

August 22, 2014

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

RE: *PacifiCorp*
Docket No. ER14-_____-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2006), Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35 (2013), and Order No. 714¹ regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Modification No. 2: Replace Line Sectionalizing Switches at BPA's Hat Rock Tap Switching Station ("Reimbursement Agreement"), dated August 12, 2014, between Bonneville Power Administration ("BPA") and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 703.

1. Background and Reason for Filing

On September 14, 2011, PacifiCorp and BPA entered into the Reimbursement Agreement to Replace Sectionalizing Switches at Hat Rock Switching Substation ("Agreement"). Under the Agreement, PacifiCorp agreed to perform, and BPA agreed to pay for, work to replace BPA-owned line sectionalizing switches at PacifiCorp's Hat Rock Tap Switching Station ("Hat Rock Station"). On September 30, 2011, PacifiCorp filed the Agreement in Docket No. ER11-4720 and designated it as PacifiCorp Rate Schedule No. 681. The Commission accepted the filing on November 21, 2011.²

On March 25, 2013, PacifiCorp and BPA entered into Modification No. 1: Replace Line Sectionalizing Switches at BPA's Hat Rock Tap Switching Station ("Modified Agreement"), which revised the Agreement to provide additional funding for costs incurred for the installation of new substation grounding, fence and surface rock at the Hat Rock Station, clarified the duties and ownership, and updated the termination language and estimated project completion date. On April 3, 2013, PacifiCorp filed the Modified Agreement in Docket No. ER13-1228 and designated it as PacifiCorp First

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

² PacifiCorp, Letter Order, Docket No. ER11-4720-000 (Nov. 21, 2011).

Revised Rate Schedule No. 681. The Commission accepted the filing on May 22, 2013.³

Section 7 (Termination) of the Modified Agreement stated, in relevant part, “in no event shall the term of the Agreement exceed one year from its effective date.” Accordingly, on March 27, 2014, in Docket No. ER14-1599, PacifiCorp filed a Notice of Termination of the Modified Agreement pursuant to its own terms. The Commission accepted the filing on May 20, 2014⁴, effective June 2, 2014.

On August 12, 2014, PacifiCorp and BPA entered into the Reimbursement Agreement to document BPA’s agreement to pay the revised actual cost incurred for work on the sectionalizing switches at the Hat Rock Station. PacifiCorp respectfully requests that the Commission accept the Reimbursement Agreement for filing.

2. Effective Date & Request for Waiver

In accordance with 18 C.F.R. § 35.3(a)(1), PacifiCorp respectfully requests an effective date 61 days from the date of this filing, or October 22, 2014, for the Reimbursement Agreement.

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

3. Designation

PacifiCorp requests that the Reimbursement Agreement be designated as PacifiCorp Rate Schedule No. 703.

4. Enclosure

The following enclosure is attached hereto:

Enclosure Modification No. 2: Replace Line Sectionalizing Switches at BPA’s Hat Rock Tap Switching Station, dated August 12, 2014, between BPA and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 703

5. Communications

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

³ PacifiCorp, Letter Order, Docket No. ER13-1228-000 (May 22, 2013).

⁴ PacifiCorp, Letter Order, Docket No. ER13-1228-000 (May 22, 2013).

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

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

6. Service List

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

David A. Fitzsimmons
U.S. Department of Energy
Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409
dafitzsimmons@bpa.gov

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

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

Respectfully Submitted,

/s/ Patrick C. Cannon
Patrick C. Cannon
Attorney for PacifiCorp

CERTIFICATE OF SERVICE

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

Dated at Portland, Oregon this 22nd day of August, 2014.

/s/ Patrick C. Cannon

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

BPA F 4220.14e
(12-05)

**U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER ADMINISTRATION
AGREEMENT**

Electronic Form Approved
by Forms Mgmt. 06/14/05

1. AGREEMENT NUMBER	2. AGREEMENT EFFECTIVE FROM DATE IN BLOCK 4 UNTIL	3. MODIFICATION NO.	4. EFFECTIVE DATE	5. PROCUREMENT REQUEST NO.
10TX-14750	Completion of Work	-2-	Same as Block 20, subject to Section 7 of the DR Statement attached to Modification No. 1	

ISSUED TO		ISSUED BY	
6. ORGANIZATION AND ADDRESS (Include 9-Digit ZIP Code)		9. ORGANIZATION AND ADDRESS	
PacifiCorp ATTN: Laura Raypush-Dombrowski 825 NE Multnomah Street, Suite 1600 Portland, OR 97232		U.S. Department of Energy Bonneville Power Administration ATTN: Tonya Van Cleave – TPCC/TPP-4 P.O. Box 61409 Vancouver, WA 98666	
7. TECHNICAL CONTACT	PHONE NUMBER	10. BPA TECHNICAL CONTACT	PHONE NUMBER
Thomas Murphy	(503) 813-6033	Glenn Russell	(360) 619-6414
8. ADMINISTRATIVE CONTACT	PHONE NUMBER	11. BPA ADMINISTRATIVE CONTACT	PHONE NUMBER
Laura Raypush-Dombrowski	(503) 813-7040	Tonya Van Cleve	(360) 619-6050

