

April 22, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Salem, Oregon 97302-1166

Attn: Filing Center

**RE: PacifiCorp's Notice of Affiliated Interest Transaction—Kern River Gas
Transportation Company**

In accordance with OAR 860-027-0041, PacifiCorp d/b/a/ Pacific Power (PacifiCorp or Company) provides notice of a transaction between the Company and Kern River Gas Transportation Company (Kern River), an affiliated interest of the Company. PacifiCorp and Kern River entered into an Agreement for the Mutual Exchange of Property Interests (Agreement) to allow Kern River and PacifiCorp to exchange certain easement interests in Utah for the purpose of relocating pipeline owned by Kern River. The Agreement is included as Attachment A.

The Company notes that this transaction may qualify for a waiver of the OAR 860-027-0041 filing requirements. OAR 860-027-0043 allows for the waiver of the rules governing affiliate interest transactions upon petition by a utility and approval by the Commission, including transactions valued at less than 0.1 percent of the utility's Oregon operating revenues for the previous calendar year. The value of the easements exchanged between PacifiCorp and Kern River is essentially an even trade and no monetary compensation will change hands.

I. BACKGROUND

Kern River is a natural gas transportation pipeline company that owns and operates the Kern River pipeline system, which is a vital artery transporting natural gas to California, Nevada, and Utah. The Company and Kern River are both wholly-owned, indirect subsidiaries of MidAmerican Energy Holdings Company (MEHC). ORS 757.015(3) defines "affiliated interest" as:

[E]very corporation five percent or more of whose voting securities are owned by any person or corporation owning five percent or more of the voting securities of such public utility or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities of such public utility.

Therefore, MEHC's ownership interest in the Company and Kern River creates an affiliated interest.

PacifiCorp and Kern River entered that certain Kern River Right-of-Way and Easement Agreement dated August 5, 2002,¹ (2002 Easement) whereby PacifiCorp conveyed to Kern River an easement for the location and construction of a 36” natural gas pipeline within a certain parcel of real property owned by PacifiCorp held for the construction, operation, and maintenance of high voltage transmission lines, including the construction of a future 345,000 kilovolt transmission line referred to as the Terminal-to-Oquirrh 3-4 Transmission Line. Under its terms, the 2002 Easement required a defined separation distance between the natural gas pipeline and PacifiCorp’s future Terminal-to-Oquirrh 3-4 Transmission Line.

PacifiCorp, in planning for the construction of the Terminal-to-Oquirrh 3-4 Transmission Line, discovered that the natural gas pipeline was constructed in an alignment that did not allow sufficient clearance for two transmission structures that will be constructed for the future Terminal-to-Oquirrh 3-4 Transmission Line, requiring the need for additional right of way for the new transmission line. PacifiCorp also needed to obtain rights of way over and across lands encumbered by exclusive utility easements held by Kern River for its natural gas lines.

II. COMPLIANCE WITH OAR 860-027-0041 FILING REQUIREMENTS

A. Address

The Company’s name and address of its principal business office are:

PacifiCorp
825 NE Multnomah Street
Portland, OR 97232

B. Communications and Notices

All notices and communications with respect to this Notice should be addressed to:

PacifiCorp Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
OregonDockets@pacificorp.com

Michelle R. Mishoe
Senior Counsel
Pacific Power
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Tel. (503) 813-5977
michelle.mishoe@pacificorp.com

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (**preferred**):

datarequest@pacificorp.com

By regular mail:

Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

¹ Prior to the existence of an affiliate relationship.

C. Relationship between PacifiCorp and Affiliated Interest

The Company and Kern River are both wholly-owned, indirect subsidiaries of MEHC. Therefore, Kern River and the Company are affiliated interests as defined in ORS 757.015(3).

D. Pecuniary Interest

No officer or director of either the Company or Kern River is a party to or has a pecuniary interest in the contemplated business transaction between the Company and Kern River.

E. Description of Goods and Services Provided; Cost(s) Incurred; Market Value; Pricing Methods

PacifiCorp and Kern River have agreed to enter into an agreement whereby PacifiCorp would acquire the additional right of way needed for the construction of the future Terminal-to-Oquirrh 3-4 Transmission Line in exchange for Kern River relinquishing its exclusive easement rights and allowing PacifiCorp to construct PacifiCorp's future Terminal-to-Oquirrh 3-4 Transmission Line. The value of the additional right of way has been determined to be roughly equivalent to the value of obtaining right of way within Kern River's exclusive easements.

F. Estimate of Amount PacifiCorp will Collect Annually for Services

PacifiCorp will not collect or pay any funds for this exchange of easements.

G. Reasons Relied Upon for Providing the Proposed Services and Benefits to the Public

The Agreement is in the public interest because it provides PacifiCorp the ability to obtain legal property rights from Kern River for the future Terminal-to-Oquirrh 3-4 Transmission Line in exchange for the acquisition of a small segment of right of way that is roughly equivalent in value to the rights obtained from Kern River.

H. Contracts between Affiliated Interest and PacifiCorp

A copy of the Agreement for the Mutual Exchange of Property Interests between PacifiCorp and Kern River is included as Attachment A.

I. Copy of Board Resolutions

This transaction did not require approval from PacifiCorp's board of directors.

Informal questions concerning this filing may be directed to Gary Tawwater at (503) 813-6805.

Sincerely,

Handwritten signature of R. Bryce Dalley in black ink, appearing as 'R. Bryce Dalley / GWT'.

R. Bryce Dalley
Vice President, Regulation

Enclosure

ATTACHMENT A
Agreement for the Mutual Exchange of Property Interests

AGREEMENT FOR THE MUTUAL EXCHANGE OF PROPERTY INTERESTS

This Agreement for the Mutual Exchange of Property Interests (the "Agreement") is made by and among Kern River Gas Transmission Company, a Texas general partnership ("Kern River") and PacifiCorp, an Oregon corporation, d/b/a Rocky Mountain Power ("Rocky Mountain Power"), effective the 22 day of ~~December~~, 2013. *RSC*
January 2014

RECITALS

A. Rocky Mountain Power is constructing a new transmission line project referred to herein as the "Terminal-Oquirrh 3-4 Transmission Line." In connection with the development of that project and the Future Terminal-Oquirrh 5-6 Transmission Line, Rocky Mountain Power has discovered a need to address the location of Kern River's pipelines within its existing easements in relation to the alignment of the Terminal-Oquirrh 3-4 Transmission Line and the Future Terminal-Oquirrh 5-6 Transmission Line ("Transmission Lines").

B. Rocky Mountain Power and Kern River entered into that certain Gas Transmission Pipeline Location and Encroachment Agreement dated August 5, 2002, that allowed Kern River to construct a natural gas pipeline within its existing transmission line corridor, provided however that the alignment of the pipeline was not to interfere with the identified alignment of the future transmission line(s) and the attendant structures.

C. During the development and design of the Terminal-Oquirrh 3-4 Transmission Line, Rocky Mountain Power identified two locations where the construction of Kern River's natural gas pipeline conflicted with the alignment of the Terminal-Oquirrh 3-4 Transmission Line. Rocky Mountain Power sent a letter to Kern River regarding this matter which is attached as Exhibit "B." Kern River responded by adopting certain mitigation and operational procedures which was documented in a letter to Rocky Mountain Power (the "Kern River Letter") attached hereto as Exhibit "C."

D. Additionally, the alignment of the Terminal-Oquirrh 3-4 and Future Terminal-Oquirrh 5-6 Transmission Lines cross over and through certain lands where Kern River holds exclusive easements for the natural gas pipeline. Those locations are identified in Exhibits "A.1-A.6." attached hereto. Those exclusive easements preclude further encumbrances and other additional uses including electric transmission lines without the approval of Kern River.

E. Rocky Mountain Power and Kern River have agreed that it is in their collective best interest 1) for Kern River to adopt the mitigation and operational procedures outlined in the Kern River Letter and 2) for Rocky Mountain Power to: i) modify the location of structure 57 approximately 30' north on the Terminal-Oquirrh 3-4 Transmission Line project centerline (see Exhibit "D") to ensure clearance distances between their respective facilities and; ii) incur the cost of acquiring additional rights-of-way and design the location of those structures to maintain the clearance distances to Kern River's pipelines for structures 45 and 46 (see Exhibit "E") in exchange for Kern River granting Rocky Mountain Power the right to encroach within those areas where Kern River holds exclusive easements, subject to the requirements in Exhibit "F".

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements herein contained and other good and valuable consideration, the receipt, validity and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Rocky Mountain Power agrees that in connection with the construction of the Terminal-Oquirrh 3-4 Transmission Line and to eliminate the need for Kern River to relocate its existing natural gas pipelines or obtain additional right of way that would allow Rocky Mountain Power to design its structures to maintain proper clearances, Rocky Mountain Power will, at its sole cost and expense:

(a) modify the designed location of structure 57 to a location that is approximately 30' north on the project centerline as identified general in Exhibit "D;" and;

(b) modify the designed locations for structures 45 and 46 to maintain the clearance distances from Kern River's natural gas pipeline and acquire the additional rights-of-way necessary to locate those structures 45 and 46 accordingly. The modified location of structures 45 and 46 are identified generally in Exhibit "E."

2. In exchange, Kern River agrees to allow Rocky Mountain Power to occupy its exclusive easements in those locations identified in Exhibits "A1. - A-6." without cost but subject to entering into an agreed upon encroachment agreement in the form substantially similar to the agreement attached as Exhibit "F". Nothing herein conveys any real property rights or authorizations from the underlying property owner(s) and Rocky Mountain Power acknowledges that it must obtain any additional property rights directly from the underlying property owner(s). The encroachment agreement will be executed at a later date, prior to construction of the Transmission Lines.

3. The Parties acknowledge that they have independently reviewed the real property records and land rights and have entered into this Agreement with the best information available. However, the intent of this Agreement is that in the event it is later determined that there are additional exclusive rights needed for the transmission lines that were overlooked in the development of this Agreement that such rights will be deemed to be included as part of the consideration for entering into this Agreement.

4. The parties warrant and represent and do hereby state that they are not relying upon any statement or representation, written or oral, of any party or agent of any party, and that they are solely relying upon their own judgment after consulting with their counsel. The parties further warrant and represent that they have read and fully understand the nature and consequences of the terms of this Agreement and agree to be legally bound by it.

5. Each party warrants and represents that (1) it has the requisite power and authority to execute this Agreement, (2) the execution and delivery of this Agreement has been duly authorized by all necessary action, and (3) this Agreement is valid, binding and fully enforceable.

6. Each party shall pay its own taxable costs, expenses of litigation and legal fees.

7. This Agreement shall be for the benefit of and binding upon the respective successors and assigns of the parties.

8. This Agreement shall be governed and construed by the substantive laws of the state of Utah, without regard to the choice of law rules of Utah or of any other jurisdiction. Venue for any dispute relating to or arising out of this Agreement shall lie in the Third Judicial District Court or federal district court in and for Salt Lake County, Utah.

9. 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 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.

10. No waiver or amendment of any of the terms of this Agreement shall be valid unless in writing and signed by all parties to this Agreement.

11. The parties agree that should any part of this Agreement be found to be void, voidable, invalid or unenforceable, that determination will not affect the remainder of the Agreement provided that the releases contained in this Agreement remain in effect.

12. Each party has participated in the drafting and preparation of this Agreement. In any construction to be made of this Agreement, the same shall not be construed against either party.

13. Both parties agree to cooperate fully and execute any and all documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

14. This Agreement may be executed in multiple counterparts, all of which, taken together, shall constitute but a single agreement, and each of which shall be deemed an original.

Executed this the 22 day of ~~December, 2013.~~ January 2014 BSC


Kern River Gas Transmission Company

JAA

By: Robert S. Checketts
Title: Vice President Operations, IT, &
Engineering


Rocky Mountain Power

By: Paul Radakovich
Title: Vice President, Operations

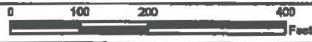
EXHIBITS A1 – A6
**(Alignment of Terminal-Oquirrh 3-4 and Future Terminal-Oquirrh 5-6 Transmission Line
Natural Gas Pipeline Crossings)**



DATE: 1/9/13
PROJECT: BURDOCK DRIVE
SCALE: 1:2,000
SHEET: 1 OF 1

Burdock Drive 'approximately 2900 S. - 3200 S.' Kern River-Rocky Mountain Agreement

January 9, 2013



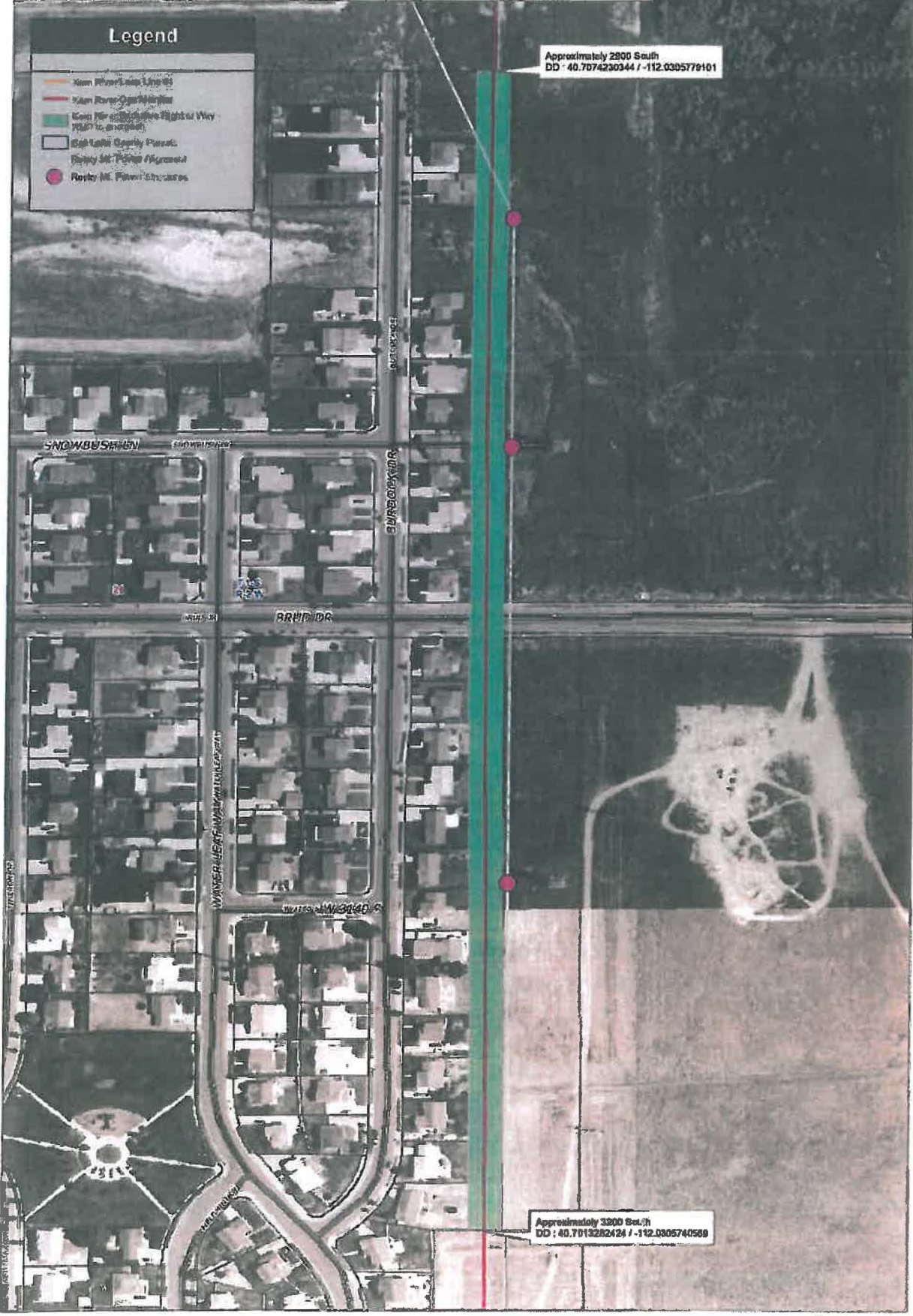
Scale = 1:2,000

PROPRIETARY

Exhibit A.1

Legend

- Kern River Right-of-Way
- Kern River Right-of-Way
- Kern River Right-of-Way
- Right-of-Way Parcel
- Rocky Mt. Power Structure



