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***VIA ELECTRONIC FILING
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Oregon Public Utility Commission
3930 Fairview Industrial Dr. S.E.
Salem, OR 97302-1166

Attn: Filing Center

RE: UM 1670—PacifiCorp's Motion for Summary Judgment

PacifiCorp d/b/a Pacific Power submits for filing an original and five copies of the motion for summary judgment of the above-referenced proceeding. Confidential information is being provided subject to the general protective Order No. 13-426.

It is respectfully requested that all formal data requests to the Company regarding this filing be addressed to the following:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
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Please direct any informal inquiries to Natasha Siores, Director of Regulatory Affairs & Revenue Requirement, at (503) 813-6583.

Sincerely,

R. Bryce Dalley
Vice President, Regulation

Enclosures

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's Motion for Summary Judgment on the parties listed below via electronic mail and/or US mail in compliance with OAR 860-001-0180.

UM 1670

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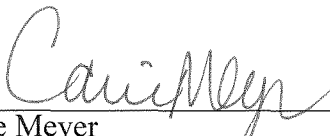
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Dated this 6th of October 2014.



Carrie Meyer
Supervisor, Regulatory Operations

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1670

In the Matter of

COLUMBIA BASIN ELECTRIC
COOPERATIVE, INC.,

Complainant;

v.

PACIFICORP d/b/a PACIFIC POWER,
NORTH HURLBURT WIND, LLC.,
SOUTH HURLBURT WIND, LLC.,
HORSESHOE BEND WIND, LLC., and
CAITHNESS SHEPHERDS FLAT, LLC.

Defendants.

PACIFICORP'S MOTION FOR
SUMMARY JUDGMENT

Defendant PacifiCorp d/b/a Pacific Power (PacifiCorp) respectfully moves for summary judgment denying the Columbia Basin Electric Cooperative's (the Cooperative) allegation that PacifiCorp has violated ORS 758.450(2) by providing utility service in the Cooperative's exclusive service territory.

At issue in this dispute is PacifiCorp's provision of 230-kV intermittent station power to the Caithness Shepherds Flat wind project. Wind generating resources like Shepherds Flat normally self-supply the power needed to run their own facilities. But during intermittent periods when winds are becalmed, wind generating resources rely on externally-supplied station power deliveries like the service provided by PacifiCorp.

The Shepherds Flat project interconnects with the regional transmission system at Slatt Substation. PacifiCorp delivers 230-kV station power service to Caithness Shepherds Flat, LLC (Caithness) at Slatt Substation, which is the only available interconnection point

for high-voltage output from, or retail deliveries to, the Shepherds Flat project. It is undisputed that Slatt Substation is within PacifiCorp's exclusive service territory.

The undisputed material facts reveal that PacifiCorp has not unlawfully encroached on the Cooperative's service territory. PacifiCorp provides utility service at Slatt Substation—the designated point of delivery in the PacifiCorp/Caithness power purchase agreement. From Slatt Substation, the power is moved over customer-owned facilities to the various phases of the project. PacifiCorp does not own or control any of the customer-owned facilities used to move power from the point of delivery within Slatt Substation to the three wind resources comprising the Shepherds Flat project.

It is irrelevant that some of the turbines are located in the Cooperative's service territory because PacifiCorp's "utility service" occurs at Slatt Substation. Similarly, it is irrelevant that the station power deliveries are metered at the three collector substations, rather than at Slatt Substation. The Bonneville Power Administration (BPA) refused access to Slatt Substation for purposes of metering station power deliveries, so BPA's revenue meters at the collector substations were the only common-sense metering alternative. And perhaps most significantly, the record unequivocally reveals that the Cooperative has no ability to serve any portion of the project's high-voltage station power load, from which it is electrically isolated, unless extensive (and wasteful) duplicate facilities are constructed.

Accordingly, the Commission should grant summary judgment in PacifiCorp's favor.

I. SUMMARY JUDGMENT STANDARD

Summary judgment should be granted where the pleadings, depositions, affidavits, declarations and admissions on file show that there is no genuine issue as to any material fact

and that the moving party is entitled to judgment as a matter of law.¹ “No genuine issue as to a material fact exists if, based upon the record before the court viewed in a manner most favorable to the adverse party, no objectively reasonable juror could return a verdict for the adverse party on the matter that is the subject of the motion for summary judgment.”²

II. STATEMENT OF UNDISPUTED MATERIAL FACTS

At issue in this proceeding is PacifiCorp’s sale of station power to Caithness to back-up the self-supply of electricity to electricity-consuming machines, computers, and other equipment necessary to operate the Shepherds Flat wind resources located in Morrow and Gilliam Counties. The material facts concerning the Shepherds Flat project and PacifiCorp’s station power sales are undisputed.

A. Overview of the Shepherds Flat Project

Caithness’ summary judgment motion and supporting declarations detail the infrastructure associated with the three Shepherds Flat wind resources and fully describe the ownership of the various facilities. The following factual discussion provides a general overview of the Shepherds Flat project as necessary to resolve the Cooperative’s claims against PacifiCorp.

The Shepherds Flat wind project is composed of three resources: (1) Shepherds Flat North; (2) Shepherds Flat Central; and (3) Shepherds Flat South. Shepherds Flat North is owned by North Hurlburt Wind, LLC.³ Shepherds Flat Central is owned by South Hurlburt

¹ Oregon Rule of Civil Procedure (ORCP) 47C; *City of Portland v. Portland Gen. Elec. Co.*, Docket No. UM 1262, Order No. 06-636 at 1-2 (Nov. 17, 2006). The ORCPs apply to contested cases before the Commission, and the Commission has applied ORCP 47C in reviewing summary judgment motions. OAR 860-001-0000(1); *Metro One Telecommunications, Inc.*, Docket No. IC 1, Order No. 02-126 at 2 (Feb 28, 2002).

² ORCP 47C.

³ Declaration of Jeffery Delgado (Delgado Dec.) at ¶ 3.

Wind, LLC.⁴ Shepherds Flat South is owned by Horseshoe Bend Wind, LLC.⁵ North Hurlburt Wind, South Hurlburt Wind, and Horseshoe Bend Wind are wholly-owned subsidiaries of Caithness.⁶

Shepherds Flat North, Central, and South interconnect with the BPA's 500-kV transmission system at Slatt Substation, which includes a 500/230-kV transformer.⁷ The interconnection at Slatt Substation is consistent with regulatory requirements of BPA and the Oregon Energy Facility Siting Council (EFSC).⁸ It is undisputed that Slatt Substation is located within PacifiCorp's exclusive service territory.⁹

While the point of interconnection is Slatt Substation, output from the three wind resources is measured at meters located at three collector substations. Shepherds Flat North, Central, and South each have a 230/34.5-kV collector substation.¹⁰ The Shepherds Flat North and Shepherds Flat Central collector substations are located within PacifiCorp's exclusive service territory.¹¹ The Cooperative claims that the Shepherds Flat facilities are located within its exclusive service territory.

Each collector substation has two revenue-quality bi-directional meters that are used to measure project output.¹² All six meters are owned by BPA, and they are the only meters available to measure project output (or retail deliveries to the project).¹³ BPA uses the collector substation meters to measure project output using a loss factor to correct for system

⁴ Delgado Dec. at ¶ 4.

⁵ Delgado Dec. at ¶ 5.

⁶ Delgado Dec. at ¶ 7.

⁷ Delgado Dec. at ¶¶ 15 and 20.

⁸ Delgado Dec. at ¶¶ 20 and 27.

⁹ Declaration of Chuck Phinney (Phinney Dec.) at ¶ 7; Delgado Dec. ¶ 25.

¹⁰ Delgado Dec. at ¶¶ 32, 39, and 46.

¹¹ Delgado Dec. at ¶¶ 36 and 43.

¹² Phinney Dec. at ¶ 13; Delgado Dec. at ¶ 18.

¹³ Phinney Dec. at ¶ 13 and Ex. C.

impedance back to each resource's 230-kV delivery point within Slatt Substation.¹⁴ There are no meters at Slatt Substation from which project output (or retail deliveries to the project) could be calculated.¹⁵

From the collector substations, output is moved to a 230-kV ring bus by three 230-kV generator tie lines.¹⁶ From the ring bus, power is delivered to the point of interconnection within Slatt Substation via two 230-kV connector lines.¹⁷ The collector substations, 230-kV generator tie lines, 230-kV ring bus, and 230-kV connector lines are variously owned (or jointly owned) by North Hurlburt Wind, South Hurlburt Wind, and Horseshoe Bend Wind. PacifiCorp owns no electric facilities in the vicinity.¹⁸

B. PacifiCorp's Station Power Sales to Caithness

Generating resources like Shepherds Flat consume relatively small amounts of electricity associated with cooling systems, control mechanisms, lighting and emergency equipment within turbine assemblies.¹⁹ The load associated with this type of consumption is referred to as "station power" load. Like most generating projects, Shepherds Flat normally self-supplies its own station power requirements.²⁰ There are intermittent occasions, however, during which project output is inadequate to satisfy station power requirements.²¹ During these periods, generating facilities rely on externally supplied deliveries provided by third parties to satisfy station power demand.²²

¹⁴ Phinney Dec. at ¶ 15; Delgado Dec. at 18.

¹⁵ Phinney Dec. at 13 and Ex. C.

¹⁶ Delgado Dec. at ¶¶ 32, 39, 46, and 63.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ Phinney Dec. at ¶ 4; Delgado Dec. at ¶ 58.

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

In mid-2010, Caithness approached Pacific Power to discuss establishing a retail account for station power service.²³ Caithness contacted PacifiCorp on August 25, 2010, to formally open a retail billing account for station power service.²⁴ PacifiCorp never received formal requests from North Hurlburt Wind, South Hurlburt Wind, or Horseshoe Bend Wind for purposes of establishing retail station power accounts.²⁵

On April 15, 2011, Caithness and PacifiCorp entered into an Electric Service Agreement (the Agreement), which governs PacifiCorp's station power sales to Caithness.²⁶ Under the Agreement, PacifiCorp delivers firm power and energy at the Point of Delivery in the form of three-phase, alternative current at nominal frequency of 60 Hertz and at a nominal voltage of 230-kV.²⁷ The Point of Delivery is identified as "the Facility's 230-kV interconnection with the transmission system of [BPA] within BPA's Slatt Substation."²⁸ The maximum contract demand is [REDACTED] unless a higher demand is agreed to in writing. Sales under the Agreement are made at Pacific Power's Commission-approved Schedule 47 (Large General Service Partial Requirements 1,000 KW and Over).²⁹

Pacific Power and Caithness are the only parties to the Agreement. Pacific Power does not have electric service agreements for high-voltage station power with North Hurlburt Wind, South Hurlburt Wind, or Horseshoe Bend Wind.

²³ Phinney Dec. at ¶ 5.

