



825 NE Multnomah St., Suite 1600  
Portland, Oregon 97232

February 13, 2017

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

RE: *PacifiCorp*  
Docket No. ER17-\_\_\_\_\_-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 (2015), and Order No. 714<sup>1</sup> regarding electronic filing of tariff submittals, PacifiCorp hereby tenders for filing the following jurisdictional agreement:

Project Construction Agreement ("Construction Agreement") between International Paper Company ("International Paper") and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 726.

## **1. Background and Reason for Filing**

PacifiCorp is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Oregon. International Paper is an industrial load customer in the City of Millersburg, Oregon. International Paper has requested the termination and removal of the interconnection(s) at or near Western Kraft substation, which were used to reliably serve its loads and has requested that PacifiCorp perform certain work to accommodate their request. PacifiCorp has determined that to accommodate International Paper's request, certain work will be required to the Western Kraft substation. The Construction Agreement sets forth the terms and conditions to complete the project. Accordingly, PacifiCorp respectfully requests that the Commission accept the Construction Agreement, attached hereto, for filing.

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

**2. Effective Date and Request for Waiver**

In accordance with 18 C.F.R. § 35.3(a)(1), PacifiCorp respectfully requests that the Commission establish an effective date of April 15, 2017, for the Construction 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 Construction Agreement be designated as PacifiCorp Rate Schedule No. 726.

**4. Enclosure**

The following enclosure is attached hereto:

Construction Agreement between International Paper and PacifiCorp, to be designated as PacifiCorp Rate Schedule No. 726

**5. Communications**

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

Patrick C. Cannon  
Senior Counsel  
PacifiCorp  
825 N.E. Multnomah, Suite 1800  
Portland, OR 97232  
(503) 813-5613  
(503) 813-6508 (facsimile)  
[Patrick.Cannon@PacifiCorp.com](mailto:Patrick.Cannon@PacifiCorp.com)

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

**6. Service List**

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

International Paper Company  
6400 Poplar Ave  
Tower 1, 6-105  
Memphis, TN 38197  
[jena.hackett@ipaper.com](mailto:jena.hackett@ipaper.com)

Public Utility Commission of Oregon  
550 Capitol St NE #215  
PO Box 2148  
Salem OR 97308-2148  
[PUC.FilingCenter@state.or.us](mailto: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 13<sup>th</sup> day of February, 2017.

*/s/ Patrick C. Cannon* \_\_\_\_\_

Patrick C. Cannon  
PacifiCorp  
825 N.E. Multnomah, Suite 1800  
Portland, OR 97232  
(503) 813-5613  
(503) 813-6508 (facsimile)  
[patrick.cannon@pacificorp.com](mailto:patrick.cannon@pacificorp.com)



**PROJECT CONSTRUCTION AGREEMENT**  
**International Paper Company / Decommissioning Project / OTP0089**

This Project Construction Agreement (the “Agreement”) made and entered into this 30<sup>th</sup> day of January, 2017, between International Paper Company, hereinafter called “International Paper” or “Customer,” and *PacifiCorp*, hereinafter called “PacifiCorp” or “Company,” is for work to be performed by Company for Customer (hereinafter referred to as the “Project”). Hereinafter, International Paper and PacifiCorp may be individually referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS:

- A. WHEREAS, PacifiCorp is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Oregon;
- B. WHEREAS, International Paper was an industrial load customer in the City of Millersburg, Oregon;
- C. WHEREAS, International Paper has requested the termination and removal of the interconnection(s) at or near Western Kraft substation, which were used to reliably serve its loads and has requested that PacifiCorp perform certain work to accommodate Customer’s request;
- D. WHEREAS, PacifiCorp has determined that to accommodate International Paper’s request, certain work will be required to the Western Kraft substation (the “Project”), as further described and detailed in this Agreement and other work in the local area not part of this agreement; and
- E. WHEREAS, PacifiCorp has agreed to perform the work required to complete the system changes according to the terms set forth herein.

NOW THEREFORE, the Parties enter into this Agreement with the understanding that each mutually benefits from this Agreement. The parties further agree to the following:

1. DEFINITIONS

**Direct Assignment Facilities** shall mean facilities or portions of facilities that are constructed by Company for the sole use/benefit of the Customer requesting service. Direct Assignment Facilities refers to those facilities from the Customer’s facilities up to (but not including) the point of interconnection with the Company’s Transmission System. Direct Assignment Facilities shall be specified in this Agreement. The Customer will not recover the costs of Direct Assignment Facilities from Company.