Approximately 2900 South
DD : 40.7074230344 / -112.0305779101

Approximately 3200 South
DD : 40.7013282424 / -112.0305740569



U.P.R.R. to 4700 S.
 "Approximately 4550 S. - 4700 S."
 Kern River Gas Transmission Company

UPRR to 4700
 "Approximately 4550 S. - 4700 S."
 Kern River Gas Transmission Company

July 18, 2013



Scale = 1:1,400

PROPRIETARY

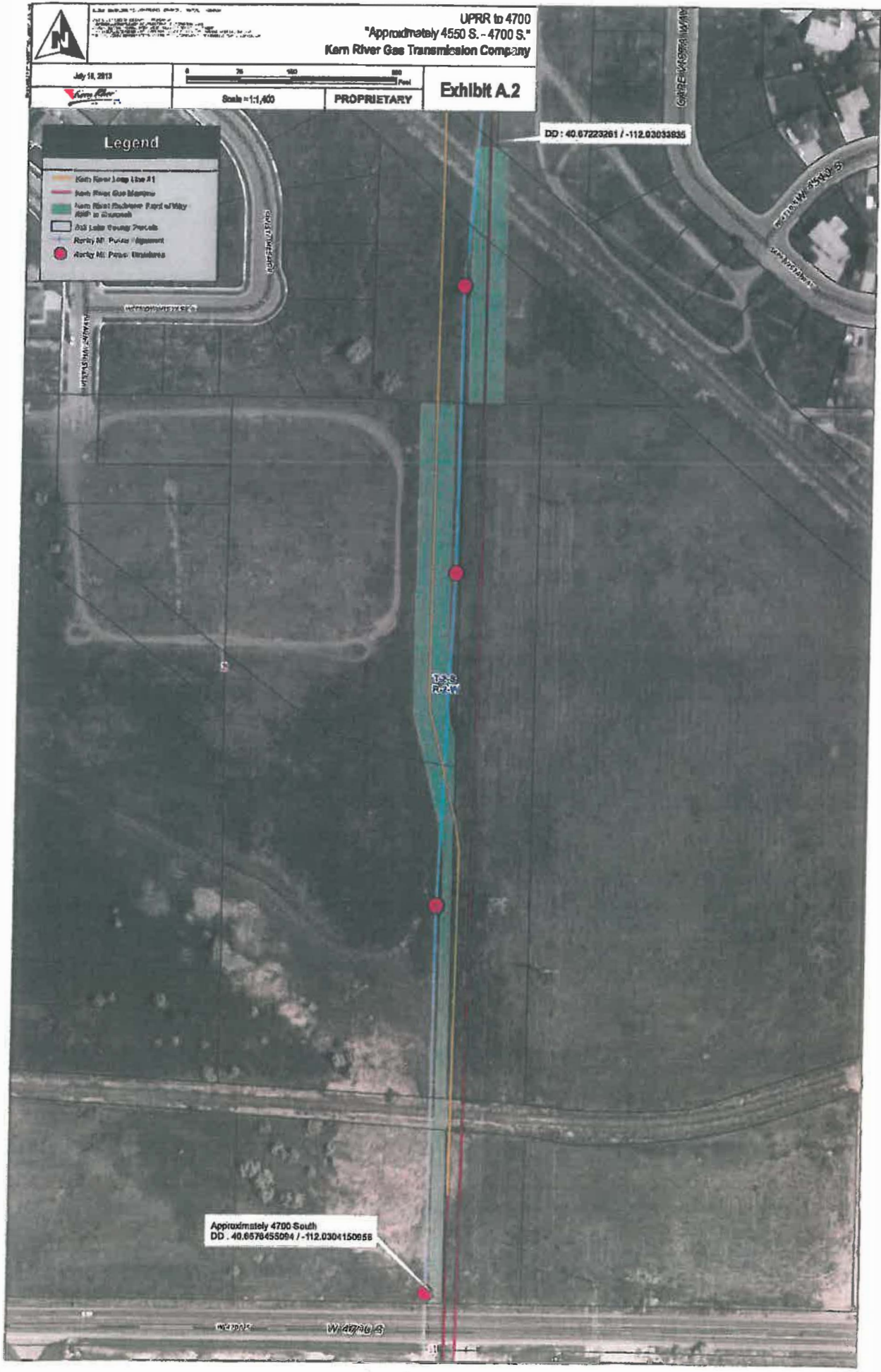
Exhibit A.2

Legend

- Kern River Loop Line #1
- Kern River Gas Mainline
- Kern River Pipeline Part of Way (KRP) to Stations
- Old Lake Young Parcels
- Kerny Mt. Pipeline Agreement
- Kerny Mt. Pipeline Structures

DD: 40.67223261 / -112.03033835

Approximately 4700 South
 DD: 40.6676455094 / -112.0304150956





4700 South to 5000 South
"Approximately 4550 S. - 5000 S."
Kern River Gas Transmission Company

4700 South to 5000 South
"Approximately 4550 S. - 5000 S."
Kern River Gas Transmission Company

July 18, 2013



Scale = 12,100

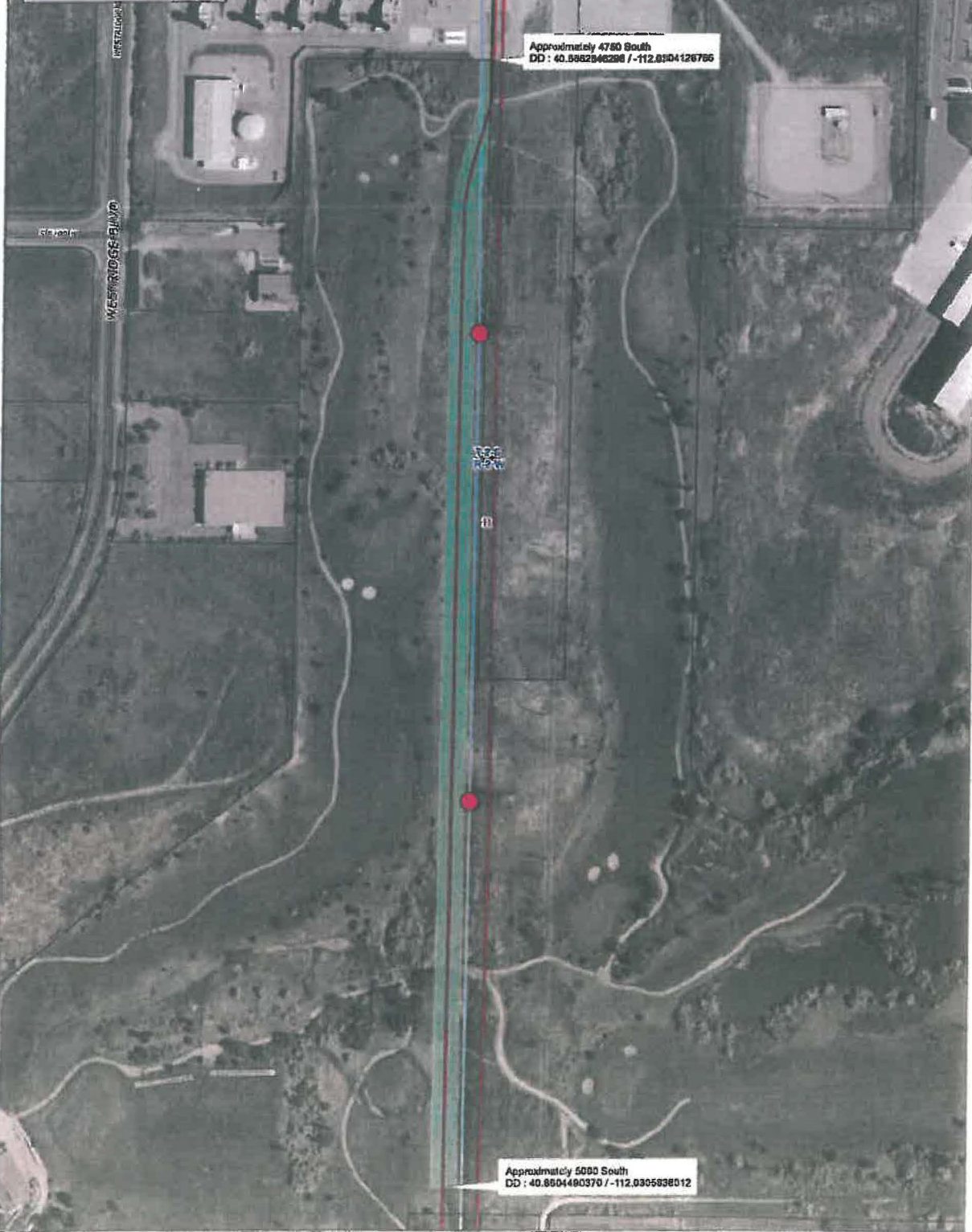
PROPRIETARY

Exhibit A.3

W 4700 S W 4900 S

Legend

- Plan View: Loop 1166 #1
- Plan View: Gas Mainline
- Plan View: Deckle-in Right of Way (R/W) to unmarked
- Well Lake Overlay District
- Rocky Mt. Power Alignment
- Rocky Mt. Power Structures



Approximately 4780 South
DD : 40.882846288 / -112.8304126766

Approximately 5000 South
DD : 40.8604460370 / -112.8305938012



UNIVERSITY OF CALIFORNIA
SCHOOL OF CIVIL AND ENVIRONMENTAL ENGINEERING
101 SHRED DR., BERKELEY, CA 94720-1787
TEL: (415) 875-7000 FAX: (415) 875-7001
WWW.CEE.BERKELEY.EDU

Discovery Way to 7000 South
"Approximately 6800 S. - 7000 S."
Kern River Gas Transmission Company

July 18, 2013


0 50 100 200 Feet

Scale = 1:1,100

PROPRIETARY

Exhibit A.4

Legend

-  Main River 17-1/2" Lanes #1
-  Main River Open Members
-  Main River 12" Lanes Right of Way - 100' to easement
-  San Luis County Parcel
-  Rocky Hill Project Alignment
-  Rocky Hill Project Wellbore

Approximately 6800 South
DD : 40.6271216253 / -112.0308461623

Approximately 7000 South
DD : 40.6240093502 / -112.030620239





September 17, 2013

"Approximately 7400 S. - 7600 S."
Kern River Gas Transmission Company

September 17, 2013



Scale = 1:2,200

PROPRIETARY

Exhibit A.5

Legend

- Kern River Loop Line #1
- Kern River Gas Mainline
- Kern River Enclosed Right of Way - R/W to enclose
- Shell Lake County Parade
- 7600 S. Power Alignment
- Kern River Meter Station

Approximately 7400 South
DD : 40.6166301776 / -112.0308297333

26
T-2-E
R-2-W

DD 40.61307080 / -112.03058859

7600 South
DD : 40.6092479165 / -112.0308376200





DATE: 07/18/2013 11:15:00 AM
PROJECT: 7800 SOUTH TO 8200 SOUTH
SCALE: 12,200
PROPRIETARY

7800 South to 8200 South Kern River Gas Transmission Company

July 18, 2013



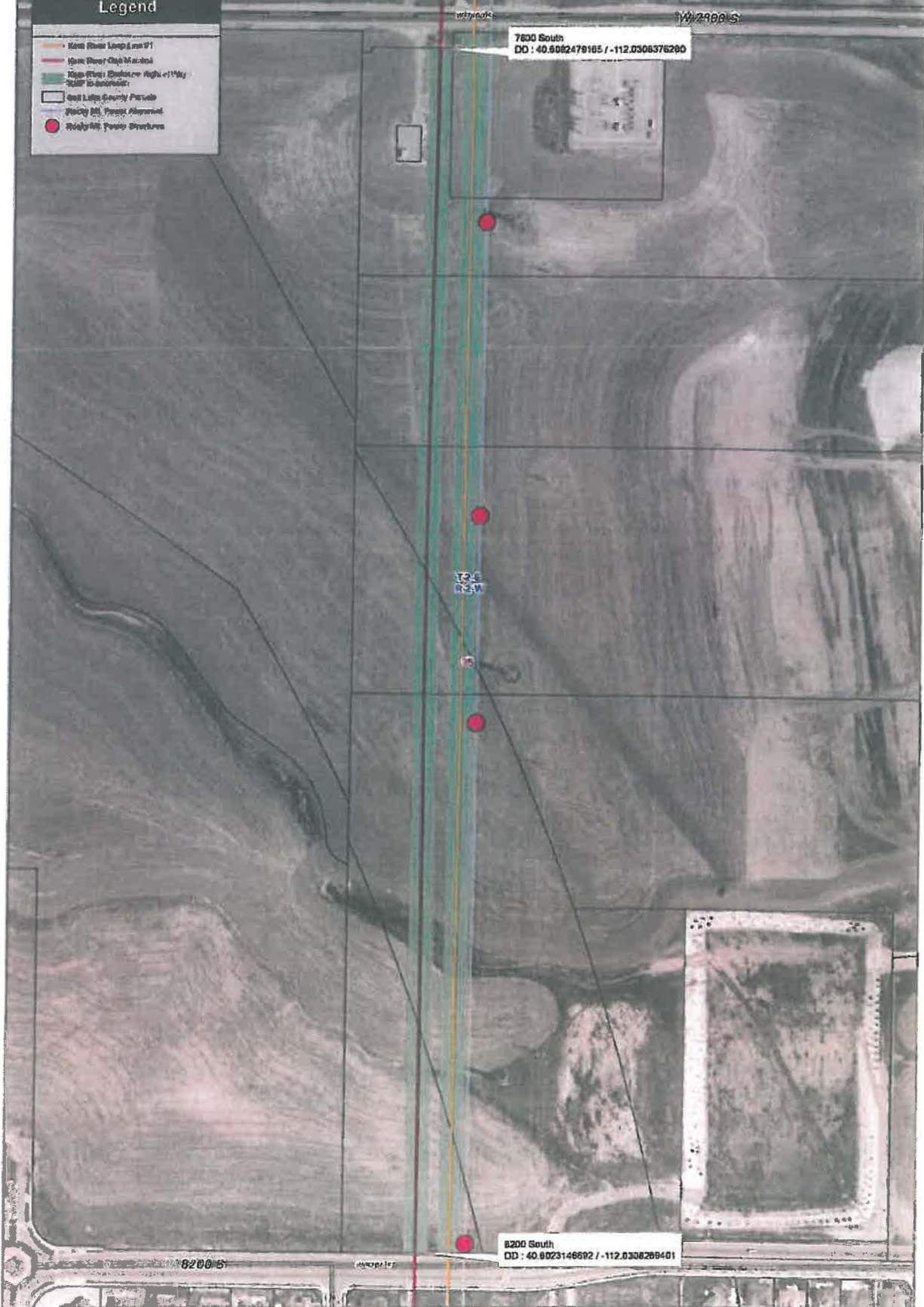
Exhibit A.6

Scale = 12,200

PROPRIETARY

Legend

- Kern River Loop Line #1
- Kern River Loop Mainline
- Kern River Loop Right of Way
- Kern River Loop Right of Way
- Kern River Loop Right of Way
- Right of Way Property Structures