²⁴ Declaration of Heather Hockman (Hockman Dec.) at ¶ 2; Phinney Dec. at ¶ 10.

²⁵ Hockman Dec. at ¶ 4.

²⁶ Phinney Dec. at ¶ 11 and Confidential Ex. B.

²⁷ Phinney Dec. at ¶ 12 and Confidential Ex. B (Section 4.05).

²⁸ Phinney Dec. at ¶ 12 and Confidential Ex. B (Article I, definition of "Point of Delivery"). The Agreement defines the "facility" as "Shepherds Flat wind energy resource, comprised of Shepherds Flat North, Shepherds Flat Central, and Shepherds Flat South. Phinney Dec. at Confidential Ex. B (Article I, definition of "Facility").

²⁹ Phinney Dec. at ¶ 12 and Confidential Ex. B (Article I, definition of "Contract Demand").

Under the Agreement, the six collector substation meters are used to calculate the total station power load delivered.³⁰ The six metered values are adjusted for transformer and line loss to determine a single value for total load delivered at Slatt Substation. Such calculations are common practice in the industry.³¹

The six BPA meters are the only meters available to measure station power deliveries to the project. BPA does not have meters at Slatt Substation that could be used for measuring station power deliveries.³² Furthermore, BPA informed PacifiCorp that the agency would not allow PacifiCorp or other parties to install meters at Slatt Substation for purposes of measuring station power deliveries.³³

PacifiCorp began station power deliveries to Caithness at Slatt Substation on August 18, 2011.³⁴

C. The Cooperative Cannot Serve Shepherds Flat's Station Power Load

It is undisputed that Slatt Substation (located in PacifiCorp's exclusive service territory) is the only substation from which 230-kV power be delivered to (or received from) Shepherds Flat North, Central, and South. It is also undisputed that the Cooperative does not own, or have access to, 230-kV transmission lines or other transmission facilities within its exclusive service territory from which similar high-voltage station power could be delivered to the Shepherds Flat project.³⁵

³⁰ Phinney Dec. at 13 and Confidential Ex. B (Sections 6.01 and 6.03).

³³ *Id.*

³² Phinney Dec. at ¶ 13 and Ex. C.

³³ *Id.*

³⁴ Phinney Dec. at ¶ 18.

³⁵ Delgado Dec. at ¶¶ 73-74.

III. ARGUMENT

A. PacifiCorp is Providing Utility Service to Caithness In PacifiCorp's Own Service Territory

PacifiCorp delivers station power (i.e., provides “utility service”) to Caithness at a point within its own exclusive service territory—Slatt Substation.³⁶ It is undisputed that the point of delivery for PacifiCorp's station power sales is Slatt Substation.³⁷ It is also undisputed that Slatt Substation is within PacifiCorp's exclusive service territory.³⁸ The consumptive use of power by Shepherds Flat North, Central, and South begins at Slatt Substation.³⁹ These facts alone dispose of the Cooperative's claim.

PacifiCorp has not “offered, constructed or extended” utility service into the Cooperative's service territory for purposes of ORS 758.450(2).⁴⁰ After delivery at Slatt Substation, the station power moves across 230-kV customer-owned facilities to the Shepherds Flat North, Central, and South collector substations.⁴¹ PacifiCorp neither owns nor has any right to control or access these customer-owned facilities.

Shepherds Flat North is located entirely within PacifiCorp's exclusive service territory.⁴² The customer-owned facilities needed to move power from Slatt Substation to Shepherds Flat North are all located in PacifiCorp's exclusive service territory.⁴³

³⁶ PacifiCorp sells power to Caithness and not to the individual project owners. PacifiCorp has no contractual relationship with North Hurlburt Wind, South Hurlburt Wind, or Horseshoe Bend Wind. Phinney Dec. at ¶ 11.

³⁷ Phinney Dec. at 12, and Confidential Ex. B (Article I, definition of “Point of Delivery”).

³⁸ Dec. at ¶ 7; Delgado Dec. at ¶ 65.con.

³⁹ Delgado Dec. at ¶ 59.

⁴⁰ Under ORS 758.450(2) “no other person shall offer, construct or extend utility service in or into” an allocated territory, except under limited circumstances provided by statute. The Commission has explained that “territorial allocation is exclusive, meaning that other entities are not allowed to offer, construct or extend *competing utility service* into an allocated territory.” *Portland Gen. Elec. Co.*, Docket No. DR 22, Order No. 99-748 (Dec. 12, 1999) (emphasis added).

⁴¹ Delgado Dec. at ¶¶ 32, 39, and 46.

⁴² Delgado Dec. at ¶ 36.

The Shepherds Flat Central collector substation is located within PacifiCorp's exclusive service territory, as are the customer-owned facilities needed to move power from Slatt Substation to Shepherds Flat Central.⁴⁴ While some of the Shepherds Flat Central turbines are located in the Cooperative's service territory, they are electrically isolated from the Cooperative, and the Cooperative has no way of delivering 230-kV station power them.⁴⁵

The Cooperative claims that the Shepherds Flat South collector substation and turbines are located in its service territory. However, the "utility service" associated with Shepherds Flat South occurs in PacifiCorp's service territory at Slatt Substation. The majority of the customer-owned facilities needed to move the power from the point of delivery to the collector substation are located in PacifiCorp's exclusive service territory. All of the Shepherds Flat South facilities, regardless of location, are electrically isolated from any electrical facilities owned by the Cooperative, and the Cooperative has no way of delivering 230-kV station power to them.⁴⁶

The location of the meters is irrelevant to this analysis. Since BPA refused access to Slatt Substation for metering, the collector substation meters are used to calculate PacifiCorp's station power deliveries.⁴⁷ BPA has two bi-directional revenue-quality meters at each collector substation.⁴⁸ These meters are used to calculate both project output and station power deliveries. The meter readings for both project output and retail station power deliveries are adjusted using line loss calculations common in the industry.⁴⁹ These

⁴³ *Id.*

⁴⁴ Delgado Dec. at ¶ 43.

⁴⁵ Delgado Dec. at 43.

⁴⁶ Delgado Dec. at ¶ 50.

⁴⁷ Phinney Dec. at ¶¶ 13-14.

⁴⁸ Phinney Dec. at ¶ 13; Delgado Dec. at ¶ 18.

⁴⁹ *Id.*

calculations determine project output and retail deliveries at the point of interconnection / point of delivery within Slatt Substation.

The reason for this metering arrangement is important. BPA has no meters at Slatt Substation for measuring retail station power deliveries.⁵⁰ And BPA denied PacifiCorp's request to install meters at Slatt Substation.⁵¹ Thus, the only metering points available to measure retail station deliveries (and project output) are the six BPA-owned revenue meters at the collector substation. While PacifiCorp generally prefers a single metering point, BPA would not permit metering at Slatt Substation.⁵² Using BPA's collector substation meter data, adjusted for line losses to calculate deliveries at Slatt Substation, was the only common sense metering alternative available to the parties.⁵³

Finally, PacifiCorp has an obligation to serve customers who request service in its exclusive service territory. Had PacifiCorp declined to serve all, or a portion of, the Shepherds Flat station power load at a point within its service territory, it would have risked running afoul of the various anti-discrimination provisions governing utility service in Oregon.⁵⁴ Thus, PacifiCorp has both the obligation and the exclusive right to supply station power to all of the Shepherds Flat wind resources at Slatt Substation via a point of delivery within its exclusive service territory.

⁵⁰ Phinney Dec. at ¶ 13 and Ex. C.

⁵¹ Phinney Dec. at ¶ 14 and Ex. C.

⁵² *Id.*

⁵³ Both the Agreement between Caithness and PacifiCorp, and the interconnection agreements with BPA require this method of adjusting the meter readings to calculate the amount of power moving through the point of delivery/point of interconnection at Slatt Substation. *See* Phinney Dec. at ¶ 13 and Confidential Ex. B (Section 6.03); Delgado Dec. at ¶ 18.

⁵⁴ *E.g.*, ORS 757.310(2).

B. PacifiCorp’s Station Power Sales are Consistent with the Legislative Purposes Underlying the Territorial Allocation Law

PacifiCorp and the Cooperative offer competing interpretations of the Territorial Allocation Law. PacifiCorp argues that, with respect to station power deliveries for widely disbursed renewable generating facilities, the point of delivery should be used to determine where utility service is occurring for purposes of the Territorial Allocation Law.

PacifiCorp’s interpretation is consistent with the express legislative purpose underlying the Territorial Allocation Law. In contrast, the Cooperative’s argument squarely conflicts with the statute’s clearly articulated purposes and would result in wasteful and unnecessary duplication of facilities. Indeed, the Cooperative has failed to explain how it would be able to provide service to any portion of the Shepherds Flat station power load without requiring duplicate facilities or invading PacifiCorp’s exclusive service territory.

The Oregon Supreme Court has identified “twin goals underlying the territorial allocation statutes: the prevention of service duplication, and the promotion of adequate utility services throughout the state.”⁵⁵ PacifiCorp’s sale of station power to Caithness at Slatt Substation for the Shepherds Flat project is consistent with those goals. The Commission should reject the Cooperative’s interpretation, which would compel the construction of very expensive duplicate facilities; such a result would directly conflict with the express policies underlying the Territorial Allocation Law.⁵⁶ Furthermore, such an

⁵⁵ *Springfield Util. Bd. v. Emerald People's Util. Dist.*, 339 Or. 631, 637 (2005). The stated legislative purpose is:

The elimination and future prevention of duplication of utility facilities is a matter of statewide concern; and in order to promote the efficient and economic use and development and the safety of operation of utility services while providing adequate and reasonable service to all territories and customers affected thereby, it is necessary to regulate in the manner provided in ORS 758.400 to 758.475 all persons and entities providing utility services.

ORS 758.405.

⁵⁶ ORS 758.405.

alternative interpretation might well disrupt established customer/utility relationships across the State of Oregon.

1. PacifiCorp’s interpretation avoids duplicate facilities, while the Cooperative’s interpretation would require duplicate facilities.

PacifiCorp’s current station power sales avoid the duplication of facilities. Slatt Substation is the only point at which externally-supplied 230-kV station power can be delivered to the Shepherds Flat Project.⁵⁷ Indeed, the EFSC site certificate and BPA interconnection agreements for each wind resource require interconnection at Slatt Substation.⁵⁸ Duplicate facilities are presently unneeded because PacifiCorp delivers power to Caithness at the BPA- and EFSC-mandated point of interconnection; from that point, it is moved across EFSC- and FERC-approved customer-owned facilities.⁵⁹

The Cooperative seems to argue that it should be allowed to provide the station power associated with the turbines located in its service territory (less than half of the Shepherds Flat Central and all of the Shepherds Flat South turbines). But the Cooperative has failed to explain how it could deliver power to those turbines without duplicating facilities in contravention of the Territorial Allocation Law.

