, OR 97232
(503) 813-5613
(503) 813-6508 (facsimile)
Patrick.Cannon@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. Service List

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

Paul Dockery
Clatskanie People's Utility District
495 E. Columbia River Hwy
Clatskanie, OR 97016
pdockery@clatskaniepud.com

Public Utility Commission of Oregon
550 Capitol Street N.E. Suite 215
Salem, Oregon 97301-2551
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/ Patrick C. Cannon
Patrick C. Cannon

Attorney for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused a copy of the foregoing document to be served via first-class mail or electronic mail upon each of the parties listed in the enclosed Service List.

Dated at Portland, Oregon this 7th day of August, 2015.

/s/ Patrick C. Cannon

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

ENGINEERING AND PROCUREMENT AGREEMENT

THIS ENGINEERING AND PROCUREMENT AGREEMENT (“Agreement”) is made and entered into this 30th day of July, 2015, by and between PacifiCorp Transmission, (“Transmission Owner”) and Clatskanie People’s Utility District, (“Interconnection Customer”). Interconnection Customer and Transmission Owner each may be referred to individually as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Transmission Owner has an Open Access Transmission Tariff (“OATT”) on file with the Federal Energy Regulatory Commission (“FERC”) and provides Transmission Service on its transmission system;

WHEREAS, Interconnection Customer has submitted a request to Transmission Owner for interconnection to Transmission Owner’s electrical system (the “Project”);

WHEREAS, Transmission Owner has provided to Interconnection Customer the system impact portion of a system impact and facilities study (“SIFS”) which identified the impacts to the Transmission Owner’s system;

WHEREAS, Transmission Owner is in the process of completing the facilities study portion of the SIFS to identify the facilities necessary for the interconnection of the proposed project with Transmission Owner’s system;

WHEREAS, to advance the implementation of the Project, Interconnection Customer requests that Transmission Owner begin certain activities relative to the Project prior to the execution of a Construction Agreement (“CA”);

WHEREAS, upon the request by the Interconnection Customer, Transmission Owner may offer an engineering and procurement agreement that authorizes Transmission Owner to begin work described herein necessary for the establishment of the facilities required for the asset purchase pursuant to the results of the SIFS;

WHEREAS, the Parties wish to set forth their agreement with respect to such engineering and procurement services related to the construction of the Transmission Owner’s Interconnection Facilities and Network Upgrades and payment for such services;

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

Agreement

1. Definitions. Unless specifically defined herein, capitalized terms shall have the meaning as defined in the OATT.

2. Effective Date, Term and Termination. This Agreement shall be effective upon the later of the following: (1) the date of execution by both Parties, or (2) the effective date established by FERC upon acceptance for filing.

This Agreement shall remain in effect until 90 days after the earliest of the following to occur:

- (a) Execution by the Parties of the CA;
- (b) Termination of the Agreement as provided in Section 10 of this Agreement (Authorization of Additional Amounts for Project Costs); or
- (c) Termination of the Agreement as provided in Section 11 of this Agreement (Right to Stop Work).

Notwithstanding the foregoing, the provisions of this Agreement necessary to ensure payment of amounts due hereunder by one Party to the other Party shall continue in effect until each Party has satisfied its payment obligations to the other, if any.

3. Engineering and Procurement Services to Be Provided. Execution of this Agreement shall not obligate Transmission Owner to perform any construction work, acquire property rights, provide Interconnection or Transmission Service, or to undertake any other obligations not expressly set forth in this Agreement. In accordance with the terms of this Agreement and provided that Interconnection Customer (a) is not in default under the terms of this Agreement, or (b) any other agreement between the Parties, Transmission Owner shall commence the engineering services as further described herein ("Engineering Services") and the procurement services as further described herein ("Procurement Services").

Engineering Services shall mean the services set out in Exhibit A and shall also include such other services as Transmission Owner believes are reasonably necessary to engineer and design the Interconnection Facilities and Network Upgrades. Engineering Services shall also include the services of any consultant or professional engineering firms that may be retained by Interconnection Customer, except that Interconnection Customer may retain only those consultants or professional engineering firms approved by the Transmission Owner. Transmission Owner shall timely review such professional engineering firms.