7800 South
DD: 40.9062479165 / -112.0306376290

8200 South
DD: 40.8023146692 / -112.0308209401

EXHIBIT B
(Rocky Mountain Power Letter)

October 17, 2011

Robert S. Checketts
Vice President of Operations, IT and Engineering
Kern River Gas Transmission Company
2755 E Cottonwood Parkway
Salt Lake City UT 84121

Dear Bob:

As you know, Rocky Mountain Power is in the process of building a new transmission line between its Oquirrh Substation in South Jordan to its Terminal Substation near the Salt Lake International Airport. This power line is being built in our existing transmission line corridor where Rocky Mountain Power operates other parallel transmission lines. Kern River also operates two high pressure gas lines and certain other facilities located within this corridor pursuant to agreements with the company. Rocky Mountain Power and Kern River entered into two separate agreements allowing the Kern River gas lines to be located within this transmission line corridor.

On June 24, 1991, Utah Power & Light Company, predecessor in interest to Rocky Mountain Power, and Kern River entered into an agreement allowing the first gas line to be located within the transmission line corridor. This Agreement provides the separation requirements between the gas pipeline and existing transmission lines. Because sufficient land was acquired in anticipation of a future transmission line the agreement also addressed separation from that contemplated transmission line. A copy of that Agreement is attached to this letter for your convenience as Attachment "A." The 1991 agreement stipulated the separation between blow-off valve locations associated with valve sites and the transmission facilities as a minimum of 170 feet from the existing 345kV transmission line and a minimum of 100 foot horizontal distance from the closest conductor of such additional new transmission facilities.

When the second gas line was constructed in 2002, PacifiCorp and Kern River entered into a second agreement allowing Kern River to install a second 36" diameter natural gas pipeline through PacifiCorp's right of way (see Attachment "B"). Similar to the 1991 agreement separation distances between blow-off valve locations associated with valve sites and transmission facilities were included, requiring 170 feet from the existing 345kV transmission line and 132 feet horizontal distance from the closest conductor of additional new transmission facilities.

An Amendment to the 2002 Encroachment Agreement was signed in 2006 excluding a 1-inch blow off valve from the separation requirement—the exclusion was specific to a valve located near the Lakeside Plant in Utah County, see Attachment "C."

The following table (Table 1) provides a list of areas where the location of blow-off locations associated with valve sites and the location of Kern River's pipeline differ with the distances provided for in the agreements. It is not clear from the information we have if the locations were approved at the time of construction.

Table 1: Conflict points between Rocky Mountain Power's new and existing transmission lines as presently designed and Kern River's existing gas lines.

Conflict No. Structure No. Location Exhibit	Description
Conflict 1: Structure #33 3500 South "D.1" and "D.1A"	The distance from the proposed Oquirrh-Terminal conductor is approximately 85 feet to a Kern River meter station 2-inch blow-off valve, 15 feet from a 1-inch drain, and 15 feet from a ½-inch blow-off valve. The valve locations are governed by Section 4-L of the 1991 Encroachment Agreement (Attachment "A"). The required separation is 100 feet horizontal distance. There is also a separation distance requirement with respect to the existing 345 kV transmission line of 170 feet. Rocky Mountain Power has identified that a 1" blow-off valve is located 115 feet from the transmission line and a 1" drain and ½" blow-off valve located 36 feet from the transmission line.
Conflict 2: Structures #45 and #46 4700 South Constellation Energy Plant "D.2" and "D.2A"	The centerline of Kern River's 36-inch pipe is approximately 11 feet from the proposed 345 kilovolt centerline. The separation requirement from the center of the pipe to the center of the transmission line is 35-40 feet as set forth in Section 11.2 of the 2002 encroachment agreement (Attachment "B").

Conflict No. Structure No. Location Exhibit	Description
<p>Conflict 3: Structures #45 and #46</p> <p>4700 South, Constellation Energy Plant</p> <p>“D.2” and “D.2A”</p>	<p>Kern River maintains three 1” blow-off valves directly below the proposed Oquirrh-Terminal transmission lines. The required separation is 100 feet horizontal distance per Section 4-L of the 1991 Encroachment Agreement (Attachment “A”).</p> <p>Additionally, the location of Kern River’s eight ½-inch blow-off valves located inside the Constellation Energy plant yard are not consistent with the required separation distance from the new 345 kilovolt line. The required separation is 100 feet horizontal distance per Section 4-L of the 1991 Encroachment Agreement (Attachment “A”).</p> <p>Rocky Mountain Power has also identified that there are three 1” blow-off valves roughly 67 feet from the existing transmission line, a ½” blow-off valve roughly 98 feet away and seven ½” blow-off valves roughly 137 feet from the transmission line. The required separation distance is 170 feet from the existing transmission lines per Section 4-L of the 1991 Encroachment Agreement (Attachment “A”).</p>
<p>Conflict 4: Structures #50 and #51</p> <p>West Ridge Golf Course, West Valley City</p> <p>“D.3”</p>	<p>The centerline of Kern River’s second 36-inch pipe follows the centerline for much of the span between two proposed 345 kilovolt structures but avoids the structure locations. The separation requirement from the center of the pipe to the center of the transmission line is 35-40 feet as set forth in Section 11.2 of the 2002 encroachment agreement (Attachment “B”).</p>
<p>Conflict 5: Structure #57</p> <p>West Jordan</p> <p>“D.4”</p>	<p>The separation distances for Kern River’s 2002 pipeline are not consistent with the separation requirement from the center of the pipe to the center of the transmission line of 35-40 feet as set forth in Section 11.2 of the 2002 encroachment agreement (Attachment “B”).</p>

Conflict No. Structure No. Location Exhibit	Description
Conflict 6: Structures #58 and 59 6200 South -“D.5” and “D.5A”	<p>The distance from the proposed Oquirrh-Terminal conductor to two Kern River 12-inch blow-off valves is approximately 86 feet. The required separation distance is 100 feet. There are also two 1-inch and three ½-inch blow-off valves in the same area. The required separation is 100 feet horizontal distance per Section 4-L of the 1991 Encroachment Agreement (Attachment “A”).</p> <p>Rocky Mountain Power has also identified that there is a 1” and two ½” blow-off valves 105 feet from the existing transmission line. The required separation distance is 170 feet from the existing transmission lines per Section 4-L of the 1991 Encroachment Agreement (Attachment “A”).</p>

Rocky Mountain Power asks that you analyze the possible solutions and provide a plan as to how Kern River would like to resolve this matter.

In addition, Rocky Mountain Power has discovered that there are locations outside of its transmission line corridor where additional easements will be required for the new transmission line. In doing the title work for these projects we have discovered that Kern River holds exclusive easements for its facilities. We would like to enter into an encroachment agreement for these locations so that we can proceed with the Oquirrh to Terminal project. We have not identified any blow-off valves in these locations that would have similar issues as outlined in this letter. We look forward to your response.

Sincerely,



Paul Radakovich
Vice President of Operations

EXHIBIT C
(Kern River Letter)



Robert Checketts
Vice President of Operations, IT &
Engineering

2755 East Cottonwood Parkway
Suite 300
Salt Lake City, Utah 84121
P.O. Box 71400
Salt Lake City, Utah 84171-0400

October 12, 2012

Paul Radakovich
Vice President of Operations
Rocky Mountain Power
1407 West North Temple
Salt Lake City, Utah 84116

Dear Paul:

The purpose of this letter is to respond to Rocky Mountain Power's ("RMP") letter dated October 17, 2011, regarding parallel offset distances and blow-off separation distances between Kern River Gas Transmission Company ("Kern River") and RMP facilities. In the letter, RMP identified six specific locations where the Kern River pipeline alignment and blow-off valve separation distances from RMP power lines are in conflict with the Gas Transmission Pipeline Location and Encroachment Agreement dated June 24, 1991, for Kern River's "A" pipeline ("1991 Agreement") and Gas Transmission Pipeline Location and Encroachment Agreement dated August 5, 2002, for Kern River's "B" pipeline ("2002 Agreement"). RMP did not state if approval was given for variances for these cases during construction. RMP asked Kern River to "analyze the possible solutions and provide a plan as to how Kern River would like to resolve this matter." This letter will discuss the six conflicts and will identify Kern River's proposed resolutions to those conflicts.

To address the blow-off valve separation distances, Kern River commissioned a study by URS Corporation to identify, based on three specific site geometries, if flammable amounts of natural gas would be present at or near RMP power lines given the modeled meteorological conditions and blow down assumptions. Historical data regarding temperature, relative humidity, and wind speed and direction were gathered to identify meteorological conditions that may occur during blow down operations.

I. Recommendation

Kern River's engineering department recommends the following actions be taken to resolve the conflicts identified by RMP in their October 17, 2011 letter.

- Relocation of the new proposed RMP power line in the vicinity of the West Valley meter station, specifically relocating new proposed towers 45 and 46 15-feet to the west. See discussion for Conflict Number 2 for more detail.
- Relocation of new proposed RMP tower 57 approximately 25-feet to the north. See discussion for Conflict Number 5 for more detail.
- Restriction in use of specific Kern River blow-off valves at Hunter Park meter station (Conflict Numbers 1c, 1d, and 1e) and West Valley meter station (Conflict Numbers 3a and 3b).

II. Kern River's Recommendations to Resolve Pipeline Alignment Conflicts

Table 1 below summarizes the documented RMP conflicts with regard to pipeline alignment concerns. The section that follows describes the suggested resolution or commentary for each of the centerline conflicts as identified by RMP.

Table 1 – Summary of Rocky Mountain Power Pipeline Alignment Conflict Locations

Conflict	Location	RMP Towers	Distance from Existing 345 kV Line (ft.)		Existing Design Offsets from New Proposed 345 kV Line (feet)		Kern River Suggested Offsets from New Proposed 345 kV Line (feet)	
			Mainline	Loopline	Mainline	Loopline	Mainline	Loopline
2	West Valley M/S	45, 46	40	56 ¹	27 ¹	11 ¹	42 ¹	26 ¹
4	West Ridge Golf Course	50,51	40	105, 70 ^{1,2}	35	35, 0 ^{1,2}	35	35, 0 ^{1,2}
5	Kearns	57	105	40	31	35, 22 ³	35	35, 29 ³

¹ Distance reflects conflict in parallel offsets as defined in the RMP/Kern River encroachment agreements.

² A region of the Kern River loopline deviates to the east between new proposed towers 50 and 51.

³ A region of the Kern River loopline transitions between one parallel offset location to another.

A. Conflict Number 2 – West Valley M/S

The location of the Kern River mainline and loopline in the vicinity of the West Valley meter station are approximately 40-feet and 56-feet from the existing RMP 345 kV line, respectively. Under the current RMP design, the Kern River mainline and loopline would be located approximately 27-feet and 11-feet from the new proposed RMP power line.

According to the signed easement (signed by Utah Power and Light (UP&L) on September 26, 2002), the location of the Kern River loopline was known and approved by UP&L before construction. Kern River requests the relocation of the new proposed RMP power line, including towers 45 and 46, 15-feet to the west. Moving the centerline of the new proposed power line 15-feet to the west would create 42-feet and 26-feet offsets from the Kern River mainline and loopline, respectively. The additional separation would help continue the safe operation of Kern River facilities in the area, specifically in the area surrounding the towers.

B. Conflict Number 4 – West Ridge Golf Course

The location of the Kern River mainline and loopline, in the vicinity of the West Ridge Golf Course, are primarily at 40-feet and 105-feet offsets from the existing RMP 345 kV line, respectively, in accordance with the Kern River/RMP encroachment agreements. However, there is a region between towers 50 and 51 in which the loopline is 70-feet from the existing power line and follows the centerline of the new proposed power line.

According to the September 26, 2002 easement, the location of the Kern River loopline was known and approved by UP&L before construction. The centerline of the new proposed RMP power line, being close to directly above the Kern River loopline for a segment lying between towers 50 and 51, is compatible with the safe operation of Kern River facilities in the area.

According to RMP's preliminary design, including the worst case scenario for sag, the minimum conductor height above ground is 39-feet. The data was obtained via email from RMP on February 8, 2012 and confirmed by measurement in the field. The safe working clearance requirement defined in Kern River procedure 65.00.11 for 345 kV power lines is 20-feet. The difference of 19-feet is sufficient for Kern River maintenance personnel and equipment to operate safely with the power lines overhead.

C. Conflict Number 5 – Kearns

The location of the Kern River mainline and loopline in the area of conflict number 5 are both approximately 105-feet and 40-feet from the existing RMP 345 kV line, respectively. According to Section 6 of the 1991 Agreement and Section 11.2 of the 2002 Agreement, the location of tower 57 is planned in an area in which the Kern River facility is transitioning from one parallel offset to another. The existing RMP tower 57 proposed design is 22-ft from the loopline. As such, Kern River requests that the location of new proposed tower 57 be relocated approximately 25-feet to the north to help ensure the safe operation of Kern River facilities in the area. This will result in a separation of approximately 29-feet.

III. Blow-off Valve Location Contentions Identified by RMP

The distances identified in Table 2 below are measured from the location of the blow-off valve to the nearest conductor of the identified transmission lines.