It is undisputed that the Cooperative does not have *any* infrastructure from which it could deliver 230-kV station power to *any* of the turbines.⁶⁰ Furthermore, the entire Shepherds Flat Project is electrically isolated from the Cooperative’s facilities.⁶¹ Slatt Substation is the only point from which 230-kV station power can be delivered to Shepherds Flat North, Central, and South. But Slatt Substation is located in PacifiCorp’s exclusive

⁵⁷ Delgado Dec. at ¶¶ 31, 38, 45, 63, and 64.

⁵⁸ Delgado Dec. at ¶ 63.

⁵⁹ Delgado Dec. at ¶¶ 63-64.

⁶⁰ Delgado Dec. at ¶ 74.

⁶¹ Delgado Dec. at ¶¶ 43, 48, 50.

service territory, so the Cooperative could not make deliveries at Slatt Substation (i.e., provide “utility service”) without itself violating the Territorial Allocation Law.⁶² The Cooperative should not be allowed to advance its claimed right under ORS 758.400 through 758.465 by violating PacifiCorp’s rights under the same statute.

The Cooperative has not explained how it could provide power to a portion of the Shepherds Flat Central turbines without significant duplication of facilities. It is true some of the Shepherds Flat Central turbines are located in the Cooperative’s service territory and some are located in PacifiCorp’s service territory. But all the Shepherds Flat Central turbines are metered at the Shepherds Flat Central collector substation, which is located in PacifiCorp’s exclusive service territory.⁶³ The individual turbine strings are not separately metered. So it is impossible to tell from the BPA meters at the collector substation which turbines are consuming station power at any given moment. Put another way, the Shepherds Flat Central meters cannot tell what percentage of station power is consumed in the Cooperative’s service territory as compared to PacifiCorp’s service territory.

The Cooperative cannot deliver power at the Shepherd Flat Central collector substation because it is located in PacifiCorp’s exclusive service territory. The only way the Cooperative could deliver power to the Shepherds Flat Central turbines without violating the Territorial Allocation Law would be via extensive new (and duplicate) facilities.

Specifically:

- The turbines located in the Cooperative’s service territory would need to be electrically isolated from the turbines in PacifiCorp’s service territory.

⁶² There is no inter-utility agreement between PacifiCorp and the Cooperative that would allow the Cooperative to deliver power at Slatt Substation. *See* ORS 758.410 (providing for contracts for inter-utility allocation of territories and customers).

⁶³ Delgado Dec. at ¶ 43.

- The electrically isolated turbines would then need to be connected to a newly constructed collector substation and meters located in the Cooperative’s service territory.
- The new collector substation would need to be connected to new high-voltage transmission lines at a new 500/230-kV substation located in the Cooperative’s service territory.

This type of absurdly wasteful duplication of facilities is precisely the result the Territorial Allocation Law is designed to prevent.⁶⁴

Moreover, these changes would conflict with explicit interconnection requirements under the Shepherd Flat Central Site Certificate from EFSC and its interconnection agreement with BPA.⁶⁵ The Commission, however, is barred by from entertaining any change in the way in which any resource subject to EFSC jurisdiction is interconnected under the terms and conditions of its site certificate.⁶⁶

Similarly, the Cooperative has not explained how it could provide 230-kV station power to Shepherds Flat South without grossly duplicated facilities. The only existing pathway to deliver high-voltage station power to Shepherds Flat South is Slatt Substation and the customer-owned connector and generator tie lines. The Cooperative obviously cannot provide station power for Shepherds Flat South at Slatt Substation, since Slatt is located in PacifiCorp’s service territory. Instead, Shepherds Flat South would need to be disconnected from Slatt Substation and reconnected to a newly constructed substation (via newly

⁶⁴ ORS 758.405 (“The elimination and future prevention of duplication of utility facilities is a matter of statewide concern.”).

⁶⁵ Delgado Dec. at ¶¶ 38.

⁶⁶ ORS 469.401(3) (“Subject to the conditions set forth in the site certificate or amended site certificate, any certificate or amended certificate signed by the chairperson of the council shall bind the state and all counties and cities and political subdivisions in this state as to the approval of the site and the construction and operation of the facility.”).

constructed tie lines) located in the Cooperative's territory. Again, the Territorial Allocation Law is intended to prevent utilities from constructing such wasteful and duplicate facilities.⁶⁷ Furthermore, these changes would conflict with explicit interconnection requirements under the Shepherd Flat South Site Certificate from EFSC and its interconnection agreement with BPA.⁶⁸

2. PacifiCorp is the only utility available to provide “adequate and reasonable utility service”

Second, the current station power arrangement is the only way that Shepherds Flat can be provided with “adequate and reasonable utility service.” PacifiCorp currently provides 100 percent of the station power for the Shepherds Flat project at a Commission-approved rate. As discussed repeatedly herein, the current arrangement via deliveries at Slatt Substation is the only way that externally supplied 230-kV station power can be delivered to the three Shepherds Flat wind resources. The Cooperative has no facilities from which it can serve any portion of the high-voltage station power load.⁶⁹ The Cooperative has not identified the location, delivery voltage, delivery point, or metering point it would apply to sales to Caithness.⁷⁰ Indeed, the Cooperative has refused to calculate the rate it would apply to station power sales.⁷¹

PacifiCorp cannot refuse customer requests for electric service in its service territory.⁷² If PacifiCorp is prohibited from serving a portion of the station power load because it is in the Cooperative's service territory, Shepherds Flat South (and most likely the entirety of Shepherds Flat Central) would be left without a viable source of station power and

⁶⁷ ORS 758.405.

⁶⁸ ORS 469.401(3).

⁶⁹ Delgado Dec. at ¶ 74.

⁷⁰ Delgado Dec. at ¶¶ 77-78.

⁷¹ Delgado Dec. at ¶ 80.

⁷² ORS 757.310(2).

would be inoperable. Interpreting the Territorial Allocation Law in a manner that precludes PacifiCorp from providing station power for the entire Shepherds Flat project would deprive the project of “adequate and reasonable service” in direct conflict with the purposes underlying the statute.

C. PacifiCorp is not providing Utility Service in the Cooperative’s Service Territory

Assuming for argument’s sake that PacifiCorp was directly delivering 230-kV station power to Shepherds Flat facilities within the Cooperative’s service territory (which it is not), this delivery would not qualify as “utility service” for purposes of the Territorial Allocation Law. Under ORS 758.450(2) a utility may not provide “utility service” in a territory allocated to another utility. “Utility service” is defined as “service provided by any equipment, plant or facility for the distribution of electricity to users...through a connected and interrelated distribution system.”⁷³

The statute, however, includes a critical exemption. “Utility service” does *not* include “service provided through or by the use of any equipment, plant or facilities ... [that] are not used to provide service in ... an area allocated to another person providing a *similar utility service*.”

This exemption is an awkwardly-phrased double negative, but a careful reading reveals that “utility service” only occurs when the utility purportedly encroaching on an allocated territory provides *similar* service as the allocated utility. Put another way, if a utility purportedly encroaching on an allocated territory provides a different type of service, that service does not qualify as “utility service” for purposes of the protections in ORS 758.450(2). This exemption is consistent with the purpose underlying territorial

⁷³ ORS 758.400(3).

allocation, which is to prevent utilities from constructing or extending “*competing utility service* into an allocated territory.”⁷⁴

Here, PacifiCorp and the Cooperative do *not* provide similar or competing utility service. PacifiCorp has been reliably providing the Shepherds Flat project with 230-kV station service at a Commission-approved rate. But the Cooperative does not have the infrastructure within its service territory needed to serve any portion of the Shepherds Flat project with 230-kV station power.⁷⁵ It is technically impossible to serve the Shepherds Flat 230-kV load at 120/240 volts.⁷⁶ Because the Cooperative is unable to provide 230-kV station power service in its allocated territory, PacifiCorp’s provision of this power is expressly exempted from “utility service” for purposes of the Territorial Allocation Law.⁷⁷

D. The Cooperative’s Claims are Untimely

As argued by the Caithness Defendants, the Cooperative’s claims are untimely. PacifiCorp join, and incorporates herein by reference, the arguments raised by the Caithness Defendants in Sections IV.B and C of their Summary Judgment Motion.

E. The Available Remedies Are Limited

The Commission has limited ability to grant it any meaningful relief. The Administrative Law Judge (ALJ) in this proceeding has recognized that the Commission’s

⁷⁴ *Portland Gen. Elec. Co.*, Docket No. DR 22, Order No. 99-748 (Dec. 12, 1999) (emphasis added).

⁷⁵ Delgado Dec. at ¶ 74.

⁷⁶ The Cooperative does provide Shepherds Flat South with low-voltage power via a standard 120/240 volt connection. This low-voltage power is delivered to the Shepherds Flat South maintenance building that is located entirely within the Cooperative’s service territory. The Cooperative’s facilities used to deliver low-voltage power to the maintenance building are electrically isolated from the 240-kV infrastructure used to deliver station power to Shepherds Flat South. PacifiCorp provides similar low-voltage service to Shepherds Flat North and Central maintenance buildings via low-voltage lines that are electrically isolated from the customer owned 240-kV facilities. *See* Delgado Dec. at ¶¶ 34, 41, and 48.

⁷⁷ ORS 758.400(3).

“primary function in this docket will be to determine if there have been violations of the Territory Allocation Law or Commission order.”⁷⁸

The Commission does not have the authority to award damages or enjoin PacifiCorp’s station power deliveries because the statute expressly grants that authority only to the circuit court.⁷⁹ The ALJ recognized the Commission’s limited ability to grant relief when it denied the Cooperative’s motion to add a claim for treble damages.⁸⁰ The Cooperative may file a separate action in circuit court to seek an injunction or damages. But since the Cooperative cannot provide the Shepherds Flat project with 230-kV station power and has not been deprived of revenues, it is unclear what type of “damages” (if any) it may have suffered.

The only relief available in this forum is penalties under ORS 759.990(2). The maximum available penalty is \$10,000 and that amount is not payable to the aggrieved party (i.e., the Cooperative), but is instead paid to the general fund.⁸¹ But penalties are not warranted because, as detailed above, PacifiCorp has not violated the Territorial Allocation Law or a Commission order.

IV. CONCLUSION

The undisputed material facts reveal that PacifiCorp is not providing utility service in the Cooperative’s service territory. PacifiCorp delivers station power to Caithness at Slatt Substation—a point within PacifiCorp’s service territory. The undisputed material facts also reveal that the Cooperative is currently unable to serve any portion of the projects high-

⁷⁸ ALJ Ruling, Docket No. UM 1670 (Apr. 28, 2014).

⁷⁹ ORS 758.465.

⁸⁰ ALJ Ruling, Docket No. UM 1670 (Apr. 28, 2014).