Procurement Services shall mean the services set out in Exhibit A and shall also include such other services as Transmission Owner believes are reasonably necessary to specify, obtain bids, place purchase orders and otherwise to procure materials, equipment and contractors in connection therewith for the completion of the Interconnection Facilities and Network Upgrades. The Engineering Services and Procurement Services shall be collectively referred to herein as the "Services."

4. Modification of Services. At Interconnection Customer's request, the Services set out in Exhibit A have been defined prior to the execution of the CA. As a consequence, the Parties acknowledge and accept that the estimates and scope of Services described in Exhibit A are not binding on the part of Transmission Owner and that Exhibit The Agreement may require modification to reflect engineering requirements of the Interconnection Facilities or Network Upgrades based on ongoing Engineering Services. Such modifications shall include those deemed reasonably necessary by the Transmission Owner in preparation for the construction of the Interconnection Facilities or Network Upgrades. Interconnection Customer, and anyone claiming by, through or under Interconnection Customer, hereby waives its right to recover from and fully and irrevocably releases Transmission Owner from any and all claims, responsibility and/or liability that Interconnection Customer may now have or hereafter acquire against Transmission Owner for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to such modifications.

5. Performance Standards. Each Party shall perform all its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice (as such terms are defined in the OATT), and 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. Notwithstanding anything in this Agreement to the contrary, in no event shall Transmission Owner be responsible under the terms of this Agreement for any delay in completion of the requested Services.

6. Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to perform all its obligations under this Agreement.

7. Lands of Other Property Owners. If any part of the Interconnection Facilities or Network Upgrades are to be installed on property owned by or under the control of persons other than Interconnection Customer or Transmission Owner, Interconnection Customer shall at its own expense use efforts to procure from such persons any property rights in fee, perpetual lease, or other property rights in a form acceptable to the Transmission Owner that are necessary to construct, operate, maintain, test, inspect, replace or remove the Interconnection Facilities or Network Upgrades and upon such property.

8. Project Costs. Interconnection Customer shall be responsible to reimburse and pay Transmission Owner for all costs and expenses reasonably incurred by Transmission Owner in connection with providing the Services pursuant to this Agreement ("Project Costs"). Project Costs shall include all reasonable and documented costs, charges, and expenses incurred by Transmission Owner in connection with the performance of the Services, including all of Transmission Owner's reasonable internal costs, overheads, third-party expenses, and cost of

supplies, and any other amounts owed to Transmission Owner under the terms of this Agreement, including without limitation, all reasonable costs incurred by Transmission Owner in performing the activities described in Exhibit A, Scope of Work. Interconnection Customer shall pay Transmission Owner for all Project Costs incurred, subject to the terms of this Agreement, including any additional costs incurred under Section 4 of this Agreement, Modification of Services. Interconnection Customer hereby authorizes Transmission Owner to incur Project Costs in an initial amount of up to \$50,000.

9. Payment of Estimated Project Costs. Upon execution of this Agreement, Interconnection Customer shall tender to Transmission Owner prepayment of Project Costs in the amount of \$50,000 (the “Prepayment”). Transmission Owner’s obligation to proceed with the Services shall be contingent upon receipt of the Prepayment. Transmission Owner shall notify Interconnection Customer when it determines the Project Costs will exceed the Prepayment and shall specify the estimated amount by which such Project Costs will exceed the Prepayment. Upon receipt of such notice, and following approval thereof by Interconnection Customer, Interconnection Customer shall tender to Transmission Owner prepayment of the estimated amount of additional Project Costs, which amount shall not exceed \$75,000.

10. Authorization of Additional Amounts for Project Costs. In the event that Transmission Owner determines Project Costs may exceed Authorized Amount, Transmission Owner shall notify Interconnection Customer and request that Interconnection provide written approval authorizing such additional amounts for Project Costs within thirty (30) days of such notice. Transmission Owner’s obligation to proceed with the Services associated with such additional amounts shall be contingent upon receipt of such approval, along with a prepayment in such additional amount. Interconnection Customer shall be responsible for such Project Costs, as increased pursuant to such written authorization. If Interconnection Customer does not authorize such additional amounts within such thirty (30) day period, this Agreement shall terminate after Transmission Owner gives Interconnection Customer written notice and an additional fifteen (15) days to cure.