- 1991 Agreement
 - 170 feet from existing power lines (centerline)
 - 100 feet from new power line conductors
- 2002 Agreement
 - 170 feet from existing power lines (centerline)
 - 132 feet from new power line conductors
- 2006 Amendment to 2002 Agreement
 - 1-inch blow-offs at Lake Side meter station that are within the distances described in the 1991 and 2002 Agreements can be utilized if precautions listed in the agreement (2006 Amendment, Exhibit A) are followed. The valves are approximately 40-feet from the nearest conductors.

A. Kern River's Recommendation to Resolve Blow-Off Valve Separation Distance Conflicts

Table 2 below summarizes the documented RMP conflicts with regard to blow-off valve locations. The "Within Flammability Limit" column identifies which sites, according to the URS study, would expect to have flammable concentrations of natural gas at power line conductors given the modeled meteorological conditions and blow down assumptions. The column titled "Within Flammability Limit" signifies Kern River's plan of operation in accordance with the latest version of Kern River Procedure 70.09.01, Commissioning, Removing and/or Returning Pipelines and/or Facilities to Service (a copy of which is attached hereto). The URS study was limited in scope to two different sized valves (12-inch and 1-inch) and three site geometries. These specific valves and locations were modeled based on their criticality to operations and

maintenance and because they are a representative subset of the other conflicting valves and locations.

Figure 1 illustrates the horizontal distance to conductors from a blow-off valve to the nearest conductor. The section that follows describes the suggested resolution or commentary for each of the conflicts as identified by RMP.

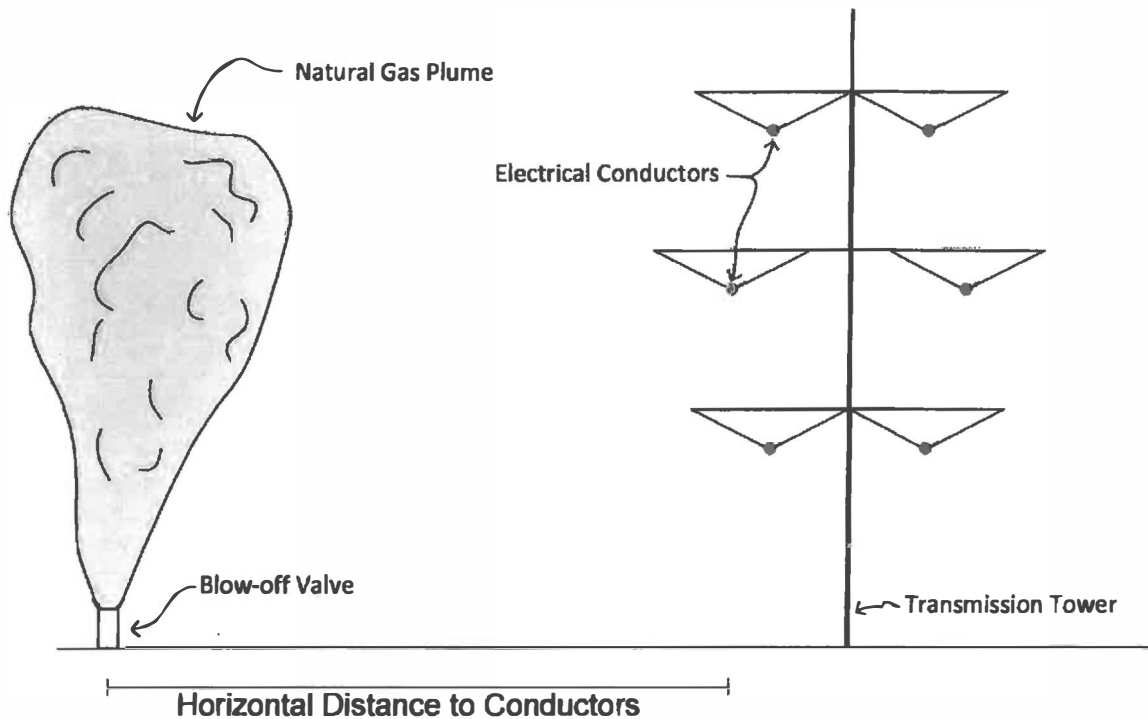


Figure 1

Table 2 – Summary of Rocky Mountain Power Blow-Off Valve Separation Distance Conflicts

Conflict Number	Location	Valve Dia. (inch)	Valve ID	Original Design – Horizontal Distance to Conductors (feet)		Kern River Suggested Design – Horizontal Distance to Conductors (feet)		Within Flammability Limit?
				Existing 345 kV Line	New proposed 345 kV Line	Existing 345 kV Line	New proposed 345 kV Line	
1a	Hunter Park M/S	2	X15-020	155	93 ¹	N/A	N/A	No
1b	Hunter Park M/S	1	MAL-137-002	90 ¹	144	N/A	N/A	No
1c	Hunter Park M/S	1	X15-012 MAL-137-003	15 ¹	10 ¹	N/A	N/A	No ²
1d	Hunter Park M/S	½	MAL-137-001	15 ¹	10 ¹	N/A	N/A	No ²
1e	Hunter Park M/S	1	X15-015 X15-018	16 ¹	0 ^{1,4}	N/A	N/A	Yes ³
3a	West Valley M/S	1	X33-003 X33-006 X33-009	49 ¹	0 ^{1,4}	49 ¹	0 ^{1,4}	Yes ³
3b	West Valley M/S	½	X33-032	80 ¹	13 ¹	80 ¹	0 ^{1,4}	Yes ³
3c	West Valley M/S	½	X33-011 X33-014 X33-016 X33-034 X33-035 X33-036 X33-037	137 ¹	52 ¹	137 ¹	37 ¹	No
6a	AMLV 142	12	MAL-142-001 MAL-142-002	157	87 ¹	N/A	N/A	No
6b	AMLV 142	1	MAL-142-003	154	84 ¹	N/A	N/A	No
6c	AMLV 142	½	MAL-142-004 MAL-142-005	87 ¹	20 ¹	N/A	N/A	No
6d	AMLV 142	1	MAL-142-006	87 ¹	20 ¹	N/A	N/A	No

¹ These distances conflict with locations as defined in the RMP/Kern River encroachment agreements.

² Use of this blow-off valve will be restricted due to proximity of blow-off to conductors

³ Use of this blow-off valve will be restricted due to potential for flammability at conductors

⁴ Blow-off valve is located within the estimated conductor span.

1. Conflict Number 1

1a) The URS study did not specifically model a 2-inch valve, but the 12-inch valve modeling results can be used to predict the 2-inch valve concentrations with a

- greater safety factor. The URS study predicts that the horizontal extent of gas concentration above the lower explosive limit for natural gas (LEL) for a 12-inch blow-off valve does not exceed 46-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 46-feet is 49% (46-ft/93-feet*100) of the distance to the closest conductor in this case. The modeling indicates that this valve will not create flammable concentrations of natural gas at any of the considered power lines.
- 1b) The URS study predicts that the horizontal extent of gas concentration above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet is 4% (4-feet/90-feet*100) of the distance to the closest conductor. The modeling indicates that this valve will not create flammable concentrations of natural gas at any of the considered power lines
 - 1c) The URS study predicts that the horizontal extent of gas concentration above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet is 40% (4-feet/10-feet*100) of the distance to the closest conductor. The modeling indicates that this valve will not create flammable concentrations of natural gas at the power lines. However, due to the close proximity of the valve to the power lines, this valve will not be used.
 - 1d) The URS study did not specifically model a ½-inch valve, but the 1-inch valve modeling results can be used to predict the ½-inch valve concentrations with a greater safety factor. The URS study predicts that the horizontal extent of gas concentration above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet is 40% (4-feet/10-feet*100) of the distance to the closest conductor and the valve being considered is half the size of the modeled valve. The modeling indicates that this valve will not create flammable concentrations of natural gas at the power lines. However, due to the close proximity of the valve to the power lines, this valve will not be used.
 - 1e) The URS study predicts that the horizontal extent of gas concentrations above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet extends into the space occupied by the new proposed 345 kV conductors. The modeling indicates that this valve will potentially create flammable concentrations of natural gas at the power lines, and therefore, will not be used.

2. Conflict Number 3

- 3a) The URS study predicts that the horizontal extent of gas concentration above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet extends into the space occupied by the new proposed 345 kV conductors. The modeling indicates that this valve will potentially create flammable concentrations of

natural gas at the power lines, and therefore, will not be used.

- 3b) The URS study did not specifically model a ½-inch valve, but the 1-inch valve modeling results can be used to predict the ½-inch valve concentrations with a greater safety factor. The URS study predicts that the horizontal extent of gas concentration above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet is 31% (4-feet/13-feet*100) of the distance to the closest conductor. If the alternate alignment of the new proposed 345 kV line is accepted, this valve will be within the span of the conductors. Based on that location, the horizontal extent of 4-feet extends into the space occupied by the new proposed 345 kV conductors. The modeling indicates that this valve will potentially create flammable concentrations of natural gas at the power lines, and therefore, will not be used.
- 3c) The URS study did not specifically model a ½-inch valve, but the 1-inch valve can be used to model the ½-inch valve with a greater safety factor. The URS study predicts that the extent of gas concentrations above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet is 8% (4-ft/52-ft*100) of the distance to the closest conductor. The modeling indicates that this valve will not create flammable concentrations of natural gas at any of the considered power lines.

3. Conflict Number 6

- 6a) The URS study predicts that the horizontal extent of gas concentration above LEL for a 12-inch blow-off valve does not exceed 46-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 46-feet is 53% (46-feet/87-feet*100) of the distance to the closest conductor. The modeling indicates that this valve will not create flammable concentrations of natural gas at any of the considered power lines.
- 6b) The URS study predicts that the horizontal extent of gas concentration above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet is 5% (4-feet/84-feet*100) of the distance to the closest conductor. The modeling indicates that this valve will not create flammable concentrations of natural gas at any of the considered power lines.
- 6c) The URS study did not specifically model a ½-inch valve, but the 1-inch valve modeling results can be used to predict the ½-inch valve concentrations with a greater safety factor. The URS study predicts that the horizontal extent of gas concentrations above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet is 20% (4-feet/20-feet*100) of the distance to the closest conductor. The modeling indicates that this valve will not create flammable concentrations of natural gas at the power lines.

- 6d) The URS study predicts that the horizontal extent of gas concentrations above LEL for a 1-inch blow-off valve does not exceed 4-feet for the modeled meteorological conditions, given a vertical release. The horizontal extent of 4-feet is 20% ($4\text{-feet}/20\text{-feet} * 100$) of the distance to the closest conductor. The modeling indicates that this valve will not create flammable concentrations of natural gas at the power lines.

IV. Summary

The results of the analysis for the RMP conflicts indicate that there are two (2) pipeline alignment locations and five (5) blow-off valve separation distance locations that require design or operational changes to ensure the safe operation and maintenance of RMP and Kern River facilities. Potential resolutions to these seven (7) conflicts are described below.

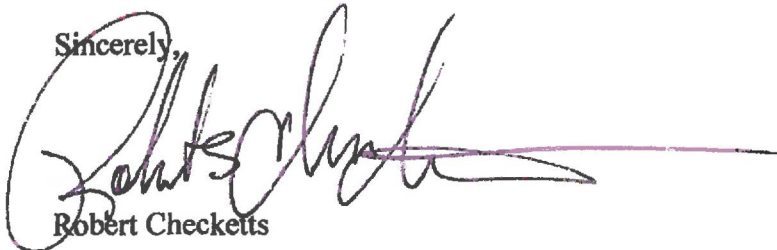
- Relocation of the new proposed RMP power line in the vicinity of the West Valley meter station, specifically, relocating new proposed towers 45 and 46 15-feet to the west. Kern River understands this relocation will have no financial impact to Kern River per the parties separate agreement allowing RMP to cross certain exclusive easements owned by Kern River.
- Relocation of new proposed tower 57 approximately 25-feet to the north. Kern River understands this relocation will have no financial impact to Kern River per the parties separate agreement allowing RMP to cross certain exclusive easements owned by Kern River.
- Restriction in use of blow-off valves at Hunter Park meter station (Conflict Numbers 1c, 1d, and 1e) and at West Valley meter station (Conflict Numbers 3a and 3b).

If these recommendations are acceptable to RMP, the agreements between the parties should be amended to reflect the changes identified herein.

Based on the past twenty years of operating experience and the results of the URS study, implementation of the recommendations provided herein and compliance with Kern River and RMP operating procedures will continue to create a safe and reliable environment in which the power lines and natural gas pipelines can operate.

Please call me if you have any questions or comments.

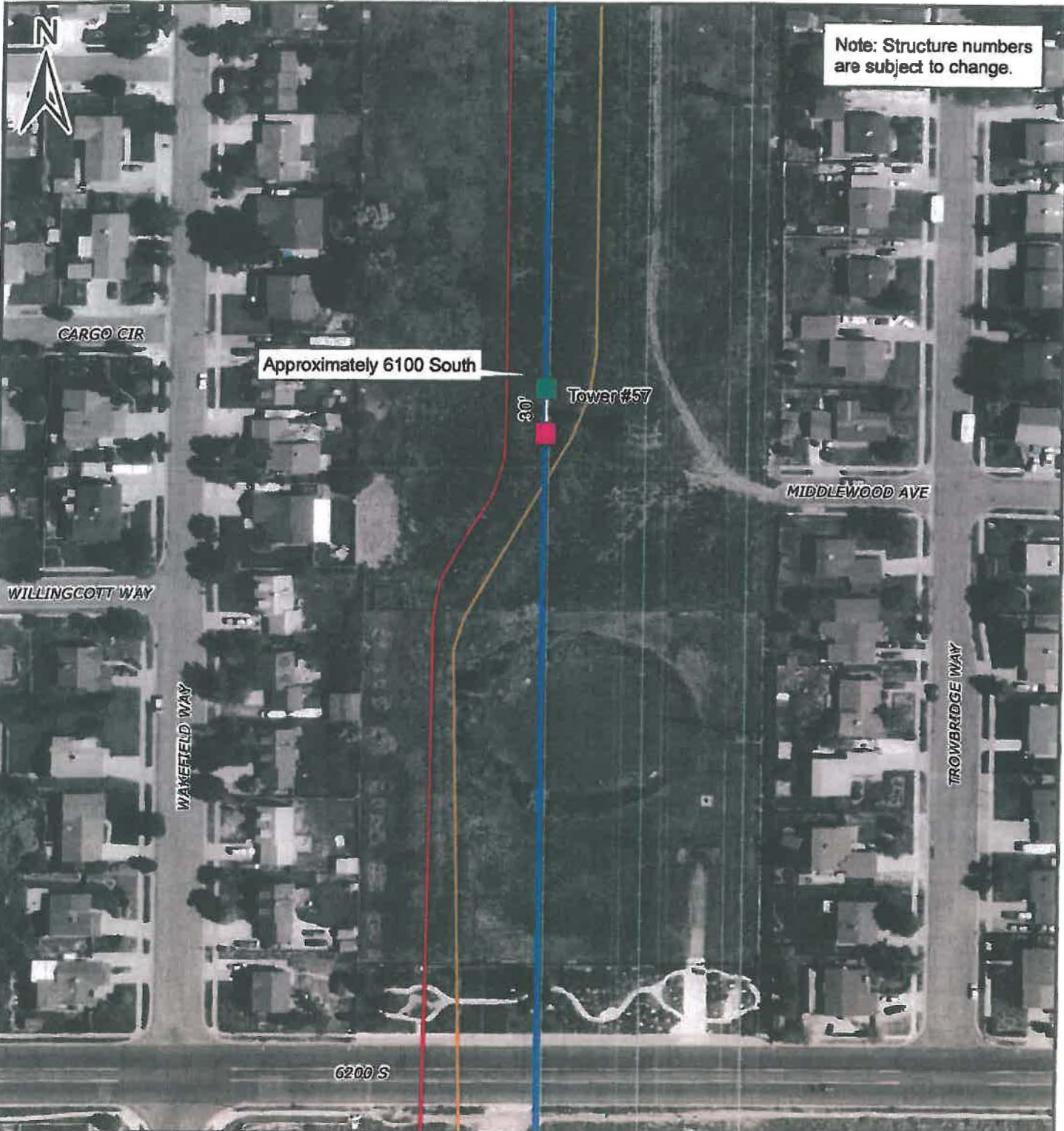
Sincerely,



Robert Checketts

EXHIBIT D

(Location of Structure 57 of Terminal-Oquirrh 3-4 Transmission Line)



Note: Structure numbers are subject to change.