⁸¹ ORS 756.990(2) and (7).

voltage station service load without the construction of extensive and wasteful duplicate facilities.

PacifiCorp's analysis highlights the fundamental nature of this dispute. PacifiCorp has not encroached into the Cooperative's service territory; it simply provides 230-kV station power service at a point within its own service territory. PacifiCorp could not have "pirated" a customer from the Cooperative because Caithness does not take delivery of power within the Cooperative's service territory. The Cooperative has never served (and is unable to serve) any portion of the Shepherds Flat's 230-kV station power load. Neither has Caithness declined service from the Cooperative so it could accept more favorable treatment from PacifiCorp. Instead, Caithness sought 230-kV station power service from the only utility able to provide it and the only utility legally entitled to provide that service at Slatt Substation—PacifiCorp.

Because the undisputed facts demonstrate that PacifiCorp has not violated ORS 758.450(2), the Commission should grant summary judgment in PacifiCorp's favor.

Respectfully submitted this 6th day of October, 2014.

By: _____



Dustin Till
Senior Counsel
PacifiCorp d/b/a Pacific Power

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1670

In the Matter of

COLUMBIA BASIN ELECTRIC
COOPERATIVE, INC.,

Complainant;

v.

PACIFICORP d/b/a PACIFIC POWER,
NORTH HURLBURT WIND, LLC., SOUTH
HURLBURT WIND, LLC., HORSESHOE
BEND WIND, LLC., and CAITHNESS
SHEPHERDS FLAT, LLC.

Defendants.

DECLARATION OF HEATHER
HOCKMAN

I, Heather Hockman, under penalty of perjury under the laws of the State of Oregon, declare as follows:

1. I currently hold the position of Business Analyst at PacifiCorp. I have worked for PacifiCorp for 13 years. I attended three years of college at Portland State University. During the period relevant to this declaration, I was a Senior Customer Service Employee at PacifiCorp's Portland Customer Service Center. I have personal, professional knowledge of all facts stated in this declaration.

2. On August 25, 2010, I received a telephone call from John Cameron requesting a retail billing account for Caithness Shepherds Flat, LLC (Caithness) and work order for station power for the Shepherds Flat wind project. Mr. Cameron provided me with the expected

maximum hourly demands to be provided by Pacific Power to Caithness Shepherds Flat during the project build out and during a typical year once the wind facilities were all operational.

3. Based on the information Mr. Cameron provided, the Company determined that the station power load would be subject to Pacific Power's Schedule 47 (Large General Service Partial Requirements 1,000 kW and Over).

4. To the best of my knowledge, the Company has not received any requests for retail station power service from North Hurlburt Wind, LLC, South Hurlburt Wind, LLC, or Horseshoe Bend Wind, LLC.

DATED this 6th day of October, 2014.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Hockman", written in a cursive style.

Heather Hockman

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1670

In the Matter of

COLUMBIA BASIN ELECTRIC
COOPERATIVE, INC.,

Complainant;

v.

PACIFICORP d/b/a PACIFIC POWER, NORTH
HURLBURT WIND, LLC., SOUTH HURLBURT
WIND, LLC., HORSESHOE BEND WIND,
LLC., and CAITHNESS SHEPHERDS FLAT,
LLC.

Defendants.

DECLARATION OF CHUCK
PHINNEY

I, Chuck Phinney, under penalty of perjury under the laws of the State of Oregon,
declare as follows:

1. I currently hold the position of Corporate Account Manager. I have worked
for Pacific Power for 31 years and hold a Bachelor of Science Degree in Electrical
Engineering. I have personal, professional knowledge of all facts stated in this declaration.

2. I prepared this declaration to provide factual support for the Summary
Judgment Motion filed in Public Utility Commission of Oregon (Commission) Docket UM
1670 by PacifiCorp d/b/a Pacific Power (Pacific Power or the Company). In preparing this
declaration, it was my intention to address all facts relevant to the disposition of this case.

3. It is my understanding that the Company began discussions with Caithness
Shepherds Flat, LLC (Caithness) in approximately July 2010 concerning backup service to

the Shepherds Flat wind energy project. As fully described in the Declaration of Jeffery Delgado (Delgado Declaration), the Shepherds Flat wind energy project is composed of three separate energy facilities: Shepherds Flat North, Shepherds Flat Central, and Shepherds Flat South. These energy facilities are respectively owned by the following Caithness subsidiaries: North Hurlburt Wind, LLC, South Hurlburt Wind, LLC, and Horseshoe Bend Wind, LLC.

4. Intermittent generating facilities (like the Shepherds Flat project) generally self-supply station power, which is the electricity needed to power meters, cooling systems, control mechanisms, lighting and emergency equipment, and other loads associated with generating facilities. When generating resources self-supply station power, they usually net the energy consumed as station power against their gross output. But when the station power demand exceeds generation, generating facilities often secure retail backup service from a third-party supplier.

5. My involvement with setting up station power service to the Shepherds Flat project began on June 26, 2010, when I assumed the role of Customer Account Manager for Central and Northeast Oregon. Before to that time, the Company's contact with Caithness was handled primarily by Vince Crawford, who is now retired.

6. As detailed in the Delgado Declaration, Shepherds Flat North, Central, and South each interconnect to the Bonneville Power Administration's (BPA) 500-kV transmission system at the 500/230-kV Slatt Substation consistent with the requirements of site certificates issued by the Oregon Energy Facility Siting Council and Large Generator Interconnection Agreements with BPA. BPA's 500-kV transmission system and 500/230-kV

Slatt Substation are the only facilities from which station power for the Shepherds Flat project's high voltage equipment can be provided.

7. Slatt Substation is located entirely within Pacific Power's exclusive service territory.

8. It is Pacific Power's policy that the location of the delivery point is the governing factor in determining what utility provides retail back-up service to a generation customer. Under Pacific Power's policy, if the delivery point is located within the Company's exclusive service territory, then the Company has the right to provide service to the entire load as measured at the delivery point. A true and correct copy of the latest draft of the Company's "Backup and Station Retail Service Policy for Generation Resources" is attached as **Exhibit A**. This policy document was in development at the time discussions began with Caithness regarding station power service for the Facilities and has not yet been finalized.

9. Based on that policy, and following discussions with Caithness and BPA, the Company determined that it had the right to serve the Shepherds Flat project's high-voltage station power load via deliveries at Slatt Substation, since that is the only point at which 230-kV station power could be delivered to Shepherds Flat. Supporting this decision was the fact that the Columbia Basin Electric Cooperative (the Cooperative) does not have any high-voltage lines from which 230-kV station power deliveries could be made to any of the Facilities.

10. As detailed in the Declaration of Heather Hockman, Caithness contacted Pacific Power's Customer Service Help Desk on August 25, 2010, to open a retail billing account for backup service for the Facilities under the Company's Schedule 47. It is my

understanding that the Company never received requests to open retail billing accounts from North Hurlburt Wind, LLC, South Hurlburt Wind, LLC, or Horseshoe Bend Wind, LLC for purposes of providing station power to any of the Facilities.

11. On April 15, 2011, Caithness and Pacific Power entered into an Electric Service Agreement (the Agreement). A true and correct copy of the Agreement is attached as **Confidential Exhibit B**. Pacific Power and Caithness are the only parties to the Agreement. Pacific Power does not have electric service agreements for high-voltage station power with North Hurlburt Wind, LLC, South Hurlburt Wind, LLC, or Horseshoe Bend Wind, LLC.

12. The Agreement sets out the terms under which Pacific Power serves the Facilities' high-voltage station service load. Under the Agreement, the Company delivers firm power and energy at the Point of Delivery in the form of three-phase, alternative current at nominal frequency of 60 Hertz, and at a nominal voltage of 230-kV. The Point of Delivery is identified as "the Facility's 230-kV interconnection with the transmission system of [BPA] within BPA's Slatt Substation." The maximum contract demand is [REDACTED] unless a higher demand is agreed to in writing. Sales under the Agreement are made at Pacific Power's Commission-approved Schedule 47 (Large General Service Partial Requirements 1,000 KW and Over).

13. Under the Agreement, six revenue-quality meters owned by BPA and located at the Facilities' three collector substations are used to determine the total station power load delivered. The six metered values are adjusted for transformer and line loss to determine a single value for total load delivered. The six BPA meters are the only meters available to measure station power deliveries to the Facilities. In an August 31, 2010 electronic mail,

BPA confirmed that it does not have a meter at Slatt Substation, and that the agency uses the collector substation meters to measure project output using a loss factor to correct for system impedance. A true and correct copy of BPA's August 31, 2010 electronic mail is included as **Exhibit C**. BPA stated that this type of metering arrangement "is a common BPA practice with wind farms with more than one collector site or more than one string."

14. In its August 25, 2010 electronic mail, BPA also stated it "would not allow [PacifiCorp] access to our [current transformer] or [potential transformer] circuits" for purpose of metering at Slatt Substation. In making this statement, BPA was responding to an August 31, 2010 electronic mail from the Company asking whether there were "current and Voltage transformers at Slatt for relaying that could be utilized for a meter that PacifiCorp could install to measure the back-feed power?" A true and correct copy of PacifiCorp's August 31, 2010 electronic mail to BPA is included in **Exhibit C**.

15. Since BPA did not have meters within Slatt Substation and would not allow the installation of meters within Slatt Substation, BPA's collector substation meters are the only available option for calculating station power deliveries. BPA provides the Company with the data from its six meters for purposes of billing Caithness for station service power deliveries to Slatt Substation under the Agreement. By adjusting the readings from the collector substation meters for line and transformer losses, the total load delivered is calculated as if deliveries were metered at the point of delivery within Slatt Substation. Such calculations are common practice in the industry.

16. PacifiCorp's use of the meters at the collector substations to measure station service deliveries is consistent with the Company's retail metering standard. Under that

standard, metering at the point of interconnection is only needed for loads 5 MW or greater. The combined power demand for the three projects is [REDACTED].

17. The Company entered into a Long-Term Firm Point-to-Point Transmission Service Agreement (Transmission Agreement) with BPA to facilitate the transmission of station power to point of delivery at Slatt Substation. Under the Transmission Agreement, power is wheeled from Pacific Power's Troutdale Substation across BPA's 500-kV transmission line for delivery at Slatt Substation (the Point of Delivery identified in the Transmission Agreement). Relevant excerpts from PacifiCorp's transmission agreements with BPA are attached as **Exhibit D**.

18. Pacific Power began delivering power to Caithness on August 18, 2011.

19. Pacific Power and Columbia Basin Electric Cooperative have not entered into a contract under ORS 758.410 that would allow the Cooperative to provide utility service at Slatt Substation or any other point within Pacific Power's exclusive retail service territory.

DATED this 6th day of October, 2014.