11. Right to Stop Work. Interconnection Customer reserves the right, upon seven (7) days advance written notice to Transmission Owner, to require Transmission Owner at any time to stop all work by Transmission Owner pursuant to this Agreement, provided that such stop-work order is the result of suspension or termination of the Project. Issuance of any such stop-work order shall terminate this Agreement. Upon issuance of any such stop-work order, Interconnection Customer shall pay in accordance with section 12 below, the Project Costs Transmission Owner has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts and any cancellation costs for equipment that is already ordered for the Interconnection Facilities or Network Upgrades.

12. Billing. Transmission Owner shall provide Interconnection Customer with an invoice listing services performed and amounts due hereunder, showing credit for any prepayment of Project Costs made by Interconnection Customer. Interconnection Customer shall

pay amounts due within thirty (30) days of the invoice date. Any refund due from Transmission Owner shall be paid to Interconnection Customer within thirty (30) days of the invoice date. If Interconnection Customer disputes any portion of the amount due, Interconnection Customer shall pay the total bill and shall designate the disputed portion, and resolve the dispute in accordance with Article 27 of the OATT.

13. Indemnification. Subject to the limitations contained in Section 14 below, the Parties shall at all times indemnify, defend, and hold the other Party harmless, from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this Agreement, except in the case of gross negligence or intentional wrongdoing by the indemnified party.

14. Remedies; Waiver; Warranty. Either Party may exercise any or all of its rights and remedies under this Agreement, the OATT and under any applicable laws, rules and regulations. Transmission Owner's liability for any action arising out of its activities relating to this Agreement shall be limited to the refund of amounts received hereunder. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY OF THE OTHER PARTY'S ECONOMIC LOSSES, COSTS OR DAMAGES, INCLUDING BUT NOT LIMITED TO SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES. No provision of this Agreement or any other agreement between the Parties shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. No failure by any Party to insist upon the strict performance of any provision of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of such provision or of any other provision. No waiver of any provision of this Agreement or any other agreement between the Parties shall be deemed a waiver of any other provision of this Agreement or any other agreement between the Parties. Transmission Owner warrants that the work it performs hereunder shall be consistent with Good Utility Practice. TRANSMISSION OWNER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND ALL SIMILAR WARRANTIES.

15. Force Majeure. Neither Party shall be subject to any liability or damages for failure to perform their respective obligations hereunder to the extent that such failure is due to causes beyond the control of the Party claiming force majeure protection, including but not limited to the following: (a) the operation and effect of any rules, regulations and orders promulgated by any commission, municipality, or governmental agency of the United States, or subdivision thereof; (b) restraining order, injunction or similar decree of any court; (c) war; (d) flood; (e) earthquake; (f) act of God; (g) sabotage; or (h) strikes or boycotts. The Party claiming force majeure protection under this provision shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible.

16. Assignment. Transmission Owner may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which PacifiCorp is a party. Affiliate includes any entity in which Berkshire Hathaway Inc. owns more than a 5% interest, over which Berkshire Hathaway Energy exercises management control, or which is listed on an exhibit to this Agreement. Interconnection Customer shall not assign its rights, nor delegate its obligations, under this Agreement without the prior written consent of Transmission Owner, and any attempted transfer in violation of this restriction shall be void.

17. Notice. Any notice required to be given hereunder shall be deemed to have been given when it is sent, with postage prepaid, by registered or certified mail, return receipt requested, or upon delivery if delivered by prepaid commercial courier service, to either of the Parties hereto at their respective addresses as follows:

To Interconnection Customer:

Clatskanie People's Utility District
ATTN: Power Manager
P.O. Box 216
495 E. Columbia River Hwy
Clatskanie, OR 97016
Telephone Number: (503) 728-2163

To Transmission Owner:

Brian Fritz
Director, Transmission Services
PacifiCorp
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232
Telephone Number: (503) 813-7237

18. Governing Law. Except to the extent preempted by federal law, this Agreement shall in all respects be interpreted, and enforced in accordance with the laws of the State of Oregon without reference to rules governing conflicts of laws.

19. Relationship of Parties; No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create an agency relationship, association, joint venture, trust, or partnership, or impose a trust or partnership covenant, obligation, or liability on or with regard to either of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. Nothing in this Agreement shall be

construed to create any duty to, any standard of care with reference to, or any liability or inference of liability to any third party.