Approximately 6100 South

Tower #57

30'

CARGO CIR

MIDDLEWOOD AVE

WILLINGCOTT WAY

WAKEFIELD WAY

TROWBRIDGE WAY

6200 S



Legend

- Planned Tower Location
- Modified Tower Location
- Meter Station
- Power Lines
- Kern River Gas
- Kern River Loop Line
- Alternate Power Line

Exhibit "D"

THIS DOCUMENT IS THE EXCLUSIVE PROPERTY OF KERN RIVER GAS TRANSMISSION COMPANY. THE SUBJECT MATTER IS PROPRIETARY AND IS NOT BE DIVULGED TO ANY PARTY, NOR IS THE DOCUMENT TO BE REPRODUCED, EXHIBITED, COPIED, OR FURNISHED TO ANY OTHER PARTY, NOR TO BE USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT IS SPECIFICALLY FURNISHED WITHOUT THE EXPRESS PERMISSION OF KERN RIVER GAS TRANSMISSION COMPANY.

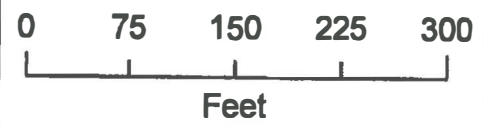
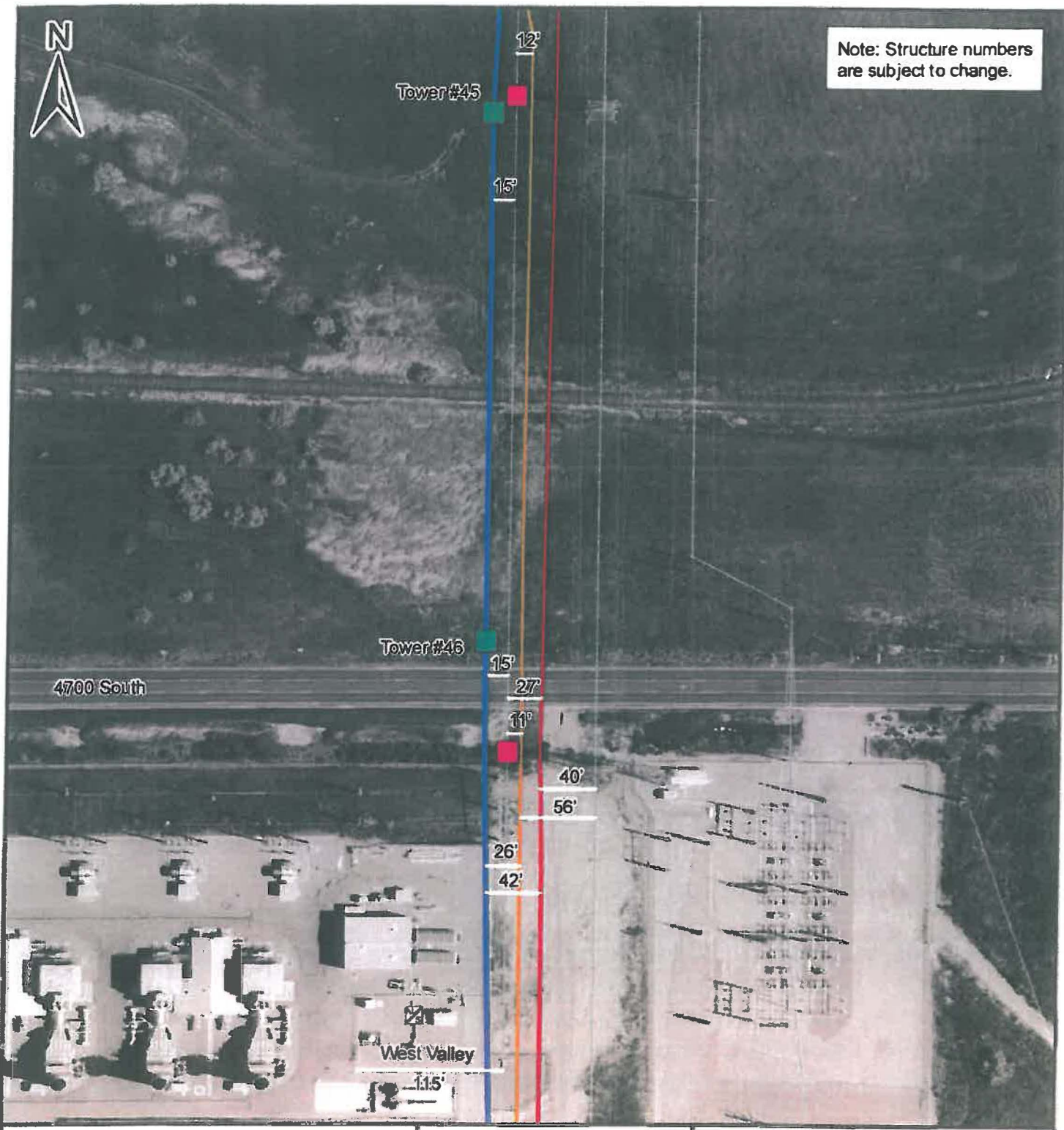


EXHIBIT E

(Location of Structures 45 & 46 of Terminal-Quirrh 3-4 Transmission Line)



Note: Structure numbers are subject to change.



THIS DOCUMENT IS THE EXCLUSIVE PROPERTY OF KERN RIVER GAS TRANSMISSION. THE SUBJECT MATTER IS PROPRIETARY AND IS NOT BE DIVULGED TO ANY PARTY, NOR IS THE DOCUMENT TO BE REPRODUCED, EXHIBITED, COPIED, OR FURNISHED TO ANY OTHER PARTY, NOR TO BE USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT IS SPECIFICALLY FURNISHED WITHOUT THE EXPRESS PERMISSION OF KERN RIVER GAS TRANSMISSION COMPANY.

- Legend**
- Planned Tower Location
 - Modified Tower Location
 - Meter Station
 - +— Power Lines
 - Kern River Gas
 - Kern River Loop Line
 - Alternate Power Line

Exhibit "E"

0 81.25 162.5 243.75 325

Feet

EXHIBIT F
(Form of Specific Encroachment Agreement)

When Recorded Return to:
Kern River Gas Transmission Company
Land and Environment Department
P.O. Box 71400
Salt Lake City, Utah 84171-0400

Parcel Number(s): XXXXXX

**SPECIFIC ENCROACHMENT AGREEMENT
FOR THE ABOVEGROUND POWER DISTRIBUTION LINE
EXHIBIT "F" OF MUTUAL EXCHANGE AGREEMENT**

This Specific Encroachment Agreement ("Agreement") is hereby entered into this ____ day of _____, _____, by and between **Kern River Gas Transmission Company**, a Texas general partnership, with offices located at 2755 E. Cottonwood Parkway, Suite 300, Salt Lake City, Utah 84121 ("Kern River"), and **PacifiCorp, an Oregon corporation, d/b/a Rocky Mountain Power**, with an offices located at 1407 West North Temple, #110, Salt Lake City, Utah, 84116 ("Rocky Mountain Power Rocky Mountain Power"). As used herein, Kern River and Rocky Mountain Power shall also include their respective agents, contractors, employees, and representatives. Kern River and Rocky Mountain Power are sometimes jointly referred to as the "Parties."

WHEREAS, Kern River owns, operates and maintains 36-inch diameter high pressure interstate pipelines which transport natural gas from southwestern Wyoming to points of delivery in Utah, Nevada and California; said pipelines are generally buried underground pursuant to easements and rights of way of record.

WHEREAS, Rocky Mountain Power desires to construct, install, operate, access, and maintain a high voltage power line (the "Power line") over, under and through certain exclusive pipeline easements held by Kern River (collectively referred to as the "Kern River Easements") and desires to obtain Kern river's consent therefore. A general vicinity map showing the location of the power line and the location of the Kern River easements is provided in Exhibits A.1-A.6. The legal descriptions for the Power Line are attached as Exhibit B.

WHEREAS, Kern River is willing to permit, and Rocky Mountain Power desires to construct, the Power Line within Kern River's Easement subject to the conditions contained in this Agreement.

THEREFORE, in consideration of the mutual promises and benefits contained herein, the parties agree as follows:

1. **REPRESENTATIONS:** Rocky Mountain Power hereby represents and warrants that it has or will obtain all appropriate agreements, approvals, authorizations, certificates, licenses, zoning and permits from any and all landowners and agencies, public and private, for the construction activities contemplated herein.

2. **AUTHORIZATION:** Kern River hereby authorizes Rocky Mountain Power to install, construct, operate, access, and maintain the Power Line on the Kern River Easements in accordance with the terms of this Agreement. This Agreement shall apply only to the two Power Line specifically identified herein. Any additional encroachments are expressly prohibited unless this Agreement is amended in writing or another written encroachment agreement or encroachment permit is entered into by the Parties.

3. **NO WARRANTY:** Kern River does not warrant the condition of the Kern River Easements nor its fitness or suitability for any particular purpose. In addition, Kern River does not warrant the Kern River

Easements for or against subsidence, compaction, or geotechnical stability of any kind including but not limited to, faults, sinkholes or hydrologic integrity.

4. COSTS: Rocky Mountain Power shall cause all construction activities including, but not limited to, surveying, leveling, grading, compacting, paving, removal, reclaiming, restoration, revegetation, re-contouring, repairing, construction and re-construction of the Power Line to be completed at no cost or expense to Kern River.

5. CONSTRUCTION OF POWER LINE: Construction will be performed according to the Construction Drawings attached hereto as Exhibit C, the Scope of Work attached hereto as Exhibit D, and using only the equipment listed on the Equipment List attached as Exhibit E. All construction, continued and future use of the Power Line shall be performed in accordance with the Encroachment Specifications set forth in Exhibit F attached hereto. Any deviation from these Encroachment Specifications, Scope of Work, drawings and equipment list must receive prior approval in writing from Kern River which approval shall not be unreasonably withheld, conditioned, or delayed.

6. INSPECTION AND REIMBURSEMENT: Kern River shall provide at least one onsite inspector ("Inspector") while Rocky Mountain Power is working within Kern River's Easements. All of Rocky Mountain Power's work within Kern River's Easements shall be performed to the satisfaction of Inspector. In the event Inspector deems Rocky Mountain Power's work within the Kern River Easements to be unsafe, of poor quality or inconsistent with the terms of this Agreement, Inspector is authorized to stop all work within the Kern River Easements until the appropriate corrective measures are implemented. The presence or non-presence of Inspector shall not alleviate Rocky Mountain Power from liability or damages arising from its construction of the Power Line and it shall be Rocky Mountain Power's sole responsibility to perform the construction in a safe and workmanlike manner. Kern River shall not be responsible to Rocky Mountain Power or any third party for the cost of any delays occasioned by a work stoppage ordered by Inspector. Kern River agrees not to mark up or change and profit for use of the Inspectors, but simply to pass through the fully loaded costs of the Inspector. Kern River shall submit a monthly invoice to Rocky Mountain Power until the project is complete. Rocky Mountain Power agrees to pay said invoice within 60-days of each submittal.

7. ONE-CALL NOTICES: Rocky Mountain Power shall notify Kern River through the local One-Call Service a minimum of 48 hours before excavation or grading work commences on or near the Kern River Easements.

8. CATHODIC PROTECTION AND AC MITIGATION: All metallic utility lines crossing Kern River's pipelines shall have cathodic test leads connecting both the utility and the pipelines. Kern River will install, at Rocky Mountain Power's expense, such test leads on its pipelines if required. If within one year from the date of energization of the Power Line, Kern River determines in its sole discretion that AC mitigation studies and/or AC mitigation is required, including but not limited to metallic or electric aboveground or underground lines, Rocky Mountain Power agrees to pay for the studies and/or mitigation that may be necessary to protect the Kern River pipelines. Rocky Mountain Power agrees that the Power Line constructed pursuant to this Agreement shall be operated at a nominal voltage rating of 345 kV. If Rocky Mountain Power determines a need to increase the nominal voltage rating of the Power Line, Rocky Mountain Power shall first give notice to Kern River and Rocky Mountain Power agrees to pay the cost to determine whether additional cathodic protection or corrosion mitigation should be installed for the protection of the Kern River's pipelines. Rocky Mountain Power shall pay all reasonable costs for additional protections that may reasonably be required by Kern River.

9. STREETS: Any permanent access routes constructed over the pipelines shall maintain no less than five and one half feet (5'-6") of cover from top of pipe to the finished grade. During construction, any

access routes utilized by large construction type vehicles or other types of heavy equipment that crosses the Kern River pipelines will be constructed and maintained as directed by Kern River and its Inspector. These crossings shall be reviewed in the field, on an individual basis, by Inspector. Any access routes permitted under this Agreement must be approved by Inspector and constructed in accordance with the specifications set forth in Exhibit "B."

10. RESTORATION: Rocky Mountain Power shall be responsible for restoration of all disturbed land and damages on Kern River's Easements caused by Rocky Mountain Power, its contractors, agents and employees in any way related to or arising from the construction or maintenance of the Power Line.

11. EXCAVATION TECHNIQUES: Any excavation within 5 feet of the pipelines shall be performed with hand tools and in the presence of Kern River's Inspector. Mechanical excavation equipment must be positioned so that the equipment cannot reach within 2 feet of the pipelines.

12. FENCES: Kern River may require Rocky Mountain Power to install temporary safety fences to define a corridor surrounding the pipelines. Any fences installed shall be the sole responsibility of Rocky Mountain Power and any costs incurred for fence installation shall be borne by Rocky Mountain Power. The type of fence shall be decided in the field by Inspector after consultation with Rocky Mountain Power. Openings in said fence for road crossings shall be at locations designated by Inspector. Fences shall be continually maintained by Rocky Mountain Power until such time as construction of the Power Line has been completed.