Respectfully submitted,



Chuck Phinney

EXHIBIT A



PacifiCorp Policy

XXXX-Backup and Station Retail Service Policy for Generation Resources

Document Security Category

| | |
|-------------------------------------|---|
| <input type="checkbox"/> | Confidential |
| <input type="checkbox"/> | Restricted |
| <input checked="" type="checkbox"/> | Internal |
| <input type="checkbox"/> | External (Public) |
| <input type="checkbox"/> | Critical Infrastructure Information (CII) |

Approved File Location: \\Pdxshrn101\SHR01\TRANSFER\Station Service Process\Station Service Policy



Generation Retail Connect Policy

Policy

Version History

| Rev | Status | Date | Author | Change Tracking |
|-----|-------------|------------|--------------|---|
| 0.1 | Draft | 11/19/2010 | H. Jespersen | Includes revisions by Desmarais and Bill Griffiths |
| 0.2 | | 12/13/10 | B. Ishimatsu | Heather included her changes and comments made on an older version. Also Bob Lively's comments were included. |
| 0.3 | | 12/23/10 | V. Crawford | Mark Moench's review and comments were added. |
| 1.0 | Final Draft | 1/14/11 | H. Jespersen | Accepted on changes in document and deleted all comments. Any tracked changes are what was discussed in the 1/14 meeting. |
| | | | | |
| | | | | |

Approved: _____

Click here to enter text. Date

Printed Name of Approver Date

Click here to enter text.

Title of Approver



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5. PROCESS FLOW ERROR! BOOKMARK NOT DEFINED.



1. Scope / Policy Objectives

The purpose of this policy is to define the requirements for backup and station service for generation resources connected to PacifiCorp distribution and transmission lines, so that the appropriate steps are taken to ensure timely electrical service and accurate billing.

2. Definitions

Backup service: Backup service for generation resources is the electric service required by the generation facility provided through the Point of Interconnection when the real power flow from the utility to the generator (the generator is acting as a retail customer).

Point of Interconnection: The point, as set forth in Appendix A to the Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Point of Change of Ownership: The point, as set forth in Appendix A to the Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Station service: The electric service required to power metering, protective relays and other loads in a control house at the generator's substation(s), the interconnection substation and/or load associated with an operations/maintenance building. Station service may be provided via one or more separately metered accounts and may, on occasion, be included in the backup service load.

Delivery Point: The point where the customer receives service from PacifiCorp. This may be the Point of Interconnection or the Point of Change of Ownership.

3. Policy

All requests for station or backup service must be applied for by a single authorized party before energization (backfeed) takes place. A single metering installation will be provided, and the applicant party will be billed for service in its entirety. The Company will bill one party per metering point. The location of the delivery point relative to allocated service territory will be the governing factor in determining which utility provides retail service to a generation customer. If the delivery point lies within the Company's service territory then the Company reserves the right to provide service to the entire load as measured at the delivery point. The Company may choose to allow another utility to provide service by filing a service territory change with the proper regulatory



authority. If the delivery point lies in unallocated territory, the customer may choose to apply for service to the Company.

Reactive power charges will only be billed when the net real power flows from the utility to the generator. When the generator is accepting power from the utility, it is acting as a retail load and is subject to the charges shown on the appropriate retail tariff. For the purposes of reactive power billing, the interconnection meter will be programmed to record reactive power flow in a specified channel active only when net real power flows from the utility to the customer. When the generator is operating and real power is being delivered to the utility, reactive power generation is governed by the terms of the Generator Interconnection Agreement.

Allocated service territory will be the governing factor in determining which utility provides service to Company owned generators.

The Company reserves the right to object to loads included as station and/or backup service load if the Company determines such load allocation would circumvent the Company's service territory rights.

4. Summary

Every customer owned generation source will have a need for retail service when the generator is idle. This policy when approved will map out the procedures that will be followed to best provide the back-up services our customers will need. This policy will also standardize the way PacifiCorp meters the backup services to our generation customers. An audit will be conducted to determine the generation customers who are now receiving backup services and bring them in compliance with this policy.

5. Process Flow

The Station Service / Backup Service Process chart is a visual representation of how the process should flow from the initial customer call through originated service billing.

CONFIDENTIAL EXHIBIT B

Service ID#:11196

Contract #:NA
Work Order# 5467141

ELECTRIC SERVICE AGREEMENT
between
PACIFIC POWER
and
CAITHNESS SHEPHERDS FLAT, LLC

This ELECTRIC SERVICE AGREEMENT (this "Agreement"), is entered into APRIL 15, 2011, between PacifiCorp, an Oregon corporation dba Pacific Power ("Pacific Power"), and Caithness Shepherds Flat, LLC, a Delaware limited liability company ("Customer"), each sometimes referred to herein as "Party" or collectively as "Parties."

WHEREAS, Pacific Power is a provider of retail electric energy and power and energy to retail customers, and

WHEREAS, Customer desires to purchase power and energy needed to meet the back-up power requirements of the Facility under this Agreement and Pacific Power desires to be the provider of such back-up power to Customer's Facility subject to the terms and conditions contained herein.

NOW, THEREFORE, the Parties hereto agree as follows:

Article I. DEFINITIONS:

The following terms, when used herein with initial capitalization, whether in the singular or in the plural, shall have the meanings specified in this Article I:

"Billing Demand" or "Power" have the meanings specified in Pacific Power's applicable Electric Service Schedules.

"Billing Period" means the period of approximately thirty (30) days intervening between regular successive meter readings.

"Commission" means the Oregon Public Utility Commission.

"Contract Demand" means the specified Demand, in kilowatts at a 100% Power Factor, that Customer has requested and that Pacific Power agrees to supply and have available for delivery to Customer, which shall not exceed [REDACTED] unless otherwise agreed in writing in accordance with the terms of this Agreement. Customer acknowledges that to exceed [REDACTED] may require the installation of additional improvements, including revenue-quality metering.

“Demand” means the rate in kilowatts at which electric energy is generated, transmitted, or used. Demand measurements are calculated based on integrated average usage over consecutive fifteen-minute periods of time, unless specified otherwise in the applicable Electric Service Schedule or Electric Service Regulations.

“Effective Date” means the date in which this Agreement is signed by both Parties.

“Electric Service Regulations” means Pacific Power's currently effective electric service regulations, on file with and approved by the Commission, as they may be amended or superseded from time to time with the approval of the Commission.

“Electric Service Schedule” means Pacific Power’s currently effective Electric Service Schedule No. 47, and such other applicable and available electric service schedules on file with and approved by the Commission as it may be amended or superseded from time to time with the approval of the Commission. Upon request, Customer may receive service under any other Electric Service Schedule for which it qualifies, provided such request shall be submitted in writing.

“Facility” means the Shepherds Flat wind energy resource, comprised of Shepherds Flat North, Shepherds Flat Central and Shepherds Flat South, which is located near Arlington, Oregon.

“Firm Power and Energy” means electric power expressed in kilowatts and associated energy expressed in kilowatt-hours intended to have assured availability, as provided in Electric Service Regulation No. 4, entitled “Continuity of Service,” to meet the Facility’s Contract Demand.

“Point of Delivery” means the Facility’s 230-kV interconnection with the transmission system of Bonneville Power Administration (“BPA”) within BPA’s Slatt Substation.

“Power Factor” means the percentage determined by dividing Customer’s power use in kW (real power) by the kilovolt-ampere power load (apparent power) as defined and determined in the Electric Service Regulations and/or Electric Service Schedule.

Article II. TERM AND TERMINATION

Section 2.01 Term

This Agreement shall be effective upon the Effective Date and shall remain in full force and effect for a period of [REDACTED] following the date of Pacific Power’s initial delivery of electric power and energy to Customer in accordance with this Agreement. This Agreement shall automatically be renewed from year to year subject to the same terms and conditions, unless either Party submits written termination notice to the other Party not less than thirty (30) nor more than sixty (60) days prior to expiration of the initial term or any renewal term.

Article III. CUSTOMER’S OBLIGATIONS

Section 3.01 Compliance with Pacific Power Requirements

Customer shall comply with all of Pacific Power's tariffs, procedures, specifications, and requirements.

Section 3.02 Access to Pacific Power Facilities

Customer shall not have physical access to Pacific Power's electric facilities and shall engage in no activities on or related to Pacific Power's electric facilities.

Article IV. DELIVERY OF FIRM POWER AND ENERGY

Section 4.01 Scope of Deliveries

Pacific Power shall deliver such amounts of Firm Power and Energy to the Point of Delivery as Customer requires meeting its back-up load requirements up to, but not in excess of, Contract Demand.

Section 4.02 Pacific Power's Service Obligation

Pacific Power shall use commercially reasonable and good faith efforts to obtain and maintain throughout the term of this Agreement, firm, point-to-point ("PTP") transmission service from the Bonneville Power Administration ("BPA") to the Point of Delivery in amounts sufficient to serve the Contract Demand of the Facility.

Section 4.03 Commencement of Deliveries

Pacific Power shall make Firm Power and Energy available to the Facility as soon as practicable after the Effective Date.

Section 4.04 Request for Additional Contract Demand

Upon Pacific Power's receipt of Customer's written request for Firm Power and Energy above the Contract Demand, Pacific Power shall use commercially reasonable efforts to attempt to supply such additional power under terms and conditions acceptable to both Parties. Pacific Power shall use reasonable efforts to provide a written response to Customer's request within fifteen (15) days following receipt of Customer's request.. Any such response shall include a specification of the terms under which the additional power and energy can be made available. The amount of additional deliveries shall become the new Contract Demand amending and superseding the Contract Demand specified in this Agreement.

Section 4.05 Delivery Voltage

Pacific Power shall deliver Firm Power and Energy at the Point of Delivery in the form of three-phase, alternating current at a nominal frequency of 60 Hertz, and at a nominal voltage of 230 kV.

Article V. BILLING, PRICES AND PAYMENT FOR FIRM POWER AND ENERGY

Section 5.01 Billing

All billing statements for service under this Agreement shall show the amount due for the metered quantities of Firm Power and Energy purchased or delivered and the associated charges in accordance with the applicable Electric Service Schedule and any charges permitted or required under the applicable Electric Service Regulations, the sum of which shall establish the total amount due from Customer for the Billing Period. Unless and until Customer requests service under another rate for which it is eligible, service shall be provided under Pacific Power's Schedule 47.

Section 5.02 Payments

All bills shall be paid by the date specified on the bill, and late charges shall be imposed upon any delinquent amounts. Unless otherwise required Customer may make payments by check, EDI, or wire transfer to an account designated by Pacific Power. The Customer account number must be included with each payment. If Customer disputes any portion of Customer's bill, Customer shall pay the total bill and shall designate the disputed portion. Pacific Power shall decide the dispute within sixty (60) days after Customer's notice of dispute. Any refund Pacific Power determines Customer is due shall bear interest at the rate then specified by the Commission or, if no rate is specified, the then effective prime rate as established by the Morgan Guaranty Trust Bank of New York.