**Good Utility Practice** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

## 2. TERM & TERMINATION

The term of this Agreement shall commence on the later of the date of this Agreement or another date designated by the Federal Energy Regulatory Commission (“Commission” or “FERC”), if filed at the Commission and accepted for filing (“Effective Date”). This Agreement shall terminate ninety (90) days following: (i) Company’s receipt of final payment of actual costs by Customer; or (ii) Company’s refund of overpayment to Customer, pursuant to Section 4 of this Agreement. In the event that neither an invoice nor a refund is required, this Agreement shall terminate 90 days following Company’s determination of actual costs after completion of construction. Customer may terminate this Agreement in whole or in part, without cause, with prior written notice of not less than ninety (90) days.

## 3. SCOPE AND PERFORMANCE OF WORK:

- a. **Project Description and Scope.** The Project will require the complete decommissioning and removal of all electrical equipment owned by Parties at both International Paper plant site as well as Transmission Provider’s Western Kraft substation. Please see Attachment B for more details.
- b. **Company Responsibilities.** Company will be solely responsible for all physical work at its to-be-removed Western Kraft substation as well as removal of its owned metering and communication equipment at the Customer’s facility. Please see Attachment B for more details.
- c. **Customer Responsibilities.** Customer will provide any site preparation requirements so that Company can remove equipment from Customer property. Customer shall decommission and remove all equipment designated in this Agreement. Please see Attachment B for more details.

## 4. OWNERSHIP/RESPONSIBILITY FOR COSTS:

### 4.1 Ownership

Parties shall maintain their existing ownership of lands and equipment until such time as they are properly decommissioned or removed from their respective locations.

### 4.2 Estimated Costs

The Company's estimated cost for Company's Scope of Work for the Project is \$385,000, of which 100% is Direct Assignment Facilities. Direct Assignment Facilities costs are those costs associated with the decommissioning and removal of interconnection facilities. In consideration of the work to be performed by Company, Customer agrees to pay the estimated Direct Assignment Facilities costs on a monthly basis according to Company invoices.

#### 4.3 Payment of Actual Costs

Company will commence work following receipt of the required financial security. Financial security shall be provided in accordance with Company's Open Access Transmission Tariff Attachment L, in the form of a cash deposit, a parental guaranty, a letter of credit, or other acceptable form per Attachment L. Amount of financial security required for this project is: \$140,000.

Customer shall reimburse Company for the actual cost to complete the work. Following completion of the Project, Company shall calculate its actual costs for the Direct Assignment Facilities completed. Company's actual costs shall include all direct costs plus applicable overheads. Company will forward a copy of the calculation to Customer along with an invoice or a refund for the difference between the estimated and actual cost one hundred twenty (120) calendar days after completion of the project. Customer will have thirty (30) calendar days after receiving any invoice to make a payment.

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

### 5. TAXES

#### 5.1 Customer Payments Not Taxable or Not Resulting in Taxable Income

The Parties intend that all payments or property transfers made by Customer to Company under this Agreement shall be non-taxable or not result in taxable income, either as contributions to capital, as a reimbursement of deductible costs to the Company or as an advance, in accordance with the Internal Revenue Code ("IRC") and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the IRC and any applicable state income tax laws.

#### 5.2 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Company

Notwithstanding Section 5.1, Customer shall protect, indemnify and hold harmless Company from the cost consequences of any current tax liability imposed against Company as the result of payments or property transfers made by Customer to Company under this Agreement, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Company.

Company shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Customer under this Agreement unless (i) Company

has determined, in good faith, that the payments or property transfers made by Customer to Company should be reported as income subject to taxation or (ii) any governmental authority directs Company to report payments or property as income subject to taxation. Customer shall reimburse Company for such costs on a fully grossed-up basis, in accordance with Section 5.3, within thirty (30) calendar days of receiving written notification from Company of the amount due, including detail about how the amount was calculated.

### 5.3 Tax Gross-up Amount

Customer's liability for the cost consequences of any current tax liability under this Section 5 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Customer will pay Company, in addition to the amount paid for the Project Facilities, an amount equal to (1) the current taxes imposed on Company ("Current Taxes") on the excess of (a) the gross income realized by Company as a result of payments or property transfers made by Customer to Company under this Agreement (without regard to any payments under this Article) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Company to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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

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

### 5.4 Contests

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

### 5.5 Refund

In the event that (a) a private letter ruling is issued to Company which holds that any amount paid or the value of any property transferred by Customer to Company under the terms of this Agreement is not subject to federal income taxation, (b) any legislative

change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Company in good faith that any amount paid or the value of any property transferred by Customer to Company under the terms of this Agreement is not taxable to Company, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Customer to Company are not subject to federal income tax, or (d) if Company receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Customer to Company pursuant to this Agreement, Company shall promptly refund to Customer the following:

(i) any payment made by Customer under this Section 5 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;

(ii) interest on any amounts paid by Customer to Company for such taxes which Company did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Customer to the date Company refunds such payment to Customer; and

(iii) with respect to any such taxes paid by Company, any refund or credit Company receives or to which it may be entitled from any governmental authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Company for such overpayment of taxes (including any reduction in interest otherwise payable by Company to any governmental authority resulting from an offset or credit); provided, however, that Company will remit such amount promptly to Customer only after and to the extent that Company has received a tax refund, credit or offset from any governmental authority for any applicable overpayment of income tax related to work hereunder.