20. Severability. If any provision of this Agreement is held invalid or unenforceable for any reason by a court or governmental agency of competent jurisdiction, then the objectionable portions of the provision shall be stricken, and all other provisions of this Agreement shall remain unaffected and in force. The Parties shall be relieved of their obligations only to the extent necessary to eliminate the objectionable portions unless a court or governmental agency of competent jurisdiction holds that the invalidated provision is not separable from the remainder of this Agreement.

21. 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.**

22. Exhibit Incorporated. The Exhibit A to this Agreement, attached hereto, is incorporated and made part of this Agreement.

23. Recitals, Headings. The recitals, headings, and subtitles in this Agreement are for the convenience of the Parties and are not to be used for its construction or interpretation.

24. Complete Agreement; Amendment. This Agreement sets forth the entire Agreement between the Parties on the subject matter of this Agreement, and supersedes all prior Agreements of the Parties with respect to its subject matter. No amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by authorized representatives of both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

PACIFICORP TRANSMISSION SERVICES

CLATSKANIE PEOPLE'S UTILITY
DISTRICT

By: /s/ Brian Fritz

Brian Fritz

Title: Director, Transmission Services

Date: 7/30/2015

By: /s/ Eric Hiaasen

Energy Services & Resource

Title: Manager

Date: 28-July-2016

Exhibit A

E&P Agreement Scope

Note: this is not intended to be comprehensive CA scope, nor is it intended to limit activities under this E&P Agreement.

Transmission Owner

- Procure equipment and long lead items as identified in the design to interconnect the Project to the Transmission Owner's Troutdale Substation.
- Provide engineering services to interconnect the Project to the Transmission Owner's Troutdale Substation. Design packages and preliminary schedule are as follows:
 - Once the Prepayment is received from the Interconnection Customer and the Transmission Owner's internal financial approval is obtained:
 - Step 1: It will take 30 days to present the project to the Transmission Owner's design and review board.
 - Step 2: It will take 6 weeks from the completion of step 1 to submit the Design 1 package to the Transmission Owner's design and review board.
 - Step 3: It will take 8 weeks from the completion step 2 to submit the Design 2 package to the Transmission Owner's design and review board.
 - Step 4: It will take 8 weeks from the completion step 3 to submit the Design 3 package to the Transmission Owner's design and review board.
 - Step 5: It will take 8 weeks from the completion of step 4 to create the Issue for Construction Drawings.

Transmission Owner shall share the design interface information produced in Steps 2-5 with Interconnection Customer, and the Parties shall coordinate design interfaces and demarcation points between their respective designs.

JUL 30 2015

ENGINEERING AND PROCUREMENT AGREEMENT

TRANSMISSION SERVICES
PACIFICORP

THIS ENGINEERING AND PROCUREMENT AGREEMENT ("Agreement") is made and entered into this 30TH day of JULY, 2015, by and between PacifiCorp Transmission, ("Transmission Owner") and Clatskanie People's Utility District, ("Interconnection Customer"). Interconnection Customer and Transmission Owner each may be referred to individually as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Owner has an Open Access Transmission Tariff ("OATT") on file with the Federal Energy Regulatory Commission ("FERC") and provides Transmission Service on its transmission system;

WHEREAS, Interconnection Customer has submitted a request to Transmission Owner for interconnection to Transmission Owner's electrical system (the "Project");

WHEREAS, Transmission Owner has provided to Interconnection Customer the system impact portion of a system impact and facilities study ("SIFS") which identified the impacts to the Transmission Owner's system;

WHEREAS, Transmission Owner is in the process of completing the facilities study portion of the SIFS to identify the facilities necessary for the interconnection of the proposed project with Transmission Owner's system;

WHEREAS, to advance the implementation of the Project, Interconnection Customer requests that Transmission Owner begin certain activities relative to the Project prior to the execution of a Construction Agreement ("CA");

WHEREAS, upon the request by the Interconnection Customer, Transmission Owner may offer an engineering and procurement agreement that authorizes Transmission Owner to begin work described herein necessary for the establishment of the facilities required for the asset purchase pursuant to the results of the SIFS;

WHEREAS, the Parties wish to set forth their agreement with respect to such engineering and procurement services related to the construction of the Transmission Owner's Interconnection Facilities and Network Upgrades and payment for such services;

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

Agreement

- 1. Definitions.** Unless specifically defined herein, capitalized terms shall have the meaning as defined in the OATT.
- 2. Effective Date, Term and Termination.** This Agreement shall be effective upon the later of the following: (1) the date of execution by both Parties, or (2) the effective date established by FERC upon acceptance for filing.