Section 5.03 Deposits

Except to the extent required under the Electric Service Regulations and the Electric Service Schedules, Pacific Power waives any deposit from Customer. In the event of a default by Customer in any of its obligations under this Agreement, the applicable Electric Service Regulations, or the applicable Electric Service Schedule, Pacific Power may exercise any or all of its rights and remedies under this Agreement, the Electric Service Regulations, or the Electric Service Schedule and under any applicable laws, rules and regulations with respect to any deposits that may hereafter be imposed.

Article VI. METERING

Section 6.01 Metering Equipment

Six total metering points will be installed to measure and determine the total load delivered. This will consist of 2 metering points at each of the 3 collector substations on the 34.5kV side of the Generator Step-up Transformer. The 6 metered values will be used in conjunction with a Transformer and Line Loss calculation to determine a single value for the total load delivered.

Section 6.02 Telecommunications Facilities

Customer shall coordinate with BPA to allow PacifiCorp data access to the Facility meters.

Section 6.03 Transformer and Line Loss Curves

Customer shall, prior to commencement of service, provide Pacific Power with transformer and line loss curves, test data, and the algorithm used for calculating the single point of delivery to allow Pacific Power to calculate transformer and line losses for billing purposes.

Article VII. INTEGRATION; AMENDMENT

This Agreement contains the entire agreement of the Parties with respect to the subject matter, and replaces and supersedes in the entirety all prior agreements between the Parties related to the same subject matter. Except pursuant to Article VII and Section 9.02 below, this Agreement may be modified only by a subsequent written amendment or agreement executed by both Parties.

Article VIII. JURISDICTION OF REGULATORY AUTHORITIES

Pacific Power's currently applicable, effective Electric Service Schedule, and Electric Service Regulations, are incorporated herein and by reference made a part hereof. Customer acknowledges that it is familiar with the Electric Service Schedule and Electric Service Regulations and agrees to abide by them and all amendments and changes thereto so approved by the Commission. In the event that the Commission or any other state, federal, or municipal authority having jurisdiction over this Agreement determines that any provision of this Agreement conflicts with or is in violation of the Electric Service Schedule or the Electric Service Regulations, amends or supersedes the Electric Service Schedule or the Electric Service Regulations, or issues any rules, regulations, or orders which require Pacific Power to alter or amend any of the provisions of this Agreement or to curtail or terminate the delivery of Firm Power and Energy to Customer, this Agreement automatically shall be amended to comply with such determination, amendment, rule, regulation or order, and Pacific Power shall not be liable to Customer for damages or losses of any kind whatsoever which Customer may sustain as a result of such determination, amendment, rule, regulation, or order, including consequential damages.

Article IX. FORCE MAJEURE

Neither party shall be subject to any liability or damages for delay or failure to perform its respective obligations under this Agreement to the extent that such failure was due to causes beyond the reasonable control of the Party relying thereon as justification for such delay or failure, 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 (other than BPA with regard to its failure to perform under an agreement with either Party), or subdivision thereof (so long as the claiming Party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such government action); (b) restraining order, injunction or similar decree of any court; (c) war; (d) flood; (e) earthquake; (f) act of God; (g) civil disturbance, sabotage, or terrorism; (h) strikes or boycotts; or (i) failure, breakdown of, or damage to Pacific Power or third party electric facilities.

Should any of the foregoing occur, and (1) Customer claims Force Majeure, then Customer shall have no liability for service until Customer is able to resume service, except for any minimum monthly payments or termination charges designed to cover special facilities extension costs, or (2) Pacific Power claims Force Majeure, then Customer shall have no liability for service until Pacific Power is able to resume service. However, the Party claiming Force Majeure shall make every reasonable attempt to diligently remedy the cause thereof. Time periods for performance obligations of Parties herein shall be extended for the period during which Force Majeure was in effect. In the event that a Force Majeure event occurs, and Customer does not resume service at

pre-event levels within six (6) months of the beginning of the event, the Agreement shall be treated as terminated by Customer pursuant to Section 2.02 above. Notwithstanding this Article XII, Pacific Power's obligations to provide electric service under this Agreement shall be governed by the section of Electric Service Regulation No. 4, entitled "Continuity of Service."

Article X. ASSIGNMENT

Customer's rights and obligations under this Agreement may not be assigned without Pacific Power's consent, which consent will not be unreasonably withheld or delayed, except as hereinafter provided. Customer's rights and obligations under this Agreement may be assigned without Pacific Power's consent (i) in connection with a sale, assignment, lease or transfer of Customer's interest in the entire Facility subject to (1) such successor's qualification as a customer under Pacific Power's policies, the Electric Service Regulations, and the Electric Service Schedule, and (2) the written agreement of such successor to be bound by this Agreement, the Electric Service Regulations, and the Electric Service Schedule, and to assume the obligation of Customer from the date of assignment; or (ii) to an Affiliate of Customer provided that Customer provides prior written notice of such assignment to Pacific Power. Except in the case of an assignment to an Affiliate of Customer, Pacific Power may condition any assignment upon the posting of a deposit, to the extent permitted under the Electric Service Regulations and the Electric Service Schedule. If Pacific Power consents to any such assignment Customer shall remain liable for any liabilities and obligation under this Agreement, the Electric Service Regulations and the Electric Service Schedule through the date of assignment. This Agreement may not be assigned in part.

Article XI. INFORMATION

Section 11.01 Furnishing Information

In the event of an unexcused failure by Customer to make timely payment of any amount due under this agreement, then, upon Pacific Power's request, Customer shall submit its year-end financial statements to Pacific Power, certified to be true and correct and in accordance with GAAP. Pacific Power shall keep such information confidential.

Section 11.02 Accuracy of Information

Customer represents that all information it has furnished or will furnish to Pacific Power in connection with this Agreement will be accurate and complete in all material respects. Customer also represents that Customer has not omitted and will not knowingly omit any fact in connection with the information to be furnished under this Agreement, which materially and adversely affects the business, operations, property or condition of the Facility or the obligations of Pacific Power under this Agreement.

Article XII. REMEDIES; WAIVER

Either Party may exercise any or all of its rights and remedies under this Agreement, the applicable Electric Service Regulations and under any applicable laws, rules and regulations.

Pacific Power's liability for any action arising out of its activities relating to this Agreement or Pacific Power's electric utility service shall be limited to: (1) repair or replacement of any non-operating or defective portion of Pacific Power's electric utility facilities, and (2) enforcement of Pacific Power's obligations set forth in Section 4.02 to the extent applicable. Under no circumstances shall Pacific Power be liable for any economic losses, costs or damages, including but not limited to special, indirect, incidental, consequential, punitive, or exemplary damages. No provision of this Agreement or the Electric Service Regulations 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, the Electric Service Regulations 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 the Electric Service Regulations shall be deemed a waiver of any other provision of this Agreement, the Electric Service Regulations or a waiver of such provision with respect to any subsequent breach, unless expressly provided in writing.

Article XIII. ATTORNEYS' FEES

In any suit or action, arising out of or related to this Agreement, the Electric Service Regulations, or the applicable Electric Service Schedule, involving a claim, counterclaim or cross-claim made by either Party against the other Party, the substantially prevailing Party shall be entitled to recover the costs and fees (including, without limitation, reasonable attorneys' fees, the fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other costs of discovery) incurred by such substantially prevailing Party in such suit or action, including, without limitation, any post-trial or appellate proceeding, or in the collection or enforcement of any judgment or award entered or made in such suit or action.

Article XIV. SET-OFF

If Customer should default under any of its obligations under this Agreement, Pacific Power shall be entitled, at its option and in its discretion without notice to Customer, to (a) set-off amounts due and owing to Pacific Power by Customer under this Agreement, against any amounts due and owing by Pacific Power or any of its Affiliates, to the Customer or any of its Affiliates, under any agreements, instruments or undertakings between Pacific Power or any of its affiliates, and Customer or any of its Affiliates and/or (b) withhold payment of any amount due Customer or its Affiliates, by Pacific Power or its Affiliates--such amount to be determined by Pacific Power, in Pacific Power's reasonable discretion, as sufficient to cover Customer's unliquidated obligations, once liquidated, to the extent that Customer's obligations under this Agreement are not yet liquidated. The remedy provided for in this Article XIV shall be (a) without prejudice to and in addition to any right of set-off, combination of accounts, lien or other right to which Pacific Power is at any time otherwise entitled (whether by operation of law, contract or otherwise) and (b) exercisable against any trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of setoff shall not have been exercised by Pacific Power prior to such default.

Article XV. GOVERNING LAW; JURISDICTION; VENUE

All provisions of this Agreement and the rights and obligations of the Parties shall in all cases be governed by, and construed in accordance with, the laws of the State of Oregon applicable to contracts executed in and to be wholly performed in Oregon by persons domiciled in the State of Oregon. Each Party hereto agrees that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Electric Service Schedule, the Electric Service Regulations or the transactions contemplated hereby or thereby, may only be brought before the Commission, the Federal courts located within the State of Oregon, or state courts of the State of Oregon, and each Party hereby consents to the exclusive jurisdiction of such forums (and of the appellate courts therefrom) in any such suit, action or proceeding. Furthermore, each Party hereto waives, to the extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such forum or that any such suit, action or proceeding which is brought in any such forum has been brought in any inconvenient forum. If for any reason, service of process cannot be found in the state of Oregon, process in any such suit, action or proceeding may be served on a Party anywhere in the world, whether within or without the jurisdiction of any such forum.

Article XVI. WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ELECTRIC SERVICE SCHEDULES, THE ELECTRIC SERVICE REGULATIONS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Article XVII. HEADINGS

The descriptive headings contained in this Agreement are included for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Article XVIII. COMMUNICATIONS AND NOTICE

Any legal notice required to be given hereunder by one Party to the other Party shall be sent by hand-delivery, by courier service, or by registered or certified mail, return receipt requested, to the other Party hereto at its address hereafter set forth.

Customer's point of contact at Pacific Power for all matters is:

Chuck Phinney _____
Corporate Account Manager _____
Pacific Power _____
63820 Clausen Dr Suite 100 _____
Bend, OR 97701 _____
541-633-2483 _____

If to Pacific Power:

Pacific Power
Attention: Jim Hermann
C&I Contract Management
825 NE Multnomah, Suite 800
Portland, OR 97232

If to Customer:

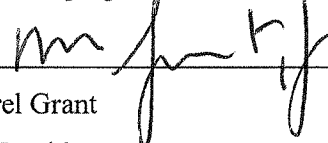
Asset Manager, Caithness Shepherds Flat, LLC
c/o Caithness Corporation
565 5th Ave - 29th floor
New York, NY 10017-2413
(212) 921-9099

Either Party may change its designated contact person by sending notice thereof to the other Party in accordance with this Article XVI.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by persons duly authorized as of the dates set forth below.