13. BLASTING: Should blasting be required for the project, a blasting plan must be submitted thirty days in advance to Kern River for prior review and approval. No blasting may take place without prior written consent from Kern River.

14. PIPELINE MAINTENANCE: If either pipeline is excavated and exposed as part of the activities described herein, or at Kern River's request, Kern River will be given the opportunity to inspect and perform maintenance on the pipelines before they are reburied. This inspection and maintenance will be at Kern River's expense; provided, however, that Kern River shall not be responsible to Rocky Mountain Power or any third party for the cost of any delays occasioned by Kern River's inspection and maintenance.

15. RESERVATION OF RIGHTS: KERN RIVER AGREES TO COORDINATE WITH ROCKY MOUNTAIN POWER ANY CONFLICTS THAT ARISE BETWEEN ROCKY MOUNTAIN POWER'S FACILITIES AND KERN RIVER'S EASEMENT. IN THE EVENT OF AN EMERGENCY, KERN RIVER RESERVES THE RIGHT TO CAUSE ROCKY MOUNTAIN POWER TO REMOVE ANY OF THE ENCROACHMENTS IF IN KERN RIVER'S JUDGMENT IT IS NECESSARY TO DO SO IN ORDER TO PROTECT ITS PIPELINES FROM IMMINENT HARM OR IN THE INTEREST OF PUBLIC SAFETY.

16. RELATIVE PRIORITY OF RIGHTS: Kern River, its successors and assigns retain all rights that Kern River enjoys under the Kern River Easements. Although the Parties foresee the use of the Kern River Easements in a mutually agreeable manner, THE PRESENCE OF THE POWER LINE UNDER THIS AGREEMENT IS SUBORDINATE TO KERN RIVER'S RIGHTS UNDER ITS EASEMENTS. Rocky Mountain Power agrees to cooperate with Kern River at such times that Kern River accesses the right of way or pipeline facilities. In particular, Rocky Mountain Power agrees to move or cause to be moved any of its or its contractors' personal property including but not limited to equipment, vehicles, and trailers that may prevent Kern River from reasonably accessing the Kern River Easements and pipeline facilities in a timely manner. Rocky Mountain Power agrees that its or its contractors' presence on the Kern River Easements shall not: a) prevent the timely and easy removal of Rocky Mountain Power's or its contractors' personal property from the Kern River Easements, or b) prevent Kern River's reasonable

reconnaissance of, or access to, the Easements by aerial and/or ground patrol of the area. Except in cases of an emergency, Kern River agrees to give Rocky Mountain Power prior notice of the areas where unrestricted access is required.

17. **REVOCABILITY:** This Agreement shall be revocable, in whole or in part, by Kern River in the event of material or substantial noncompliance with the conditions, terms, requirements or specifications of this Agreement that are not cured by Rocky Mountain Power within a timely manner to Kern River's reasonable satisfaction after written notice or, in Kern River's sole discretion, for safety related reasons. Kern River shall provide prior written notice of such revocation. In the event of such revocation, as applicable, the Encroachments shall be removed at Encroaching Party's expense.

18. **INDEMNITY:** Rocky Mountain Power agrees to protect, indemnify and hold harmless Kern River, its affiliates, parent corporation(s), subsidiaries, officers, agents and employees from and against any and all loss, damage, injury or death to any person or property, including Kern River, which may arise by reason of or incident to Rocky Mountain Power's occupancy, use, installation, maintenance, or continuation of the Power Line within Kern River's Easements, except to the extent such loss, damage, injury or death arises out of the negligence of Kern River.

19. **INSURANCE REQUIREMENTS:** Prior to performing any work within the Kern River Easements, Rocky Mountain Power shall carry insurance as described in Exhibit G attached hereto and provide Kern River with insurance certificates evidencing such coverage. Encroaching Party shall require its contractors and sub-contractors of any tier to maintain and provide evidence of similar insurance during any construction within the Kern River Easements. Kern River does not represent that the required insurance, whether in scope or amounts of coverage, is adequate to protect the obligations of Rocky Mountain Power or its contractors or sub-contractors, and Rocky Mountain Power and / or its contractors and sub-contractors shall be solely responsible for any deficiencies thereof. Nothing in this section shall be deemed to limit Rocky Mountain Power's liability under this Agreement.

20. **AS-BUILT DRAWINGS:** Within six months following the substantial completion of the Power Line, Rocky Mountain Power shall provide without charge to Kern River a copy of its "as-built" drawings of the Power Line.

21. **NOTICES:** All notices to either party hereto shall be in writing and served personally on, or sent by U. S. postal or commercial delivery service to, the addresses hereinabove given.

22. **COOPERATION OF SUBCONTRACTORS:** Rocky Mountain Power shall ensure the cooperation of its contractors and agents with Kern River with respect to the terms and conditions of this Agreement and their involvement with the activities described herein.

23. **ATTORNEYS' FEES:** The Parties shall be entitled to its reasonable costs and attorneys' fees to enforce any provisions of this Agreement, together with interest at twelve percent per annum for any amounts owing to Kern River hereunder.

24. **SUBSEQUENT OWNERS OF POWER LINE:** It is the intention of the Parties that the terms of this Agreement shall apply to subsequent owner(s) of the Power Line and that any subsequent owner(s) shall take ownership of the Power Line subject to the terms of this Agreement. This Agreement shall run with the land and Kern River Easements and shall inure to the benefit of and be binding on the respective successors, assigns, heirs and personal representatives of the Parties and owner(s) of the Power Line. Nothing contained herein shall be construed to abrogate, diminish, or relinquish any rights granted by the Kern River Easements or to waive statutory, common law or other rights that Kern River may have against subsequent owner(s) of the Power Line.

25. AGREEMENT SUBORDINATE TO EASEMENT(S): This Agreement is subordinate and subject to all terms and conditions of the Kern River Easements with the underlying fee owners and easement holders of record on said lands.

26. GOVERNING LAW AND JURY WAIVER. This Agreement and the rights and duties of the parties arising out of this Agreement shall be governed by and construed in accordance with the laws of the state of Utah, except provisions of that law referring to governance or construction of the laws of another jurisdiction. Any suit, action, or proceeding arising out of or relating to this Agreement may only be instituted in a state or federal court in Salt Lake City, Utah. Each party waives any objection which it may have now or hereafter to exclusive venue of such action or proceeding in the state or federal courts of Salt Lake City, Utah and irrevocably submits to the jurisdiction of any such state or federal court in any such suit, action or proceeding. 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 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.

***** Remainder of this Page is Intentionally Left Blank – Signature Page to follow*****

SALT LAKE CITY

The Parties execute this Agreement on the date first written above.

KERN RIVER GAS TRANSMISSION COMPANY,
a Texas general partnership

By: _____

Its: _____

ACKNOWLEDGMENT

STATE OF UTAH)
) §
COUNTY OF _____)

On the ___ day of _____, _____ personally appeared before me and being by me duly sworn did say that s/he is the _____ of _____, and that the above Specific Encroachment Agreement was signed on behalf of _____ and said _____ acknowledged to me that s/he, as the _____ of _____, signed the same.

SAMPLE

Notary Public

PACIFICORP, an Oregon corporation d/b/a
Rocky Mountain Power

By: _____

Its: _____

ACKNOWLEDGMENT

STATE OF UTAH)
) §
COUNTY OF _____)

On the ___ day of _____, _____ personally appeared before me and being by me duly sworn did say that s/he is the _____ of _____, and that the above Specific Encroachment Agreement was signed on behalf of _____ and said _____ acknowledged to me that s/he, as the _____ of _____, signed the same.

Notary Public

EXHIBIT A.1 – A.6
(General Vicinity Map Showing the Location of the Power Line and the Location of the Kern River Easements)



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 1000 J. Paul Getty Center Drive, Suite 1000
 Los Angeles, CA 90072-3333
 213.345.5000
 www.caltrans.gov
 www.highspeedrail.com

Burdock Drive 'approximately 2900 S. - 3200 S.'
Kern River-Rocky Mountain Agreement

January 8, 2013



Scale = 12,000

PROPRIETARY

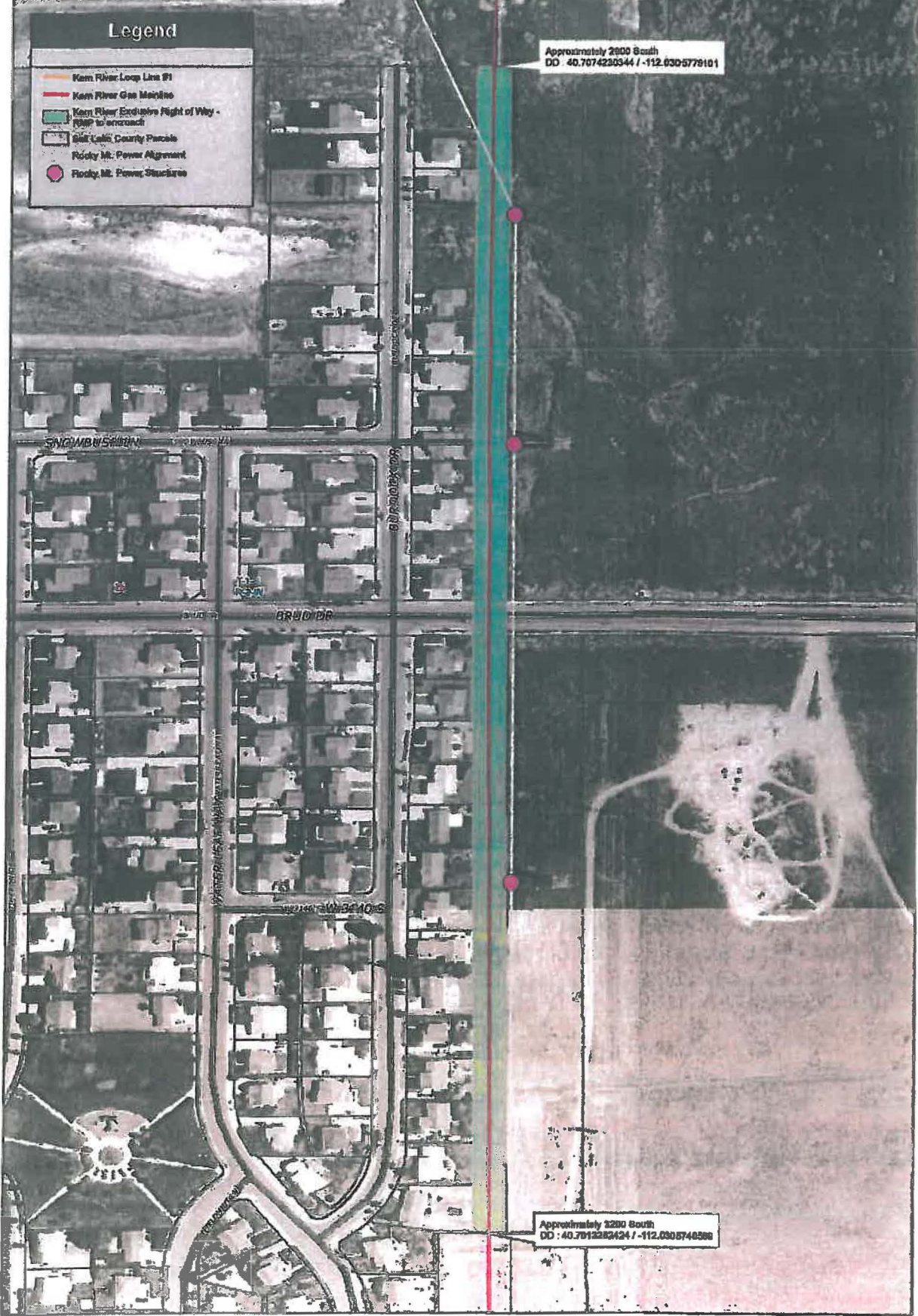
Exhibit A.1

Legend

- Kern River Loop Line #1
- Kern River Gas Mainline
- Kern River Exclusive Right of Way - RMP to encroach
- San Luis County Parcels
- Rocky Mt. Power Alignment
- Rocky Mt. Power Structure

Approximately 2900 South
 DD : 40.7074280344 / -112.6305779101

Approximately 2200 South
 DD : 40.7012282424 / -112.0305740588





Scale: 1:1,400
 DD: 40.67225261 / -112.03033935

UPRR to 4700
 "Approximately 4550 S. - 4700 S."
 Kern River Gas Transmission Company

July 18, 2013

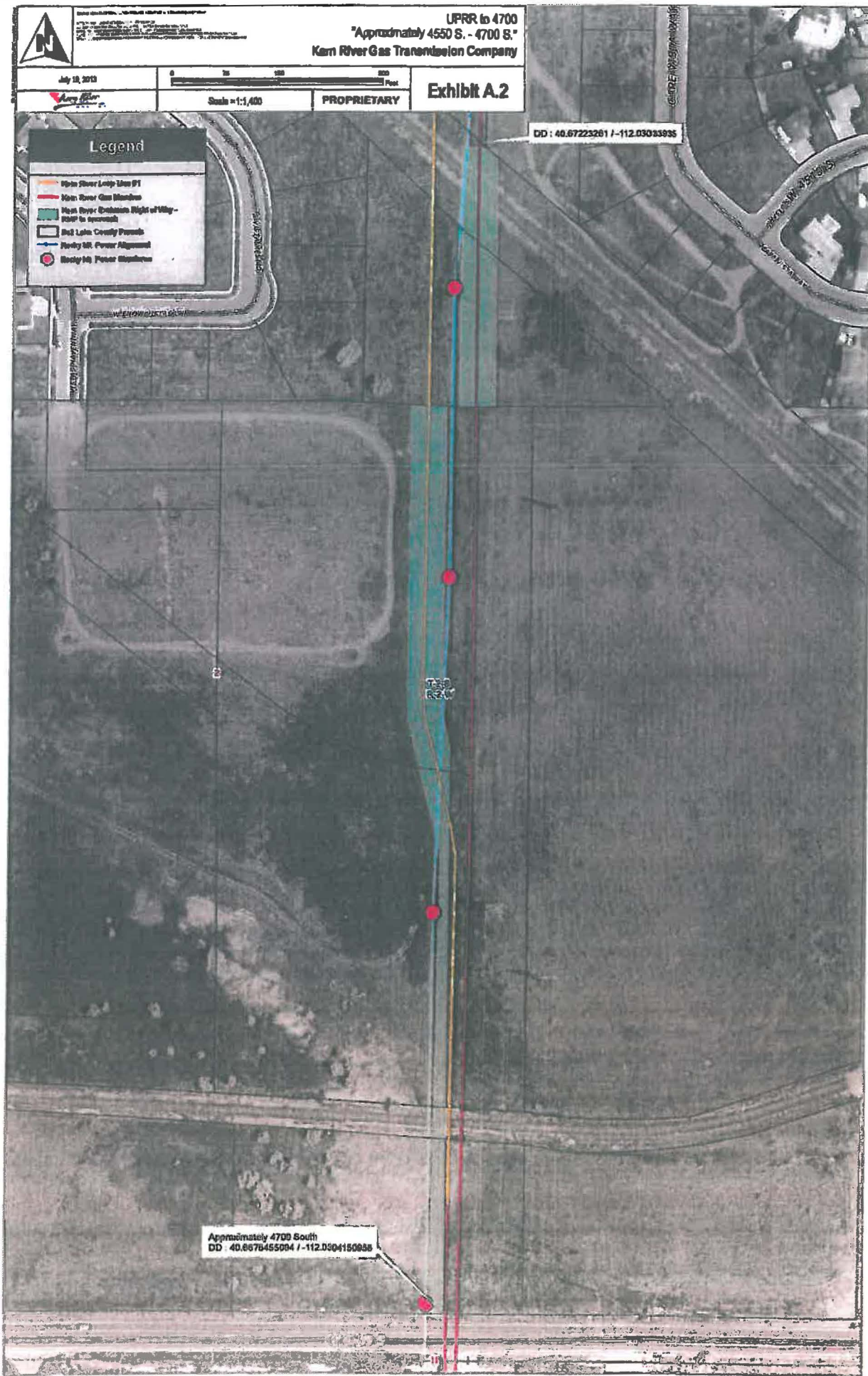
Scale = 1:1,400

PROPRIETARY

Exhibit A.2

Legend

- Main Street Loop Line #1
- Main Street Gas Mainline
- Main Street Extension Right of Way - 100' to 150'
- Red Lake County Parcel
- Noddy St. Power Alignment
- Noddy St. Power Station