This Agreement shall remain in effect until 90 days after the earliest of the following to occur:

- (a) Execution by the Parties of the CA;
- (b) Termination of the Agreement as provided in Section 10 of this Agreement (Authorization of Additional Amounts for Project Costs); or
- (c) Termination of the Agreement as provided in Section 11 of this Agreement (Right to Stop Work).

Notwithstanding the foregoing, the provisions of this Agreement necessary to ensure payment of amounts due hereunder by one Party to the other Party shall continue in effect until each Party has satisfied its payment obligations to the other, if any.

3. Engineering and Procurement Services to Be Provided. Execution of this Agreement shall not obligate Transmission Owner to perform any construction work, acquire property rights, provide Interconnection or Transmission Service, or to undertake any other obligations not expressly set forth in this Agreement. In accordance with the terms of this Agreement and provided that Interconnection Customer (a) is not in default under the terms of this Agreement, or (b) any other agreement between the Parties, Transmission Owner shall commence the engineering services as further described herein ("Engineering Services") and the procurement services as further described herein ("Procurement Services").

Engineering Services shall mean the services set out in Exhibit A and shall also include such other services as Transmission Owner believes are reasonably necessary to engineer and design the Interconnection Facilities and Network Upgrades. Engineering Services shall also include the services of any consultant or professional engineering firms that may be retained by Interconnection Customer, except that Interconnection Customer may retain only those consultants or professional engineering firms approved by the Transmission Owner. Transmission Owner shall timely review such professional engineering firms.

Procurement Services shall mean the services set out in Exhibit A and shall also include such other services as Transmission Owner believes are reasonably necessary to specify, obtain bids, place purchase orders and otherwise to procure materials, equipment and contractors in connection therewith for the completion of the Interconnection Facilities and Network Upgrades. The Engineering Services and Procurement Services shall be collectively referred to herein as the "Services."

4. Modification of Services. At Interconnection Customer's request, the Services set out in Exhibit A have been defined prior to the execution of the CA. As a consequence, the Parties acknowledge and accept that the estimates and scope of Services described in Exhibit A are not binding on the part of Transmission Owner and that Exhibit The Agreement may require modification to reflect engineering requirements of the Interconnection Facilities or Network Upgrades based on ongoing Engineering Services. Such modifications shall include those deemed reasonably necessary by the Transmission Owner in preparation for the construction of the Interconnection Facilities or Network Upgrades. Interconnection Customer, and anyone claiming by, through or under Interconnection Customer, hereby waives its right to recover from and fully and irrevocably releases Transmission Owner from any and all claims, responsibility

and/or liability that Interconnection Customer may now have or hereafter acquire against Transmission Owner for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to such modifications.

5. Performance Standards. Each Party shall perform all its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice (as such terms are defined in the OATT), and 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. Notwithstanding anything in this Agreement to the contrary, in no event shall Transmission Owner be responsible under the terms of this Agreement for any delay in completion of the requested Services.

6. Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to perform all its obligations under this Agreement.

7. Lands of Other Property Owners. If any part of the Interconnection Facilities or Network Upgrades are to be installed on property owned by or under the control of persons other than Interconnection Customer or Transmission Owner, Interconnection Customer shall at its own expense use efforts to procure from such persons any property rights in fee, perpetual lease, or other property rights in a form acceptable to the Transmission Owner that are necessary to construct, operate, maintain, test, inspect, replace or remove the Interconnection Facilities or Network Upgrades and upon such property.

8. Project Costs. Interconnection Customer shall be responsible to reimburse and pay Transmission Owner for all costs and expenses reasonably incurred by Transmission Owner in connection with providing the Services pursuant to this Agreement ("Project Costs"). Project Costs shall include all reasonable and documented costs, charges, and expenses incurred by Transmission Owner in connection with the performance of the Services, including all of Transmission Owner's reasonable internal costs, overheads, third-party expenses, and cost of supplies, and any other amounts owed to Transmission Owner under the terms of this Agreement, including without limitation, all reasonable costs incurred by Transmission Owner in performing the activities described in Exhibit A, Scope of Work. Interconnection Customer shall pay Transmission Owner for all Project Costs incurred, subject to the terms of this Agreement, including any additional costs incurred under Section 4 of this Agreement, Modification of Services. Interconnection Customer hereby authorizes Transmission Owner to incur Project Costs in an initial amount of up to \$50,000.