CAITHNESS SHEPHERDS FLAT, LLC PACIFICORP, dba PACIFIC POWER

**By: Caithness Northwestern Wind, LLC
 its Managing Member**

By: 
Name: Derrel Grant
Title: Vice President
Date: April 14, 2011


By: 
Name: PAT EGAN
Title: VP, CUSTOMER & COMMUNITY AFFAIRS
Date: 4/15/11

EXHIBIT C

From: Freel,Amy M - TEP-CSB-2 [mailto:amgardner@bpa.gov]
Sent: Tuesday, August 31, 2010 5:02 PM
To: Simpson, Robert
Cc: Crawford, Vince; ccadiente@comcast.net; Randall,Cherilyn C - TPC-TPP-4
Subject: RE: Metering at Slatt Sub

Bob,

You are correct. We are not metering the Shepherd's Flat Project at the Slatt 230kV bus which is the point of delivery. We are metering at each collector site and using loss factors to correct for system impedance. This is a common BPA practice with wind farms with more than one collector site or more than one string.

BPA does not allow relay CTs or PTs to be used for the purpose of metering. Also, we would not allow a foreign company access to our CT or PT circuits.

Pacificorp can request a direct data stream from the meters at the collectors. They can request access to the MV90 data for correct meters.

I will be on site Tuesday, September 7th at about 11 am. You are welcome to meet me there at that time or we can schedule another site visit.

Best Regards,
Amy

Amy Marie Freel
Bonneville Power Administration
Project Management
Senior Project Manager
Electrical Engineer
TEP-CSB-2E
Office: (360) 619-6154
Dats: 922-71-6154
Cell: (360) 518-1976
Fax: (360) 619-6163
Email: amgardner@bpa.gov

From: Simpson, Robert [mailto:Robert.Simpson@PacifiCorp.com]
Sent: Tuesday, August 31, 2010 4:41 PM
To: Freel,Amy M - TEP-CSB-2
Cc: Crawford, Vince; ccadiente@comcast.net
Subject: Metering at Slatt Sub
Hi Amy,

I spoke with Chuck Cadiente earlier today about Pacific Power supplying the back-feed power for the Sheppard's Flat wind project through Slatt substation. The Slatt substation will be the point of delivery for the back-feed power.

Pacific Power will need metering data at the point of delivery, and it sounds like BPA does not have a meter at Slatt, but is using metering data at each collector and then calculating what

passes through at Slatt. Can you confirm that BPA does not have a metering point at Slatt Substation? If there is not a meter there, do you know if there is Current and Voltage transformers at Slatt for relaying that could be utilized for a meter that PacifiCorp could install to measure the back-feed power?

If possible, I would like to visit the site, or talk with one of your engineers to see what the options for PacifiCorp either installing a meter a Slatt or obtaining that metering data.

Thanks,

Bob Simpson, P.E.
PacifiCorp
Supervisor, Meter Engineering
Office: 503-813-5249
Cell: 503-758-6202
e-mail: robert.simpson@pacificorp.com

EXHIBIT D

**EXHIBIT A
SPECIFICATIONS FOR LONG-TERM
FIRM POINT-TO-POINT TRANSMISSION SERVICE**

**TABLE 26, REVISION NO. 3
TRANSMISSION SERVICE REQUEST**
The Assign Ref is: 71365109

This Revision No. 3 to Table 26 (Revision) reduces the Reserved Capacity from 6 MW to 2 MW effective June 1, 2011, as it reflects a REDIRECT of 4 MW of long-term firm transmission service, from the C.W. Paul 500 – TAUC POR (Table 26, Revision No. 2), to the Troutdale 230 kV - PAC POR (Table 90), and from Woodland Tap 230 kV POD (Table 26, Revision No. 2) to the Slatt 500 kV – PPW POD (Table 90). Reservation Priority for the 4 MW is assigned to the REDIRECTED path in Table 90 for service pursuant to the Tariff Business Practice, Redirects, Version 11. If Table 90 is not signed, this Revision will be null and void, and Table 26, Revision No. 2 will remain in effect.

1. TERM OF TRANSACTION

Service Commencement Date: at 0000 hours on July 1, 2007.
Termination Date: at 0000 hours on July 1, 2012.

2. DESCRIPTION OF CAPACITY AND ENERGY TO BE TRANSMITTED BY TRANSMISSION PROVIDER AND MAXIMUM AMOUNT OF CAPACITY AND ENERGY TO BE TRANSMITTED (RESERVED CAPACITY)

Effective: 0000 hours on November 1, 2010, until 0000 hours on December 1, 2010

| Contract POR (Source) | Reservation-Scheduling (POR) | POR Balancing Authority | Contract POD (Sink) | Reservation-Scheduling (POD) | POD Balancing Authority | Reserved Capacity (MW) |
|-----------------------|------------------------------|-------------------------|---------------------|------------------------------|-------------------------|------------------------|
| CWPAUL500TAUC | CENTRALIA | BPAT | WOODLANDTP230 | BPAT.PACW | PACW | 7 |

Effective: 0000 hours on December 1, 2010, until 0000 hours on June 1, 2011

| Contract POR (Source) | Reservation-Scheduling (POR) | POR Balancing Authority | Contract POD (Sink) | Reservation-Scheduling (POD) | POD Balancing Authority | Reserved Capacity (MW) |
|-----------------------|------------------------------|-------------------------|---------------------|------------------------------|-------------------------|------------------------|
| CWPAUL500TAUC | CENTRALIA | BPAT | WOODLANDTP230 | BPAT.PACW | PACW | 6 |

Effective: 0000 hours on June 1, 2011, until 0000 hours on July 1, 2012

| Contract POR (Source) | Reservation-Scheduling (POR) | POR Balancing Authority | Contract POD (Sink) | Reservation-Scheduling (POD) | POD Balancing Authority | Reserved Capacity (MW) |
|-----------------------|------------------------------|-------------------------|---------------------|------------------------------|-------------------------|------------------------|
| CWPAUL500TAUC | CENTRALIA | BPAT | WOODLANDTP230 | BPAT.PACW | PACW | 2 |

3. POINT(S) OF RECEIPT

C.W. Paul 500 - TAUC

Location: the points in the Transmission Provider's C.W. Paul Substation where the 500 kV facilities of the Transmission Provider and the TransAlta Centralia Generation LLC are connected;

Voltage: 500 kV.

4. POINT(S) OF DELIVERY

(a) Description of Network Points of Delivery

Woodland Tap 230 kV

Location: the point between structures 20/3 and 20/4 on the Transmission Provider's Ross - Lexington Line No. 1 where such line is connected to the PacifiCorp's Swift Project tapline;

Voltage: 230 kV;

Metering: scheduled quantities.

(b) Description of Transfer Points of Delivery

Not applicable.

5. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE OBLIGATION

Transmission Customer and its affiliates (if they own or control transmission facilities).

6. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None.

7. SERVICE AGREEMENT CHARGES

Service under this Service Agreement will be subject to some combination of the charges detailed below, and in Exhibit B. The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff.

(a) Transmission Charge

PTP-10 Rate Schedule or successor rate schedules.

(1) Reservation Fee

Not applicable.

(2) **Short Distance Discount (SDD)**
Not applicable.

(b) **System Impact and/or Facilities Study Charge(s)**
System Impact and/or Facilities Study Charges are not required for service under this Assign Ref.

8. OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT

Assign Ref 71365109, Table 26, Revision No. 3, Exhibit A has Reservation Priority for the 2 MW, pursuant to Section 2.2 of the Transmission Provider's Open Access Transmission Tariff.

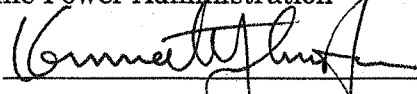
9. SIGNATURES

The Parties have caused this Exhibit to be executed as of the date both Parties have signed this Exhibit.

PACIFICORP

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: 

By: 

Name: John Apperson
(Print/Type)

Name: Kenneth H. Johnston
(Print/Type)

Title: Trading Director

Title: Transmission Account Executive

Date: 24 May 2011

Date: May 26, 2011

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**EXHIBIT A
SPECIFICATIONS FOR LONG-TERM
FIRM POINT-TO-POINT TRANSMISSION SERVICE**

**TABLE 90
TRANSMISSION SERVICE REQUEST**
The Assign Ref is: 75667089

This Table 90 provides for a REDIRECT of 4 MW from the C.W. Paul 500 – TAUC POR (Table 26, Revision No. 2), to the Troutdale 230 kV - PAC POR (Table 90), and from Woodland Tap 230 kV POD (Table 26, Revision No. 2) to the Slatt 500 kV – PPW POD (Table 90). Reservation Priority is assigned to this REDIRECTED path for service pursuant to the Tariff Business Practice, Redirects, Version 11.

1. TERM OF TRANSACTION

Service Commencement Date: at 0000 hours on June 1, 2011.
Termination Date: at 0000 hours on July 1, 2012.

2. DESCRIPTION OF CAPACITY AND ENERGY TO BE TRANSMITTED BY TRANSMISSION PROVIDER AND MAXIMUM AMOUNT OF CAPACITY AND ENERGY TO BE TRANSMITTED (RESERVED CAPACITY)

| Contract POR (Source) | Reservation - Scheduling (POR) | POR Balancing Authority | Contract POD (Sink) | Reservation - Scheduling (POD) | POD Balancing Authority | Reserved Capacity (MW) |
|-----------------------|--------------------------------|-------------------------|---------------------|--------------------------------|-------------------------|------------------------|
| TROUTDL230PAC | BPAT.PACW | PACW | SLATT500PPW | BPAT.PACW | PACW | 4 |

3. POINT(S) OF RECEIPT

Troutdale 230 kV - PAC

Location: the points in the Transmission Provider's Troutdale Substation where the 230 kV facilities of the Transmission Provider and PacifiCorp are connected;

Voltage: 230 kV.

4. POINT(S) OF DELIVERY

(a) Description of Network Points of Delivery

Slatt 500 kV – PPW

Location: the point in the Transmission Provider's Slatt Substation where the 500 kV facilities of the Transmission Provider and PacifiCorp are connected;

Voltage: 500 kV;

Metering: scheduled quantities.

(b) Description of Transfer Points of Delivery

Not applicable.

5. **DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE**
Transmission Customer and its affiliates (if they own or control transmission facilities).

6. **NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE**
None.

7. **SERVICE AGREEMENT CHARGES**
Service under this Service Agreement will be subject to some combination of the charges detailed below and in Exhibit B. (The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff).

(a) **Transmission Charge**
PTP-10 Rate Schedule or successor rate schedules.

(1) **Reservation Fee**
Not applicable.