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

6. PROJECT SCHEDULE:

The Parties mutually agree to the schedule for the completion of the Project outlined in Attachment A. All project schedule milestones are best estimates of the Parties at the time the schedule was developed.

7. OPERATION AND MAINTENANCE:

The Parties agree that there shall be no further Operations or Maintenance requirements under this or any other agreement for the facilities which are being decommissioned and removed pursuant to this Agreement.

8. STANDARD OF WORK:

All work performed pursuant to this Agreement by either Party or their agents shall be performed in a good and workmanlike manner in accordance with Good Utility Practice and with any and all prudent and applicable safety and reliability standards.

9. CHANGES:

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

No change shall be binding upon the Parties until a change order is executed by each Party which is in writing and expressly states that it constitutes a change order to this agreement. The issuance of information, advice, approvals, or instructions verbally or by an exchange of e-mail or in any other manner short of a writing executed by both parties shall not constitute an authorized change order pursuant to this provision.

All revisions to this Agreement, if originally filed at FERC, will be filed by Company as a restated agreement.

10. INSPECTION:

Customer may, at its discretion, inspect Company decommissioning and removal work in progress upon reasonable notice and with supervision by Company. Company may inspect Customer's work for Facilities being decommissioned and removed at Customer's expense upon reasonable notice and with Customer supervision.

11. ACCESS:

Company shall grant Customer and its designees reasonable escorted access to the facilities consistent with such access rights as are established in prior agreements between the Parties, provided that Customer provides Company with reasonable notice and complies with Company's safety and security rules. This right shall terminate after decommissioning and removal work is complete.

12. CONFIDENTIALITY/TRADE SECRETS:

All specifications, data and other information furnished by International Paper Company, or its agents, to COMPANY in connection with this AGREEMENT remain the exclusive intellectual property of International Paper Company and shall be treated by the COMPANY as proprietary and shall not be disclosed or used, except for implementation of this AGREEMENT, without prior written approval of CUSTOMER'S Vice President, Global Sourcing. The purchase of COMPANY'S material/service does not authorize the COMPANY to use the name of or make reference to International Paper Company for any purpose in any releases for public or private dissemination, nor shall the COMPANY divulge or use in any advertisement or publication any specifications, data or other

information pertaining to or relating to this usage without prior written approval of CUSTOMER'S Vice President, Global Sourcing.

13. ACCOUNTING AND AUDIT:

CONTRACTOR shall maintain detailed records and accounts, satisfactory to COMPANY, of all costs entering into the performance of the work. COMPANY, or any designated agent retained by COMPANY, shall have the right at any reasonable time to audit, at CONTRACTOR'S expense, CONTRACTOR'S job books, records, receipts, correspondence and accounts insofar as they relate to matters covered by this AGREEMENT and charges made under this AGREEMENT. CONTRACTOR agrees to preserve such materials and documents for at least (3) years after completion of work hereunder.

14. GOVERNING LAW:

Enforcement or interpretation of this Agreement shall be in the state court of the State of Oregon, and all parties hereby submit to the jurisdiction of said court for the stated purpose. Furthermore, this Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

15. NO PARTNERSHIP:

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

16. ASSIGNABILITY:

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

17. PROVISIONAL REMEDIES:

Either party may seek provisional legal remedies, if in such party's judgment such action is necessary to avoid irreparable damage or preserve the status quo.

18. ENTIRE CONTRACT:

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and there are no oral or written understandings, representations or commitments of any kind, express or implied, which are not expressly set forth herein.

19. NOTICES:

Any correspondence regarding this work shall be in writing to the appropriate party (or parties) as shown below:

Customer:

International Paper  
Attn: Jena Hackett  
6400 Poplar Ave  
Tower 1, 6-105  
Memphis, TN 38197  
Phone: 901-419-7331  
e-mail: jena.hackett@ipaper.com

PacifiCorp:

PacifiCorp Transmission  
Attn: PacifiCorp Transmission Services  
825 NE Multnomah St., Suite 550  
Portland, OR 97232  
Phone: 503-813-6077

20. BILLING AND PAYMENT:

Billings and payments shall be sent to the address(es) set out below:

Customer:

International Paper  
Attn: Dan Davis  
6400 Poplar Ave  
Tower 1, 7-147  
Memphis, TN 38197  
Phone: 901-419-4270  
e-mail: dan.davis@ipaper.com

21. INDEMNIFICATION:

Company (“Indemnifying Party”) agrees to protect, defend, indemnify and hold harmless the Customer, its officers, employees and agents (collectively the “Indemnified Party”) against and from any and all liability, suits, loss, damage, claims, actions, costs and expenses of any nature, including court costs and attorney's fees, even if such actions or claims are completely groundless, growing out of injury to or death of the Indemnifying Party or its subcontractors of any tier, their employees, agents or guests, or any other



person or persons, or any and all destruction, loss or damage to property arising in any way in connection with, or related to, the Indemnifying Party's performance of any Work or any of its obligations under the Agreement, except as to injury to persons or damage to property on the Work site caused by the sole negligence of the Indemnified Party.

The indemnification obligations set forth herein shall not be limited by amounts or types of damages, compensation or benefits payable by or for the Indemnifying Party, contractors, subcontractors, sub-subcontractors, material suppliers or any person or entity for which any of them may be liable, under workers compensation acts, or any disability or employee benefit acts, in the event claims are asserted against persons or entities indemnified under this Paragraph 22 by an employee of the Indemnifying Party, a contractor, a subcontractor, a sub-subcontract or, a material supplier, anyone directly or indirectly employed by any of them or anyone (or for whose acts they may be liable.)

Moreover, at the request of the Indemnified Party, the Indemnifying Party shall defend any action, claim or suit asserting a claim that might be covered by this indemnity. The Indemnifying Party shall pay all costs and expenses that may be incurred by the Indemnified Party in enforcing this indemnity and defense agreement, including attorney's fees actually paid by the Indemnified Party.

## 22. INSURANCE:

1. COMPANY must at all times maintain the following types and amounts of insurance coverage on policies issued on an "occurrence" basis:
  - (a) Workers' Compensation Insurance (or qualification as a self-insurer) sufficient to satisfy the laws of the state(s) in which COMPANY's operations are being performed. COMPANY's Workers' Compensation insurer (or COMPANY, if self-insured) agrees to waive rights of subrogation against CUSTOMER except for claims caused by CUSTOMER's sole negligence. COMPANY shall provide for or require any subcontractor to maintain similar coverage for the subcontractor's employees employed in connection with this Project. The insurance required under this Section shall bear an endorsement evidencing a waiver of the right of subrogation against CUSTOMER and an assignment of statutory lien, if applicable;
  - (b) Employer's Liability Insurance that covers both "bodily injury by accident" and "bodily injury by disease" with limits of not less than \$1,000,000;
  - (c) Commercial General Liability Insurance that covers bodily injury, personal injury, and property damage, including but not limited to products liability, completed operations, and contractual liability coverage, with per occurrence limits of not less than \$5,000,000 and an aggregate

limit of not less than \$5,000,000. Commercial General Liability Insurance shall include “contractual” coverage for the indemnity clause set forth in Paragraph 19 of this Article. If “defined term denoting scope of contractor’s work” involves hazards due to blasting or explosions, or the hazards of the collapse of or structural injury to any building due to excavation, pile driving, shoring, underpinning, etc., then the policy shall be expressly endorsed to cover such hazards;

- (d) Automobile Liability Insurance on any owned, non-owned, or hired vehicle, with per occurrence limits for both bodily injury and property damage of not less than \$2,000,000; and
- (e) COMPANY’s Pollution Liability Insurance with per occurrence limits of not less than \$2,000,000 and an aggregate limit of not less than \$2,000,000. If written on a claims-made basis, such insurance shall provide for a minimum 2-year extended reporting period beyond the latter of (1) the completion of all services by COMPANY, or (2) the expiration of this AGREEMENT. *[Note: Optional paragraph for contractors doing work involving hazardous materials, waste, environmental services, etc. May need special language for hauling and disposal of waste/hazmat.]*
- (f) Professional Liability Insurance with Liability Limits of no less than \$XMM . “If written on a claims-made basis, such insurance shall provide for a minimum 2-year extended reporting period beyond the latter of (1) the completion of all services by COMPANY, or (2) the expiration of this AGREEMENT.” *[Note: Optional paragraph]*

With respect to the insurance provided by COMPANY under subsections 1. (c) and (d) above [and (e) and (f) if required], COMPANY shall procure from each insurer a waiver of subrogation in CUSTOMER’s favor.