Approximately 4700 South
 DD: 40.6676455094 / -112.0004150085



4700 South to 5000 South
 "Approximately 4550 S. - 5000 S."
 Kern River Gas Transmission Company

4700 South to 5000 South
 "Approximately 4550 S. - 5000 S."
 Kern River Gas Transmission Company

July 18, 2013



Scale = 12,100

PROPRIETARY

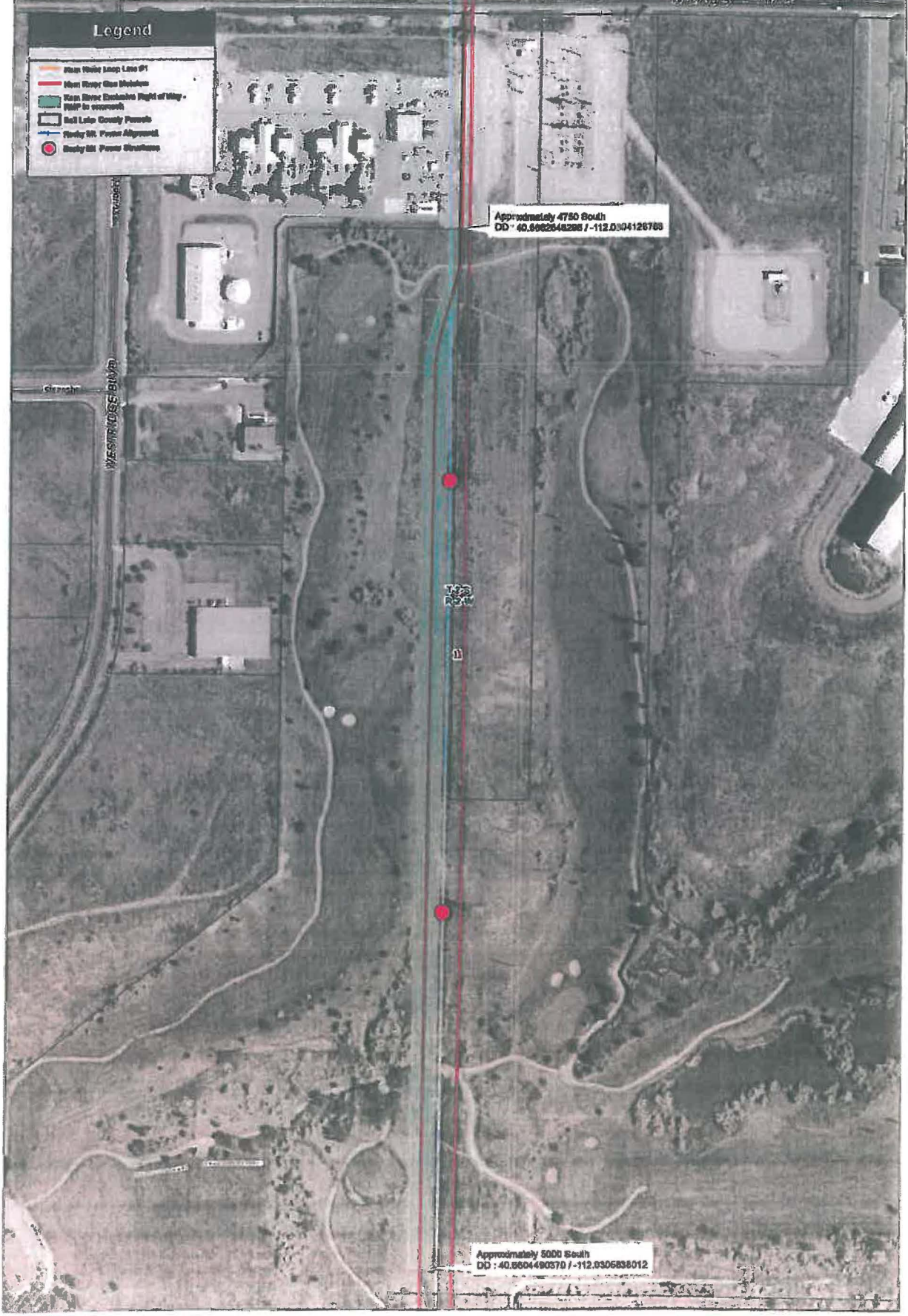
Exhibit A.3

Legend

- Kern River Loop Line #1
- Kern River Gas Station
- Kern River Exclusive Right of Way - PMP to be removed
- San Luis County Parcel
- Rocky Mt. Power Alignment
- Rocky Mt. Power Structure

Approximately 4750 South
 DD : 40.8962648288 / -112.0304126788

Approximately 5000 South
 DD : 40.8604490570 / -112.030688012





Kern River Gas Transmission Company
 10000 W. 10th Street
 Los Angeles, CA 90024
 Kern River Gas Transmission Company
 10000 W. 10th Street
 Los Angeles, CA 90024

Discovery Way to 7000 South
 "Approximately 6800 S. - 7000 S."
 Kern River Gas Transmission Company

July 18, 2013



Scale = 1:1,100

PROPRIETARY

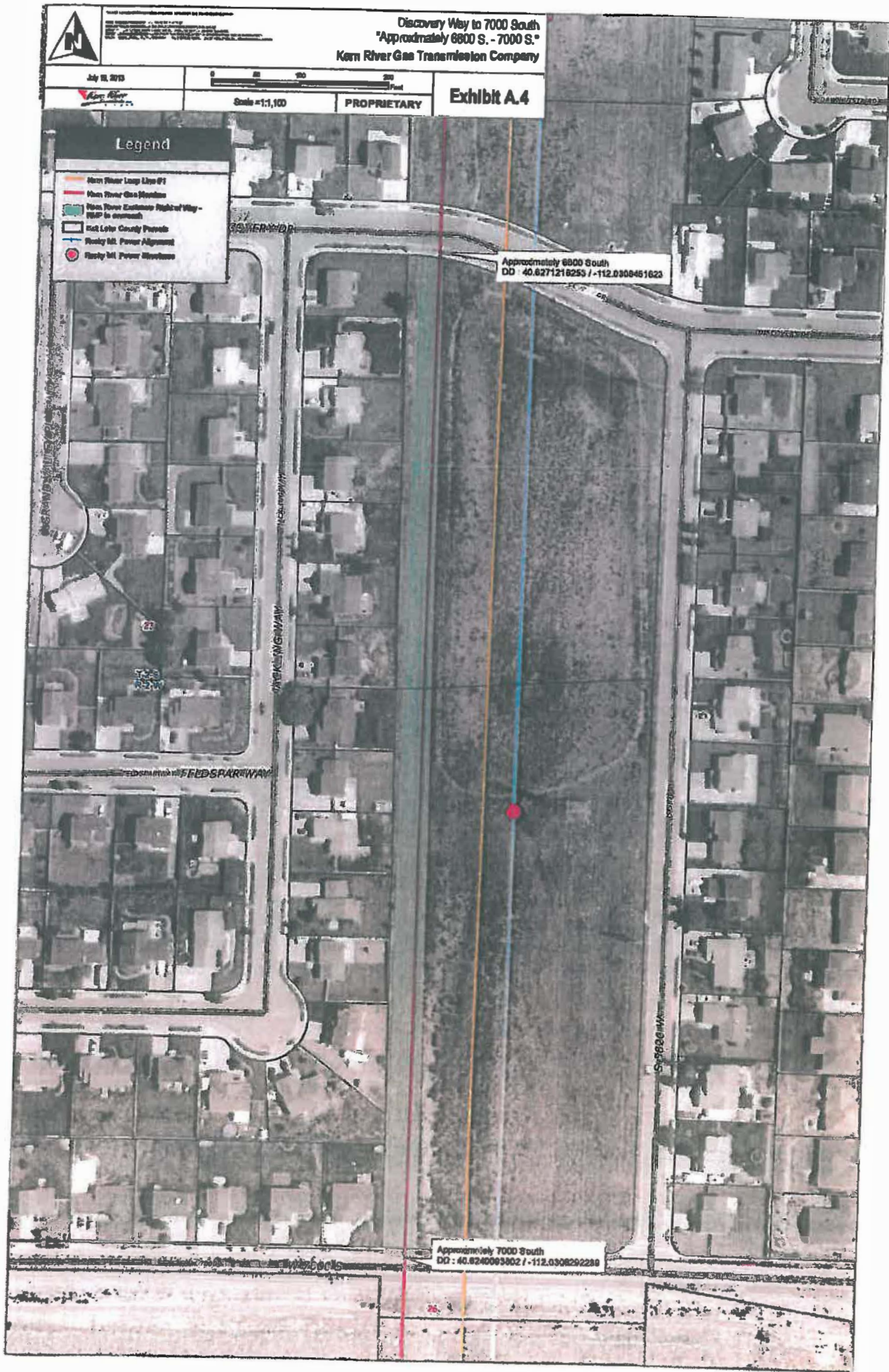
Exhibit A.4

Legend

- Kern River Loop Line #1
- Kern River Gas Mainline
- Kern River Estimated Right-of-Way - 75'W to easement
- KCL Lohan County Parcel
- Rocky Mt. Power Alignment
- Rocky Mt. Power Wellhead

Approximately 6800 South
 DD : 40.6271218255 / -112.0308461623

Approximately 7000 South
 DD : 40.6240093002 / -112.0308292288





DATE: 09/17/2015
PROJECT: Kern River Gas Transmission Company
DRAWN BY: [illegible]
CHECKED BY: [illegible]

***Approximately 7400 S. - 7600 S.*
Kern River Gas Transmission Company**

September 17, 2015



Scale = 1:2,200

PROPRIETARY

Exhibit A.5

Legend

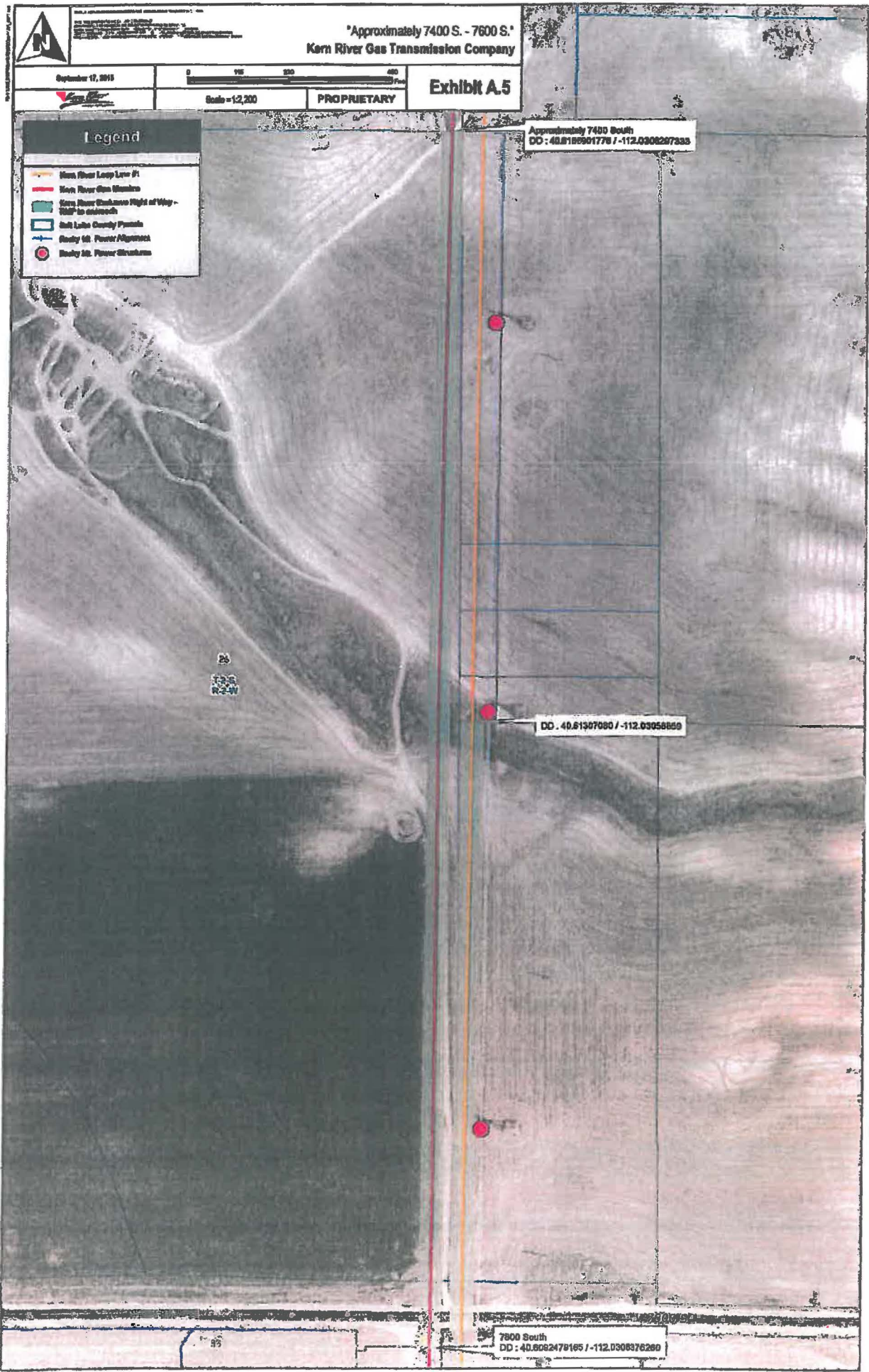
- Kern River Loop Line #1
- Kern River Old Mainline
- Kern River Exchange Right of Way - 100' to distance
- Salt Lake County Property
- Study 08: Power Alignment
- Study 08: Power Structures

Approximately 7400 South
DD : 40.8185901778 / -112.0308297333

26
T3S
R2-W

DD : 40.81907080 / -112.03058869

7600 South
DD : 40.8582479165 / -112.0308376289





7800 South to 8200 South
Kern River Gas Transmission Company

7800 South to 8200 South
Kern River Gas Transmission Company

July 18, 2020



Scale = 12,200

PROPRIETARY

Exhibit A.6

Legend

- Kern River Loop Line #1
- Kern River Gas Mainline
- Kern River Station's Right-of-Way - 500' to easement
- Well Lease County Parcels
- Study NE Power Alignment
- Study NE Power Direction

7800 South
DD : 40.8022476165 / -112.0308378260

T-23
RSW

8200 South
DD : 40.8023146842 / -112.0308280401



EXHIBIT B

(Legal Descriptions)

(To be inserted with each Encroachment Agreement)

SAMPLE

EXHIBIT C
(Construction Drawings)

Note: Construction Drawings to be provided by RMP 90 days in advance of construction

EXHIBIT D

(Scope of Work)

(To be inserted with each Encroachment Agreement)

SAMPLE

EXHIBIT E

(Equipment List)

(To be inserted with each Encroachment Agreement)

SAMPLE

EXHIBIT F
(Encroachment Specifications)

KERN RIVER GAS TRANSMISSION COMPANY, hereinafter called "KERN RIVER" is an interstate transporter of natural gas, which is regulated by the U.S. Department of Transportation Office of Pipeline Safety. The following specifications are designed to comply with applicable state and federal regulations to assure the safety of the public and to protect the pipeline.