(2) **Short Distance Discount (SDD)**
Not applicable.


(b) **System Impact and/or Facilities Study Charge(s)**
System Impact and/or Facilities Study Charges are not required for service under this Assign Ref.

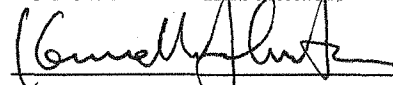
8. **OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT**
None.

9. **SIGNATURES**
The Parties have caused this Exhibit to be executed as of the date both Parties have signed this Exhibit.

PACIFICORP

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: 

By: 

Name: John Apperson
(Print/Type)

Name: Kenneth H. Johnston
(Print/Type)

Title: Trading Director

Title: Transmission Account Executive

Date: 24 May 2011

Date: May 26, 2011

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**EXHIBIT A
SPECIFICATIONS FOR LONG-TERM
FIRM POINT-TO-POINT TRANSMISSION SERVICE**

**TABLE 95
TRANSMISSION SERVICE REQUEST**

The Assign Ref is: 75914752

Exhibit A, Table 95 provides for a REDIRECT of 4 MW to the Slatt 230 kV Point of Delivery (POD). Reservation Priority is assigned to this REDIRECTED path pursuant to the Tariff Business Practice, Redirects, Version 11.

1. TERM OF TRANSACTION

Service Commencement Date: at 0000 hours on September 1, 2011.

Termination Date: at 0000 hours on July 1, 2012.

2. DESCRIPTION OF CAPACITY AND ENERGY TO BE TRANSMITTED BY TRANSMISSION PROVIDER AND MAXIMUM AMOUNT OF CAPACITY AND ENERGY TO BE TRANSMITTED (RESERVED CAPACITY)

| Contract POR (Source) | Reservation - Scheduling (POR) | POR Balancing Authority | Contract POD (Sink) | Reservation - Scheduling (POD) | POD Balancing Authority | Reserved Capacity (MW) |
|-----------------------|--------------------------------|-------------------------|---------------------|--------------------------------|-------------------------|------------------------|
| TROUTDL230PAC | BPAT.PACW | PACW | SLATT230 | SLATT230 | BPAT | 4 |

3. POINT(S) OF RECEIPT

Troutdale 230 kV - PAC

Location: the points in the Transmission Provider's Troutdale Substation where the 230 kV facilities of the Transmission Provider and PacifiCorp are connected;

Voltage: 230 kV.

4. POINT(S) OF DELIVERY

(a) Description of Network Points of Delivery

Slatt 230 kV

Location: the points in the Transmission Provider's Slatt Substation on the 230 kV bus where the wind resources are connected;

Voltage: 230 kV;

Metering: scheduled quantities.

(b) Description of Transfer Points of Delivery

Not applicable.

5. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE

Transmission Customer and its affiliates (if they own or control transmission facilities).

6. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None.

7. SERVICE AGREEMENT CHARGES

Service under this Service Agreement will be subject to some combination of the charges detailed below and in Exhibit B. (The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff).

(a) Transmission Charge

PTP-12 Rate Schedule or successor rate schedules.

(1) Reservation Fee

Not applicable.

(2) Short Distance Discount (SDD)

Not applicable.

(b) System Impact and/or Facilities Study Charge(s)

System Impact and/or Facilities Study Charges are not required for service under this Assign Ref.

8. OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT

None.

9. SIGNATURES

The Parties have caused this Exhibit to be executed as of the date both Parties have signed this Exhibit.

PACIFICORP

UNITED STATES OF AMERICA

Department of Energy

Bonneville Power Administration

By:

John A Apperson

By:

Kenneth H. Johnston

Name:

(Print/Type)

John Apperson

Name:

(Print/Type)

Kenneth H. Johnston

Title:

Trading Director

Title:

Transmission Account Executive

Date:

22 Aug 2011

Date:

8/31/11

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**EXHIBIT A
SPECIFICATIONS FOR LONG-TERM
FIRM POINT-TO-POINT TRANSMISSION SERVICE**

**TABLE 90, REVISION NO. 1
TRANSMISSION SERVICE REQUEST**

The Assign Ref is: 75667089

Exhibit A, Revision No. 1, under Assign Ref 75667089, Table 90, reduces the Reserved Capacity from 4 MW to 0 MW, effective September 1, 2011, as it reflects a REDIRECT of 4 MW, to the Slatt 230kV Point of Delivery (POD), under Assign Ref 75914752, Exhibit A, Table 95. Reservation Priority is assigned to the REDIRECTED path for service pursuant to the Tariff Business Practice, Redirects, Version 11.

1. TERM OF TRANSACTION

Service Commencement Date: at 0000 hours on September 1, 2011.

Termination Date: at 0000 hours on July 1, 2012.

2. DESCRIPTION OF CAPACITY AND ENERGY TO BE TRANSMITTED BY TRANSMISSION PROVIDER AND MAXIMUM AMOUNT OF CAPACITY AND ENERGY TO BE TRANSMITTED (RESERVED CAPACITY)

Effective: 0000 hours on June 1, 2011, until 0000 hours on September 1, 2011

| Contract POR (Source) | Reservation - Scheduling (POR) | POR Balancing Authority | Contract POD (Sink) | Reservation - Scheduling (POD) | POD Balancing Authority | Reserved Capacity (MW) |
|-----------------------|--------------------------------|-------------------------|---------------------|--------------------------------|-------------------------|------------------------|
| TROUTDL230PAC | BPAT.PACW | PACW | SLATT500PPW | BPAT.PACW | PACW | 4 |

Effective: 0000 hours on September 1, 2011, until 0000 hours on July 1, 2012

| Contract POR (Source) | Reservation - Scheduling (POR) | POR Balancing Authority | Contract POD (Sink) | Reservation - Scheduling (POD) | POD Balancing Authority | Reserved Capacity (MW) |
|-----------------------|--------------------------------|-------------------------|---------------------|--------------------------------|-------------------------|------------------------|
| TROUTDL230PAC | BPAT.PACW | PACW | SLATT500PPW | BPAT.PACW | PACW | 0 |

3. POINT(S) OF RECEIPT

Troutdale 230 kV - PAC

Location: the points in the Transmission Provider's Troutdale Substation where the 230 kV facilities of the Transmission Provider and PacifiCorp are connected;

Voltage: 230 kV.

4. POINT(S) OF DELIVERY

(a) Description of Network Points of Delivery

Slatt 500 kV - PPW

Location: the point in the Transmission Provider's Slatt Substation where the 500 kV facilities of the Transmission Provider and PacifiCorp are connected;

Voltage: 500 kV;

Metering: scheduled quantities.

(b) Description of Transfer Points of Delivery

Not applicable.

5. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE

Transmission Customer and its affiliates (if they own or control transmission facilities).

6. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None.

7. SERVICE AGREEMENT CHARGES

Service under this Service Agreement will be subject to some combination of the charges detailed below and in Exhibit B. (The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff).

(a) Transmission Charge

PTP-10 Rate Schedule or successor rate schedules.

(1) Reservation Fee

Not applicable.

(2) Short Distance Discount (SDD)

Not applicable.

(b) System Impact and/or Facilities Study Charge(s)

System Impact and/or Facilities Study Charges are not required for service under this Assign Ref.

8. OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT

None.

9. SIGNATURES

The Parties have caused this Exhibit to be executed as of the date both Parties have signed this Exhibit.

PACIFICORP

UNITED STATES OF AMERICA

Department of Energy

Bonneville Power Administration

By: John A Apperson

By: Kenneth H. Johnston

Name: John Apperson
(Print/Type)

Name: Kenneth H. Johnston
(Print/Type)

Title: Trading Director

Title: Transmission Account Executive

Date: 22 Aug 2011

Date: 8/31/11

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**EXHIBIT A
SPECIFICATIONS FOR LONG-TERM
FIRM POINT-TO-POINT TRANSMISSION SERVICE**

**TABLE 97
TRANSMISSION SERVICE REQUEST**

The Assign Ref is: 76106891

Exhibit A, Table 97 provides for a RENEWAL of 4 MW of Reserved Capacity, pursuant to Section 2.2 of the Bonneville Power Administration's Open Access Transmission Tariff, that was previously provided for under Assign Ref 75914752 and the associated Exhibit A, Table 95.

1. TERM OF TRANSACTION

Service Commencement Date: at 0000 hours on July 1, 2012.
Termination Date: at 0000 hours on July 1, 2017.

2. DESCRIPTION OF CAPACITY AND ENERGY TO BE TRANSMITTED BY TRANSMISSION PROVIDER AND MAXIMUM AMOUNT OF CAPACITY AND ENERGY TO BE TRANSMITTED (RESERVED CAPACITY)

| Contract POR (Source) | Reservation - Scheduling (POR) | POR Balancing Authority | Contract POD (Sink) | Reservation - Scheduling (POD) | POD Balancing Authority | Reserved Capacity (MW) |
|-----------------------|--------------------------------|-------------------------|---------------------|--------------------------------|-------------------------|------------------------|
| TROUTDL230PAC | BPAT.PACW | PACW | SLATT230 | SLATT230 | BPAT | 4 |

3. POINT(S) OF RECEIPT

Troutdale 230 kV - PAC

Location: the points in the Transmission Provider's Troutdale Substation where the 230 kV facilities of the Transmission Provider and PacifiCorp are connected;

Voltage: 230 kV.

4. POINT(S) OF DELIVERY

(a) Description of Network Points of Delivery

Slatt 230 kV

Location: the points in the Transmission Provider's Slatt Substation on the 230 kV bus where the wind resources are connected;

Voltage: 230 kV;

Metering: scheduled quantities.

(b) Description of Transfer Points of Delivery

Not applicable.

KWA 10/19/11 10:52 AM [Signature]

5. **DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE**
Transmission Customer and its affiliates (if they own or control transmission facilities).

6. **NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE**
None.

7. **SERVICE AGREEMENT CHARGES**
Service under this Service Agreement will be subject to some combination of the charges detailed below and in Exhibit B and C.

(a) **Transmission Charge**
PTP-12 Rate Schedule (or, if not in effect, the applicable Rate Schedule) or successor Rate Schedule.

(1) **Reservation Fee**
Not applicable.

(2) **Short Distance Discount (SDD)**
Not applicable.

(b) **System Impact and/or Facilities Study Charge(s)**
System Impact and/or Facilities Study Charges are not required for service under this Assign Ref.

8. **OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT**
None.

9. **SIGNATURES**
The Parties have caused this Exhibit to be executed as of the date both Parties have signed this Exhibit.

PACIFICORP

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: [Signature]

By: [Signature]

Name: John Apperson
(Print/Type)

Name: Kenneth H. Johnston
(Print/Type)

Title: Trading Director

Title: Transmission Account Executive

Date: 7 Oct 2011

Date: 10/19/11

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