2. Attorneys’ fees and costs shall be in addition to the policy limits set forth above, unless approved in writing by CUSTOMER.
3. COMPANY is responsible for payment of all deductibles, self-insured retentions and/or similar charges for the coverage required under this Article.
4. COMPANY agrees to make CUSTOMER an additional insured on COMPANY’s Commercial General Liability, Automobile Liability, and COMPANY’s Pollution Liability **[if required]** insurance policies, and will provide CUSTOMER with copies of policy endorsements reflecting CUSTOMER’s status as an additional insured thereunder. It is hereby agreed that all insurance coverage available to CUSTOMER under COMPANY’s policies will be primary without right of contribution from any other

insurance carried by or on behalf of CUSTOMER, and that all of COMPANY's insurance policies identified above will so indicate.

5. In addition to the policy endorsements making CUSTOMER an additional insured under COMPANY's policies, COMPANY will also provide CUSTOMER with written certificates of insurance evidencing COMPANY's compliance with the requirements of this Article. These certificates of insurance must provide that the policies in force listed therein cannot be canceled for any reason unless CUSTOMER is given at least thirty days advance written notice of cancellation (except ten days' notice for nonpayment of premium). COMPANY hereby agrees that if it fails to furnish the policy endorsements and/or the certificates of insurance required hereunder, or if CUSTOMER receives notice that any policy of insurance issued to COMPANY has been canceled or no longer meets the requirements of this Article, then CUSTOMER may 1) suspend this AGREEMENT until insurance is obtained; 2) terminate this AGREEMENT immediately for cause; or 3) obtain forced placement insurance that meets the requirements of this Article at COMPANY's sole cost from any broker or insurer satisfactory to CUSTOMER.

6. Risk of Loss to the Work. CUSTOMER shall assume such risk of loss to property of CUSTOMER, COMPANY and any subcontractor as normally insured by an-all-risk property insurance policy which shall cover the Work incorporated in the project and all material for the same stored on the building site and intended for the permanent use therein, except to the extent any damage to property of CUSTOMER is caused by COMPANY's negligent, grossly negligent, willful or intentional acts. CUSTOMER shall not be responsible for, and assumes no liability for, any damage however caused willfully or intentionally to property or caused to any sheds, equipment, machinery, materials, tools, supplies or personal effects belonging to or rented by COMPANY, any subcontractor, or employees of either. The CUSTOMER, COMPANY and any subcontractors mutually agree to waive the right of subrogation for loss or damage to the property as defined in this paragraph and covered by property insurance.

7. The above insurance requirements can be met through a combination of contractor's insurance, self-insured retention of the COMPANY and insurance.

### 23. SAFETY AND DRUG TESTING:

COMPANY and its subcontractors shall comply with all local, state, and federal health and safety laws and regulations applicable to COMPANY in the performance of its services hereunder. While on the premises of CUSTOMER, COMPANY and its subcontractors shall comply with CUSTOMER's site-specific regulations and shall ensure that all of its employees, subcontractors and agents have a safe work environment. COMPANY is solely responsible for the safety of COMPANY's employees and the means and methods employed by its employees in performing the services contemplated herein, and agrees that CUSTOMER shall have no such responsibility. In the event an employee of COMPANY or one of its subcontractors is injured while on CUSTOMER'S

premises, COMPANY or its subcontractor shall (i) immediately notify CUSTOMER of the time, nature, and severity of the injury, (ii) at its own cost and expense cause to be performed an investigation into the “root cause” of the injury by a competent investigator, and (iii) provide CUSTOMER with a copy of an investigation report. The report shall include the steps COMPANY or its subcontractor is taking to avoid a similar accident from occurring. In the event CUSTOMER elects to perform its own investigation, or requests that a joint investigation be performed, COMPANY or its subcontractor shall cooperate and actively assist in such an effort. In addition to the above, if an employee of COMPANY or one of its subcontractors experiences a “near miss” that could have resulted in serious injury while on CUSTOMER’S premises, COMPANY shall investigate the incident and report to CUSTOMER its findings and the steps that COMPANY will take to avoid a repeat incident.

COMPANY agrees to advise its employees and the employees of its subcontractors and agents that: (1) it is the policy of International Paper Company that the use, possession, sale, transfer or purchase of alcohol, drugs, or controlled substances on International Paper Company property is prohibited as is the presence on International Paper Company property of anyone under the influence of same; (2) entry onto International Paper Company property constitutes consent to an inspection of the employee and his or her personal effects when entering, on, or leaving International Paper Company property; (3) any employee who is found in violation of the policy or who refuses to permit an inspection may be removed and barred from International Paper Company property at the discretion of International Paper Company.