12. TITLE/BRIEF DESCRIPTION OF WORK TO BE PERFORMED UNDER THIS AGREEMENT

**MODIFICATION NO. 2: REPLACE LINE SECTIONALIZING SWITCHES AT
BPA'S HAT ROCK TAP SWITCHING STATION**

Background: Agreement No. 10TX-14750 (Agreement) between the Bonneville Power Administration (BPA) and PacifiCorp, herein referred to as "Parties", provides for PacifiCorp, at BPA's expense, to replace BPA-owned line sectionalizing switches IW24 and IW25 (LD0049 and LD0050) at Hat Rock Tap Switching Station (Project), which is located on the McNary-Wallula 230 kV line.

Modification No. 1 to the Agreement increased the scope of work and funding for the Project to address required modifications to the grounding system at the switching station that were identified during the design phase of the Project.

Modification No. 2: This Modification No. 2 (Modification) to the Agreement provides funding for an additional \$126,000 due to PacifiCorp's actual costs exceeding estimates to complete the work within. All other terms of Modification 1 to the Agreement remain in effect.

This Modification replaces the original Agreement in its entirety.

The following document is attached to and become a part of this Modification:

- Financial Terms and Conditions Statement, Modification No. 2

15. AMOUNT TO BE PAID BY BPA	16. AMOUNT TO BE PAID TO BPA
\$926,000 (not to exceed)	\$-0-
17. SUBMIT SIGNED MODIFICATION AND INVOICE TO	18. ACCOUNTING INFORMATION (For BPA Use Only)
U.S. Department of Energy Bonneville Power Administration ATTN: Tonya Van Cleave – TPCC/TPP-4 P.O. Box 61409 Vancouver, WA 98666-1409	Work Order No. 329862
	19. SUBMIT INVOICE TO (Name and Address)
	Same as Block 17.

PARTICIPANT		BPA	
20. APPROVED BY (<i>Signature</i>) /s/ Natalie L. Hocken	DATE (<i>mm/dd/yyyy</i>) 8/12/2014	21. APPROVED BY (<i>Signature</i>) /s/ David A. Fitzsimmons	DATE (<i>mm/dd/yyyy</i>) 7/23/2014
NAME AND TITLE Natalie L. Hocken SVP, Transmission & System Operations		NAME AND TITLE David A. Fitzsimmons Manager, Transmission Sales	

FINANCIAL TERMS AND CONDITIONS STATEMENT

Within a reasonable time following completion of work, PacifiCorp shall submit an invoice to BPA for the reasonably incurred cost of performing the work described in this Agreement, which is estimated to be \$926,000. The invoice shall include supporting documentation showing cost detail, and is to be sent to BPA at the following address:

Bonneville Power Administration
ATTN: Tonya Van Cleave – TPCC/TPP-4
P.O. Box 61409
Vancouver, WA 98666

BPA shall remit payment within 30 days following receipt of the invoice.

PacifiCorp shall notify BPA immediately if, at any time during the course of the project, PacifiCorp expects the cost of performing the work identified under this Agreement to exceed \$926,000. If BPA agrees to the cost increase, another modification to this Agreement will be prepared to provide for the additional funding amount.

DIVISION OF RESPONSIBILITIES STATEMENT

PacifiCorp and BPA hereby agree as follows:

1. DIVISION OF RESPONSIBILITIES

PacifiCorp shall, at BPA's expense:

At BPA's Hat Rock Tap Switching Station, which is located on the McNary-Wallula 230 kV line.

- a) Remove and scrap BPA-owned line sectionalizing switches IW24 and IW25 (LD0049 and LD0050).
- b) Design, provide, install, and test new sectionalizing switches and hardware to replace the switches removed in Section 1(a) above.

- c) Design, provide and install new substation grounding, fence, and surface rock.
- d) Provide BPA with as-built drawings that show all improvements associated with BPA's structures and easement corridor for asset management and mapping/GIS purposes.

2. OWNERSHIP, OPERATION AND MAINTENANCE

- a) PacifiCorp, at its expense, shall own, operate, maintain, and replace when needed the equipment installed under Section 1(b) above.
- b) BPA, at its expense, will own and maintain the materials and equipment installed under section 1(c) above.

3. RELATED AGREEMENTS

The Parties are currently in discussions to transfer ownership of the materials and equipment installed under Section 1 (c) above, to PacifiCorp. Any such transfer shall be captured under a future agreement between the Parties.

Operations and Maintenance (O&M) Agreement No. DE-MS79-83BP90909 shall be revised to remove the O&M charges for the BPA switches removed under Section 1(a) above.

4. TITLE TRANSFER OF SALVAGED EQUIPMENT

Upon execution of this Agreement, BPA hereby transfers the title to the BPA-owned line sectionalizing switches (1W24 and 1W25) to PacifiCorp for the purpose of removal and disposal.