The following specifications are minimum requirements for most proposed encroachments to avoid conflict with the existing easement rights. These are not the only types of activities permitted. Additional specifications may be required, depending upon the proposed encroachments. Please contact the Evanston KERN RIVER office (307)-789-8763 to review your individual situation.

GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS

- A) Most states laws require 48 hours or two working-days notice be given to utility companies prior to beginning excavation. This may be accomplished by contacting a 'One Call' or 'Dig Alert' system (check your state). In states where advance notification call systems do not exist, please call (800) 272-4817, 48 hours before any work commences.
- B) KERN RIVER'S easement restricts the placement of a structure or any part of a structure within the right of way, except as may be expressly permitted herein.
- C) An authorized KERN RIVER representative must be on site during any work performed on or across the right of way.
- D) The KERN RIVER representative will determine the existing cover over the pipeline.
- E) Any change in the amount of existing cover material (soil) on and over the right of way must be approved in advance and shall be no less than that required by the U.S. Department of Transportation.

1) FENCES

- A) Fences shall not be installed parallel to the pipeline within the KERN RIVER easement. For fences installed across the right of way, the first post either side of the pipe shall be set 5 feet from the center of the pipeline in a hand dug hole.
- B) PERMITTEE shall provide access through or around fence(s) crossing the right of way to allow performance of normal right of way maintenance.
- C) Installer shall adhere to provisions A and C of GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS.

2) LANDSCAPING (plantings that require excavating deeper than 1 foot)

- A) Flower beds and shrubs are permitted within the right of way, but may be damaged by required annual surveys, if planted directly over the pipeline. Heavy maintenance may require total clearing of the right of way.
- B) No trees or deep rooted shrubs are allowed within the easement.
- C) Lawns and vegetable gardens are acceptable.
- D) Provisions A and C of the GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS pertain to this type of planting.

3) STREETS, ROADS AND DRIVEWAYS

- A) Residential driveways intended for light vehicle access to a single family dwelling must have a minimum of 5.6 feet of cover over the pipeline or an alternative engineered solution.
- B) Driveways shall not run lengthwise within the right of way and must cross on an angle, which when measured between the proposed drive and the right of way is not less than 45 degrees.
- C) An opportunity for KERN RIVER to make a pipe inspection must be given prior to the start of any construction.
- D) Provisions A, C, D and E of the GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS pertain to driveway crossings.
- E) Street or road construction may require a specific encroachment agreement from the Right of Way and Land Department, and plans for such crossings shall be submitted 90 days prior to work commencement to allow time for project impact review by the local KERN RIVER office.

4) TEMPORARY EQUIPMENT CROSSINGS

- A) To protect KERN RIVER'S pipeline from external loading, KERN RIVER must perform an evaluation to determine the effects of any proposed equipment use. KERN RIVER reserves the right to approve or deny the use of certain types of equipment. Mats, timber bridges, or other protective materials deemed necessary by KERN RIVER shall be placed over KERN RIVER facilities for the duration of any loading. Protective materials shall be purchased, placed, and removed at no cost to KERN RIVER. The right of way must be restored to its original condition.
- B) KERN RIVER may require markings to identify specific areas where equipment use is authorized.

5) OPEN WATERWAYS

- A) Open waterways smaller than 3 feet wide at the bottom are defined as "ditches" and must have a minimum of 3.5 feet of cover from the top of the pipe to the bottom of the ditch, or the ditch must be lined using an approved method and material. Larger open waterways are defined as "canals" and are considered on an individual basis.
- B) Anyone altering (clearing, regrading or changing alignment) a waterway must obtain approval from KERN RIVER prior to making changes and shall meet Provisions A and C of the GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS.
- C) An opportunity will be provided for KERN RIVER to install casing and/or other structural protection prior to canal installation.

6) EXCAVATION

- A) Plans for any excavation on the right of way must be approved prior to commencing work. Excavating within 5 feet of the pipeline shall be done by hand until the pipeline is exposed and shall be done only in the presence of an authorized KERN RIVER representative. When excavating for crossing a ditch line, after the pipe has been exposed, the excavation equipment must be positioned such that it will not reach within 2 feet of the pipeline. Final stripping on sides and top of the pipeline shall be by hand.
- B) When a backhoe is used, the bucket teeth should be curled under each time it is brought back into the ditch to reduce the chance of teeth contacting the pipe.

GENERAL REQUIREMENTS FOR BURIED LINE CROSSINGS

- A) All buried lines crossing KERN RIVER'S right of way shall be installed in accordance with all applicable codes and requirements governing such installations.
- B) All foreign lines shall cross KERN RIVER'S right of way at an angle as close to 90 degrees as possible. Parallel occupancy of KERN RIVER'S right of way shall not be allowed unless specifically permitted by KERN RIVER.
- C) All buried lines should cross under the pipeline. However, when obstructions or unfavorable soil conditions are encountered, or when the KERN RIVER pipeline is located at a depth greater than 4 feet, approval to cross over the line may be granted.
- D) To avoid unexpected service interruptions of buried lines crossing over KERN RIVER pipeline, a minimum of 24 inches of cover (or local minimum required depth) must be provided over the crossing line.
- E) All buried lines crossing the KERN RIVER pipeline shall maintain a minimum separation of 24 inches between the two facilities, with the same depth carried across the entire right of way.
- F) A joint trench is the recommended method for multiple utility crossings. Under normal circumstances this requires that only one permit be obtained by the excavating company.
- G) No foreign appurtenances (meters, poles, drop boxes, collection basins, etc.) shall be located on the right of way, except as may be permitted.
- H) A buried warning tape shall be placed 12 to 18 inches above the crossing line and extend across the entire right of way, as a protective measure.
- I) An authorized KERN RIVER representative must be on-site during all excavation and clean-up work performed on the right of way.

7) COMMUNICATION LINES TELEPHONE, TV, OTHER DATA LINES

- A) Communication lines shall meet all provisions of the GENERAL REQUIREMENTS - BURIED LINE

CROSSINGS

- B) Communication lines shall be encased in a rigid nonmetallic conduit across the full width of the right of way.
- C) Signs shall be placed by the Rocky Mountain Power at each edge of the right of way to mark the underground cable angle and path of crossing.

8) POWER LINES

- A) Power lines shall meet all of the above GENERAL REQUIREMENTS - BURIED LINE CROSSINGS and shall be installed in accordance with the National Electrical Safety code.
- B) Power lines shall have minimum clearances between lines of 24 inches for 0 to 600 volts; 30 inches for 601 to 22,000 volts; 36 inches for 22,001 to 40,000 volts; and 42 inches for 40,001 volts and above.
- C) Power lines shall be encased in rigid nonmetallic conduit.
- D) Signs shall be placed by the Rocky Mountain Power at each edge of the right of way to mark the underground cable angle and path of crossing. If the underground cable crosses above the pipeline, the signs shall so indicate.
- E) In the event a power line crosses over the pipeline, it will be necessary to cover the crossing in red dye concrete (6 inches thick) across the full width of the right of way.

9) SEWER AND WATER LINES

- A) Sewer and water lines shall meet all above GENERAL REQUIREMENTS - BURIED LINE CROSSINGS. Nonmetallic water lines are required.
- B) Sewer line crossings are limited to tight lines only.
- C) Septic tanks and drain fields are not permitted within the right of way.

10) SUBSURFACE DRAINAGE TILE (NONMETALLIC)

- A) Drainage tile shall meet provisions A, B, E, G, H and I of GENERAL REQUIREMENTS - BURIED LINE CROSSINGS.

11) METALLIC PIPE CROSSINGS

- A) All 4-inch and larger metallic pipes crossing KERN RIVER'S pipeline, or any metallic pipe transporting hazardous materials (petroleum, natural gas, etc.), shall have two cathodic protection test leads installed on the KERN RIVER pipeline(s) and two on the crossing pipe at the point of intersection.
- B) KERN RIVER personnel must install the leads on KERN RIVER'S pipeline(s) and, if necessary will install the leads on the crossing pipe.
- C) Metallic pipe crossings shall have a permanent protective coating for the full width of the right of way.

12) ABOVE GROUND LINE CROSSINGS

- A) Shall maintain a minimum of 30 feet of vertical clearance across the right of way.
- B) Shall have no poles or appurtenances located on the right of way.
- C) Above ground crossings shall not be above or closer than 25 feet horizontally to any gas escape vent (e.g., relief valve vent, station blow down vent, block valve vent, etc.).

13) BLASTING

- A) Blasting for grade or ditch excavation shall be utilized only after all other reasonable means have been used and are unsuccessful in achieving the required results.
- B) Blasting plans shall be submitted to KERN RIVER for approval at least four days prior to the anticipated start of any blasting activities.
- C) All blasting shall be done with the KERN RIVER authorized representative present.

SAMPLE

EXHIBIT G
(Insurance Requirements)

A. Workers' Compensation Insurance and Occupational Disease Insurance in accordance with statutory requirements of the state and/or Federal Regulations (FELA, USL&H, Jones Act) and Employers' Liability Insurance with limits of not less than:

Bodily Injury by Accident \$500,000 Each Accident

Bodily Injury by Disease \$500,000 Policy Limit

Bodily Injury by Disease \$500,000 Each Employee

covering location of all work places involved in this Contract.

B. Commercial General Liability Insurance, written on an Occurrence Basis, with limits not less than \$1,000,000.00 per occurrence / \$2,000,000 aggregate Bodily Injury and Property Damage, including the following coverages.

a. Premises and Operations Coverage

b. Independent Contractor's Coverage

c. Contractual Liability covering liabilities assumed under this Contract

d. Products and Completed Operations Coverage

e. Coverage for explosion, collapse, and underground property damage

f. Broad Form Property Damage Liability endorsement

g. Personal Injury Liability

C. Comprehensive Automobile Liability Insurance covering owned, hired and non-owned vehicles with limits not less than \$1,000,000.00 per occurrence Bodily Injury and Property Damage combined single limits

D. Umbrella Liability Insurance with a minimum combined single limit of \$5,000,000.00 each occurrence/aggregate where applicable to be excess of the coverages and limits required in A., B., and C. above.

Rocky Mountain Power shall, on or prior to the effective date of this agreement, deliver to Kern River certificates of insurance evidencing valid coverage in effect as specified by this Exhibit. All of the above described insurance policies shall contain provisions that the insurance companies will have no right of recovery or subrogation against Kern River, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees, servants, and insurers, it being the intention of the Parties that the insurance as effected shall protect all parties except with respect to the negligence of additional insureds listed below. All required insurance policies shall be endorsed to provide that the policy is primary and will not contribute with any policy carried by Kern River.

Kern River, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees, and servants shall be named as an additional insured in each of Rocky Mountain Power' insurance policies, except statutory Workers' Compensation. The Commercial General Liability additional insured endorsement shall be ISO Form CG2010 or its equivalent. There

shall be no conditions on Rocky Mountain Power' policies restricting defense expenses available to Kern River.

Any and all deductibles in the above-described insurance policies or inadequacy of limits shall be assumed by, for the account of and at the sole risk of Rocky Mountain Power.

All policies providing coverage hereunder shall contain provisions that no cancellation or material changes in the policies shall become effective except on thirty (30) days' written notice thereof to Kern River at Kern River's office originating the agreement. Rocky Mountain Power shall not cancel or make any material change in any such policies without the prior written consent of Kern River. For those insurance coverages whereby Kern River is required to be named as an additional insured, Rocky Mountain Power shall at any time requested by Kern River prior to or during the term of the work or this Contract, deliver to Kern River certified copies of any and all insurance policies so requested. Further, should a loss arise after final acceptance that may give rise to a claim against Rocky Mountain Power, and/or Kern River as additional insured, Rocky Mountain Power shall deliver to Kern River, or shall cause its insurers or agents to deliver, certified copies of the policies maintained during the term of the work or this Contract, if so requested by Kern River.

Kern River does not represent that the insurance coverages specified herein, whether in scope of coverage or amounts of coverage, are adequate to protect the obligations of Rocky Mountain Power, and Rocky Mountain Power shall be solely responsible for any deficiencies thereof. Nothing in this Agreement shall be deemed to limit Rocky Mountain Power' liability under this Agreement

SUBCONTRACTOR'S INSURANCE

Should Kern River permit Rocky Mountain Power to further sublet or subcontract any portion of the work, Rocky Mountain Power shall, before permitting any of its Subcontractors to perform any work at the site, require each Subcontractor to carry insurance with terms and limits similar to that specified above or provide evidence that such Subcontractors are covered as Named Insureds under Rocky Mountain Power' insurance coverages as required above. Prior to the commencement of work by any Subcontractor, Rocky Mountain Power shall provide to Kern River Certificates of Insurance evidencing that each Subcontractor carries insurance as required above or evidencing that such Subcontractors are named insureds under Rocky Mountain Power' insurance coverages. As with Rocky Mountain Power' insurance coverage, Kern River, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees and servants shall be named as an additional insured on any Subcontractor insurance required by this section.