COMPANY has an existing Drug and Alcohol Policy and Drug and Alcohol Testing Policy. COMPANY expects all employees to report to work capable of performing assigned duties safely, efficiently and free from the presence or effects of drug and/or alcohol use. To this end COMPANY conducts drug and alcohol testing to the extent permitted by law under the following circumstances, post-offer pre-employment; random selection; reasonable suspicion of being under the influence of drug or alcohol use; before returning to duty after an absence or suspension from employment; after drug or alcohol rehabilitation; after an accident at work; in a near-miss event where the actions of the employee are suspect or where at-risk behavior or failure to follow safe work practices jeopardizes the safety of the employee, property or others; and pursuant to federal and/or state regulations application to employees performing safety sensitive functions or other covered tasks. Violations of COMPANY policy or positive test results may result in disciplinary action, up to and including termination of employment.

#### 24. COMPLIANCE WITH RULES, REGULATIONS AND LAWS:

Company shall at all times comply with all material laws, statutes, regulations, rules, executive orders, ordinances, codes, and standards applicable to Contractor’s performance of the work performed by Company under this Agreement including, without limitation, those governing health and safety, wages, hours, employment of minors, desegregation and employment discrimination, as each may be applicable to the

work performed by Company hereunder, and based on total anticipated dollar value of this Agreement. Company further confirms that its employees employed under the Agreement may legally work in the United States.

Without limiting the generality of the foregoing, Company shall abide by the requirements of 41 CFR §§60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. Company shall also abide by the requirements of Executive Order 11246, as amended, to develop and maintain a written affirmative action program (AAP) and Executive Orders 11625 and 13170 (utilization of disadvantaged business enterprises) and the Small Business Act. To the extent applicable, the employee notice requirements set forth in 29 CFR Part 471, Appendix A to Subpart A, are hereby incorporated by reference into this Agreement.

**25. LIMITATION OF LIABILITY:**

In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages.

**26. FORCE MAJEURE:**

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

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

Provided, the Party claiming Force Majeure shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible. Except for the obligation to pay amounts owed when due, time periods for performance obligations of

either Party herein shall be extended for the period during which Force Majeure was in effect.

27. SUCCESSORS:

This Agreement will be binding upon the Parties and will inure to the benefit of their respective successors.

28. SEVERABILITY:

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

29. WAIVER OF JURY TRIAL:

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. **EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE, OR TO REQUEST THE CONSOLIDATION OF, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.**

30. MULTIPLE COUNTERPARTS:

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

31. CONTRACTORS AND SUBCONTRACTORS:

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

32. NO THIRD-PARTY BENEFICIARIES:

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

33. SURVIVAL

The provisions of Section 4, as well as all payment obligations and liabilities incurred before the termination or expiration of this Agreement, will survive its termination or expiration.

34. MODIFICATIONS OR AMENDMENTS

No modification or amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by authorized representative of the Parties.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective as of the day and year first herein above written.

PACIFICORP

International Paper Company

/s/ Rick Vail  
Signature

/s/ Andy Wolgemuth  
Signature

Rick Vail  
Printed Name of Signor

Andy Wolgemuth  
Printed Name of Signor

VP, Transmission  
Title of Signor

Sourcing Leader - Energy  
Title of Signor

1/30/17  
Date

1-24-2017  
Date

**Attachment A: Project Schedule**

<b>Initiating task</b>	<b>Date</b>
Execute construction agreement	2/1/17
Financial Security Provided	2/1/17
Engineering & procurement commences	4/1/17
Engineering design completed	9/1/17
Field construction/wreck out commences	9/15/17
Western Kraft Substation decommissioned/removed	1/15/18
Project fully decommissioned	2/3/18



## **Attachment B: Scope of Work**

### ***SCOPE OF WORK***

The following outlines the design, procurement, installation, commissioning, ownership and future maintenance of equipment needed to replace affected transmission equipment inside Western Kraft substation and to remove the Transmission Provider's interconnection equipment.

#### ***Interconnection Customer's Generating Facility***

##### Interconnection Customer will be Responsible for the following:

- Remove the Transmission Provider's protection and control equipment in the metal clad switchgear units 1 and 8 in the Interconnection Customer's switch gear building.
- Provide the Transmission Provider access to remove the Transmission Provider's metering equipment from the Interconnection Customer's switch gear building.
- Provide the Transmission Provider access to remove the Transmission Provider's communication equipment from the Interconnection Customer's switch gear building.
- If necessary, obtain alternate feeds from a Transmission Provider's 20.8 kV feeder supplied from Murder Creek substation, to serve the Interconnection Customer's remaining load.

##### Transmission Provider will be Responsible for the following:

- De-energize the Transmission Provider owned substation equipment from the 115 kV circuit switchers through the Switchgear Units 1 and 8.
- Remove the Transmission Provider's metering equipment from the Interconnection Customer's switch gear building.
- Remove the Transmission Provider's communication equipment from the Interconnection Customer's switch gear building.