5. ENVIRONMENTAL COMPLIANCE

Upon execution of this agreement the Parties are authorized to proceed with all preliminary engineering and project management work. The performance of all construction work under this Agreement is contingent on BPA's completion of its environmental review process under the National Environmental Policy Act (NEPA). After completion of this process BPA will decide whether to proceed with the construction work and, if so, whether modifications to such work should be made based on the NEPA review. BPA reserves the absolute right to choose any alternatives considered in the NEPA process, including the no-action alternative, and nothing in this Agreement shall be construed as obligating BPA to proceed with construction work under this Agreement or to allow PacifiCorp to proceed with construction work under this Agreement before BPA has completed the NEPA review process and made a decision regarding how to proceed. If BPA decides that modifications to the construction work under this Agreement should be made, the Parties shall modify their respective obligations under this Agreement to be consistent with such modifications.

6. JURY TRIAL

To the fullest extent permitted by law, each of the parties hereto waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party further waives any right to consolidate, or to request the consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

7. TERMINATION

This Agreement shall become effective upon execution by both Parties subject to another date being designated by the Federal Energy Regulatory Commission (Commission), and shall terminate upon completion of construction, PacifiCorp's calculation of its actual costs for work performed herein, and 90 days following PacifiCorp's receipt of final payment from BPA; however, in no event shall the term of this Agreement exceed one year from its effective date. If the Commission does not accept the Modification No. 1 to the Agreement or accepts such Modification but in connection with such acceptance requires a change in, or imposes a new condition on, the Agreement (including the Modification), the Agreement shall be effective thereafter only if both Parties agree in writing to such change or condition. The Parties agree that any obligations set forth in this Agreement that remain unsatisfied as of the date of termination shall remain until satisfied.

8. PROJECT SCHEDULE

The estimated completion date for work under this agreement is December 1, 2013.

**U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER ADMINISTRATION
AGREEMENT**

RECEIVED

*Electronic Form Approved
by Forms Mgmt. 06/14/05*

JUL 24 2014

1. AGREEMENT NUMBER 10TX-14750	2. AGREEMENT EFFECTIVE FROM DATE IN BLOCK 4 UNTIL Completion of Work	3. MODIFICATION NO. -2-	4. EFFECTIVE DATE Same as Block 20, subject to Section 7 of the DR Statement attached to Modification No. 1	5. PROCUREMENT REQUEST NO.
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ISSUED TO		ISSUED BY	
6. ORGANIZATION AND ADDRESS (Include 9-Digit ZIP Code) PacifiCorp ATTN: Laura Raypush-Dombrowski 825 NE Multnomah Street, Suite 1600 Portland, OR 97232		9. ORGANIZATION AND ADDRESS U.S. Department of Energy Bonneville Power Administration ATTN: Tonya Van Cleave - TPCC/TPP-4 P.O. Box 61409 Vancouver, WA 98666	
7. TECHNICAL CONTACT Thomas Murphy	PHONE NUMBER (503) 813-6033	10. BPA TECHNICAL CONTACT Glenn Russell	PHONE NUMBER (360) 619-6414
8. ADMINISTRATIVE CONTACT Laura Raypush-Dombrowski	PHONE NUMBER (503) 813-7040	11. BPA ADMINISTRATIVE CONTACT Tonya Van Cleave	PHONE NUMBER (360) 619-6050

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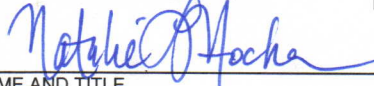
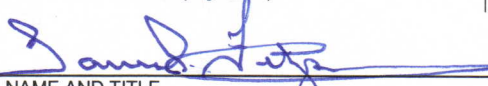
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PARTICIPANT		BPA	
20. APPROVED BY (Signature) 	DATE (mm/dd/yyyy) 8/12/2014	21. APPROVED BY (Signature) 	DATE (mm/dd/yyyy) 7/23/2014
NAME AND TITLE Natalie L. Hocken SRP, Transmission & System Operations		NAME AND TITLE David A. Fitzsimmons Manager, Transmission Sales	

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6. JURY TRIAL

To the fullest extent permitted by law, each of the parties hereto waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party further waives any right to consolidate, or to request the consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

7. TERMINATION

This Agreement shall become effective upon execution by both Parties subject to another date being designated by the Federal Energy Regulatory Commission (Commission), and shall terminate upon completion of construction, PacifiCorp's calculation of its actual costs for work performed herein, and 90 days following PacifiCorp's receipt of final payment from BPA; however, in no event shall the term of this Agreement exceed one year from its effective date. If the Commission does not accept Modification No. 1 to the Agreement or accepts such Modification but in connection with such acceptance requires a change in, or imposes a new condition on, the Agreement (including the Modification), the Agreement shall be effective thereafter only if both Parties agree in writing to such change or condition. The Parties agree that any obligations set forth in this Agreement that remain unsatisfied as of the date of termination shall remain until satisfied.

8. PROJECT SCHEDULE

The estimated completion date for work under this agreement is December 1, 2013.