9. Payment of Estimated Project Costs. Upon execution of this Agreement, Interconnection Customer shall tender to Transmission Owner prepayment of Project Costs in the amount of \$50,000 (the "Prepayment"). Transmission Owner's obligation to proceed with the Services shall be contingent upon receipt of the Prepayment. Transmission Owner shall notify Interconnection Customer when it determines the Project Costs will exceed the Prepayment and shall specify the estimated amount by which such Project Costs will exceed the Prepayment. Upon receipt of such notice, and following approval thereof by Interconnection

Customer, Interconnection Customer shall tender to Transmission Owner prepayment of the estimated amount of additional Project Costs, which amount shall not exceed \$75,000.

10. Authorization of Additional Amounts for Project Costs. In the event that Transmission Owner determines Project Costs may exceed Authorized Amount, Transmission Owner shall notify Interconnection Customer and request that Interconnection provide written approval authorizing such additional amounts for Project Costs within thirty (30) days of such notice. Transmission Owner's obligation to proceed with the Services associated with such additional amounts shall be contingent upon receipt of such approval, along with a prepayment in such additional amount. Interconnection Customer shall be responsible for such Project Costs, as increased pursuant to such written authorization. If Interconnection Customer does not authorize such additional amounts within such thirty (30) day period, this Agreement shall terminate after Transmission Owner gives Interconnection Customer written notice and an additional fifteen (15) days to cure.

11. Right to Stop Work. Interconnection Customer reserves the right, upon seven (7) days advance written notice to Transmission Owner, to require Transmission Owner at any time to stop all work by Transmission Owner pursuant to this Agreement, provided that such stop-work order is the result of suspension or termination of the Project. Issuance of any such stop-work order shall terminate this Agreement. Upon issuance of any such stop-work order, Interconnection Customer shall pay in accordance with section 12 below, the Project Costs Transmission Owner has incurred prior to the stoppage of work, including, without limitation, the costs incurred in connection with the cancellation of third-party contracts and any cancellation costs for equipment that is already ordered for the Interconnection Facilities or Network Upgrades.

12. Billing. Transmission Owner shall provide Interconnection Customer with an invoice listing services performed and amounts due hereunder, showing credit for any prepayment of Project Costs made by Interconnection Customer. Interconnection Customer shall pay amounts due within thirty (30) days of the invoice date. Any refund due from Transmission Owner shall be paid to Interconnection Customer within thirty (30) days of the invoice date. If Interconnection Customer disputes any portion of the amount due, Interconnection Customer shall pay the total bill and shall designate the disputed portion, and resolve the dispute in accordance with Article 27 of the OATT.

13. Indemnification. Subject to the limitations contained in Section 14 below, the Parties shall at all times indemnify, defend, and hold the other Party harmless, from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this Agreement, except in the case of gross negligence or intentional wrongdoing by the indemnified party.

14. Remedies; Waiver; Warranty. Either Party may exercise any or all of its rights and remedies under this Agreement, the OATT and under any applicable laws, rules and regulations. Transmission Owner's liability for any action arising out of its activities relating to this Agreement shall be limited to the refund of amounts received hereunder. **UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY OF THE OTHER PARTY'S ECONOMIC LOSSES, COSTS OR DAMAGES, INCLUDING BUT NOT**

LIMITED TO SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES. No provision of this Agreement or any other agreement between the Parties shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. No failure by any Party to insist upon the strict performance of any provision of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of such provision or of any other provision. No waiver of any provision of this Agreement or any other agreement between the Parties shall be deemed a waiver of any other provision of this Agreement or any other agreement between the Parties. Transmission Owner warrants that the work it performs hereunder shall be consistent with Good Utility Practice. TRANSMISSION OWNER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND ALL SIMILAR WARRANTIES.

15. Force Majeure. Neither Party shall be subject to any liability or damages for failure to perform their respective obligations hereunder to the extent that such failure is due to causes beyond the control of the Party claiming force majeure protection, including but not limited to the following: (a) the operation and effect of any rules, regulations and orders promulgated by any commission, municipality, or governmental agency of the United States, or subdivision thereof; (b) restraining order, injunction or similar decree of any court; (c) war; (d) flood; (e) earthquake; (f) act of God; (g) sabotage; or (h) strikes or boycotts. The Party claiming force majeure protection under this provision shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible.