#### ***Removal of Equipment Currently Serving the International Paper Facility – Western Kraft Substation***

##### Interconnection Customer will be Responsible for the following:

##### Transmission Provider will be Responsible for the following:

- Remove the Interconnection Customer's grounding resistor and related equipment from the Transmission Provider's Western Kraft substation.
- Remove the Transmission Provider's Western Kraft substation and send to salvage or stores as appropriate. This work includes the removal of the following equipment:
  - 1 -116-12.47/7.2kV, 15/20/25MVA Federal Pacific transformer T-3566
  - 2 – 7.2kV-120/240, 25kVA SS transformers
  - 3 – 1000/600:1, single phase instrument transformers I-1284, 1285 & 1286.

- 1 – 4800kVar capacitor bank SC-429, with vacuum switch 5M26
  - 1 – 5400kVar capacitor bank SC-430, with vacuum switch 5M27
  - 2 – S&C 115kV, 1200A, Mark II circuit switchers S-201 (2M211) and S-202 (2M212).
  - 2 – 115kV, 1200A, TPST, vertical break, motor operated switches, (2M107 & 2M109) equipped with grounding blades (2M533 & 2M534).
  - 2 – 115kV, 1200A, TPST, center break “V”, manually operated switch 2M108 & 2M726
  - 6 – 115kV S&C SMD-2C fuse assemblies equipped with 125E fuses
  - 4 – 14.4kV S&C SM-5 fuse assemblies equipped with 1E fuses
  - 2 – 14.4kV, S&C SM-5 fuse assemblies equipped with 7E fuses.
  - 2 – 14.4kV, S&C SM-5 fuse assemblies equipped with 400E fuses.
  - 6 – 15kV, 100:1 voltage transformers
  - 2 – 15kV, 60:1 voltage transformers
  - 3 – 115kV, 600 x 1200:5 current transformer (I-1287, I-1288 & I-1289)
  - 6 – 15kV, 400:5 current transformers (associated with cap banks SC-429 & 430)
  - 2 – 15kV, 100:5 current transformers
  - 1 – GE – GS1202, 200A throw-over switch. (assumed to be mounted on the south wall inside the control building).
- Ship the Western Kraft substation transformers to the Transmission Provider’s DEMC location for reconditioning and future deployment.
  - Remove and dispose all substation structural steel.
  - Remove all metering equipment from the Western Kraft substation.
  - Remove the existing tone telemetry and MAS radio equipment at Western Kraft substation and place in the Transmission Provider’s storeroom.
  - Cancel the existing 4-wire telco lease between Western Kraft substation and Willamette Power Office.
  - Remove the communication equipment which includes SCADA equipment used to operate and support the low side breakers and transmission switches, and to monitor and control various equipment and electrical values for the entire substation. This equipment is located inside the Interconnection Customer owned switchgear building.
  - Cut off at ground level the Western Kraft substation fence but leave the footings in place.
  - Grind down to ground level all substation equipment concrete foundations.
  - Leave the ground grid equipment in place.
  - Backfill any necessary locations caused by the removal of substation equipment then compact and grade to match the existing grades and slopes.
  - Perform environmental tests on soil samples from the substation site.
  - If necessary take any corrective action based on the results of the environmental soil sample tests.

RECEIVED

JAN 30 2017

TRANSMISSION SERVICES  
PACIFICORP

**PROJECT CONSTRUCTION AGREEMENT**  
**International Paper Company / Decommissioning Project / OTP0089**

This Project Construction Agreement (the "Agreement") made and entered into this 30<sup>th</sup> day of January, 2017, between International Paper Company, hereinafter called "International Paper" or "Customer," and *PacifiCorp*, hereinafter called "PacifiCorp" or "Company," is for work to be performed by Company for Customer (hereinafter referred to as the "Project"). Hereinafter, International Paper and PacifiCorp may be individually referred to as a "Party" or collectively referred to as the "Parties."

RECITALS:

- A. WHEREAS, PacifiCorp is a transmission provider which owns and operates certain facilities for the transmission of electric power and energy located in Oregon;
- B. WHEREAS, International Paper was an industrial load customer in the City of Millersburg, Oregon;
- C. WHEREAS, International Paper has requested the termination and removal of the interconnection(s) at or near Western Kraft substation, which were used to reliably serve its loads and has requested that PacifiCorp perform certain work to accommodate Customer's request;
- D. WHEREAS, PacifiCorp has determined that to accommodate International Paper's request, certain work will be required to the Western Kraft substation (the "Project"), as further described and detailed in this Agreement and other work in the local area not part of this agreement; and
- E. WHEREAS, PacifiCorp has agreed to perform the work required to complete the system changes according to the terms set forth herein.