16. Assignment. Transmission Owner may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which PacifiCorp is a party. Affiliate includes any entity in which Berkshire Hathaway Inc. owns more than a 5% interest, over which Berkshire Hathaway Energy exercises management control, or which is listed on an exhibit to this Agreement. Interconnection Customer shall not assign its rights, nor delegate its obligations, under this Agreement without the prior written consent of Transmission Owner, and any attempted transfer in violation of this restriction shall be void.

17. Notice. Any notice required to be given hereunder shall be deemed to have been given when it is sent, with postage prepaid, by registered or certified mail, return receipt requested, or upon delivery if delivered by prepaid commercial courier service, to either of the Parties hereto at their respective addresses as follows:

To Interconnection Customer:

Clatskanie People's Utility District
ATTN: Power Manager
P.O. Box 216
495 E. Columbia River Hwy
Clatskanie, OR 97016
Telephone Number: (503) 728-2163

To Transmission Owner:

Brian Fritz
Director, Transmission Services
PacifiCorp
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232
Telephone Number: (503) 813-7237

18. Governing Law. Except to the extent preempted by federal law, this Agreement shall in all respects be interpreted, and enforced in accordance with the laws of the State of Oregon without reference to rules governing conflicts of laws.

19. Relationship of Parties; No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create an agency relationship, association, joint venture, trust, or partnership, or impose a trust or partnership covenant, obligation, or liability on or with regard to either of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability or inference of liability to any third party.

20. Severability. If any provision of this Agreement is held invalid or unenforceable for any reason by a court or governmental agency of competent jurisdiction, then the objectionable portions of the provision shall be stricken, and all other provisions of this Agreement shall remain unaffected and in force. The Parties shall be relieved of their obligations only to the extent necessary to eliminate the objectionable portions unless a court or governmental agency of competent jurisdiction holds that the invalidated provision is not separable from the remainder of this Agreement.

21. 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.

22. Exhibit Incorporated. The Exhibit A to this Agreement, attached hereto, is incorporated and made part of this Agreement.

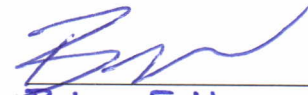
23. Recitals, Headings. The recitals, headings, and subtitles in this Agreement are for the convenience of the Parties and are not to be used for its construction or interpretation.

24. Complete Agreement; Amendment. This Agreement sets forth the entire Agreement between the Parties on the subject matter of this Agreement, and supersedes all prior Agreements of the Parties with respect to its subject matter. No amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by authorized representatives of both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

PACIFICORP TRANSMISSION SERVICES

CLATSKANIE PEOPLE'S UTILITY DISTRICT

By: 
Brian Fritz
Title: Director, Transmission Services
Date: 7/30/2015


By: 
Eric Steinhilber
Title: Energy Services & Resources Manager
Date: 28-July-2016

Exhibit A

E&P Agreement Scope

Note: this is not intended to be comprehensive CA scope, nor is it intended to limit activities under this E&P Agreement.

Transmission Owner

- Procure equipment and long lead items as identified in the design to interconnect the Project to the Transmission Owner's Troutdale Substation.

- Provide engineering services to interconnect the Project to the Transmission Owner's Troutdale Substation. Design packages and preliminary schedule are as follows:
 - Once the Prepayment is received from the Interconnection Customer and the Transmission Owner's internal financial approval is obtained:
 - Step 1: It will take 30 days to present the project to the Transmission Owner's design and review board.
 - Step 2: It will take 6 weeks from the completion of step 1 to submit the Design 1 package to the Transmission Owner's design and review board.
 - Step 3: It will take 8 weeks from the completion step 2 to submit the Design 2 package to the Transmission Owner's design and review board.
 - Step 4: It will take 8 weeks from the completion step 3 to submit the Design 3 package to the Transmission Owner's design and review board.
 - Step 5: It will take 8 weeks from the completion of step 4 to create the Issue for Construction Drawings.

Transmission Owner shall share the design interface information produced in Steps 2-5 with Interconnection Customer, and the Parties shall coordinate design interfaces and demarcation points between their respective designs.