NOW THEREFORE, the Parties enter into this Agreement with the understanding that each mutually benefits from this Agreement. The parties further agree to the following:

1. DEFINITIONS

**Direct Assignment Facilities** shall mean facilities or portions of facilities that are constructed by Company for the sole use/benefit of the Customer requesting service. Direct Assignment Facilities refers to those facilities from the Customer's facilities up to (but not including) the point of interconnection with the Company's Transmission System. Direct Assignment Facilities shall be specified in this Agreement. The Customer will not recover the costs of Direct Assignment Facilities from Company.

**Good Utility Practice** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

2. TERM & TERMINATION

The term of this Agreement shall commence on the later of the date of this Agreement or another date designated by the Federal Energy Regulatory Commission ("Commission" or "FERC"), if filed at the Commission and accepted for filing ("Effective Date"). This Agreement shall terminate ninety (90) days following: (i) Company's receipt of final payment of actual costs by Customer; or (ii) Company's refund of overpayment to Customer, pursuant to Section 4 of this Agreement. In the event that neither an invoice nor a refund is required, this Agreement shall terminate 90 days following Company's determination of actual costs after completion of construction. Customer may terminate this Agreement in whole or in part, without cause, with prior written notice of not less than ninety (90) days.

3. SCOPE AND PERFORMANCE OF WORK:

- a. **Project Description and Scope.** The Project will require the complete decommissioning and removal of all electrical equipment owned by Parties at both International Paper plant site as well as Transmission Provider's Western Kraft substation. Please see Attachment B for more details.
- b. **Company Responsibilities.** Company will be solely responsible for all physical work at its to-be-removed Western Kraft substation as well as removal of its owned metering and communication equipment at the Customer's facility. Please see Attachment B for more details.
- c. **Customer Responsibilities.** Customer will provide any site preparation requirements so that Company can remove equipment from Customer



property. Customer shall decommission and remove all equipment designated in this Agreement. Please see Attachment B for more details.

#### 4. OWNERSHIP/RESPONSIBILITY FOR COSTS:

##### 4.1 Ownership

Parties shall maintain their existing ownership of lands and equipment until such time as they are properly decommissioned or removed from their respective locations.

##### 4.2 Estimated Costs

The Company's estimated cost for Company's Scope of Work for the Project is \$385,000, of which 100% is Direct Assignment Facilities. Direct Assignment Facilities costs are those costs associated with the decommissioning and removal of interconnection facilities. In consideration of the work to be performed by Company, Customer agrees to pay the estimated Direct Assignment Facilities costs on a monthly basis according to Company invoices.

##### 4.3 Payment of Actual Costs

Company will commence work following receipt of the required financial security. Financial security shall be provided in accordance with Company's Open Access Transmission Tariff Attachment L, in the form of a cash deposit, a parental guaranty, a letter of credit, or other acceptable form per Attachment L. Amount of financial security required for this project is: \$140,000.

Customer shall reimburse Company for the actual cost to complete the work. Following completion of the Project, Company shall calculate its actual costs for the Direct Assignment Facilities completed. Company's actual costs shall include all direct costs plus applicable overheads. Company will forward a copy of the calculation to Customer along with an invoice or a refund for the difference between the estimated and actual cost one hundred twenty (120) calendar days after completion of the project. Customer will have thirty (30) calendar days after receiving any invoice to make a payment.

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

#### 5. TAXES

##### 5.1 Customer Payments Not Taxable or Not Resulting in Taxable Income

The Parties intend that all payments or property transfers made by Customer to Company under this Agreement shall be non-taxable or not result in taxable income, either as contributions to capital, as a reimbursement of deductible costs to the Company or as an advance, in accordance with the Internal Revenue Code ("IRC") and any applicable state income tax laws and shall not be taxable as

contributions in aid of construction or otherwise under the IRC and any applicable state income tax laws.

## 5.2 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Company

Notwithstanding Section 5.1, Customer shall protect, indemnify and hold harmless Company from the cost consequences of any current tax liability imposed against Company as the result of payments or property transfers made by Customer to Company under this Agreement, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Company.

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

## 5.3 Tax Gross-up Amount

Customer's liability for the cost consequences of any current tax liability under this Section 5 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Customer will pay Company, in addition to the amount paid for the Project Facilities, an amount equal to (1) the current taxes imposed on Company ("Current Taxes") on the excess of (a) the gross income realized by Company as a result of payments or property transfers made by Customer to Company under this Agreement (without regard to any payments under this Article) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Company to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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



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

#### 5.4 Contests

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

#### 5.5 Refund

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

- (i) any payment made by Customer under this Section 5 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;
- (ii) interest on any amounts paid by Customer to Company for such taxes which Company did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment was made by Customer to the date Company refunds such payment to Customer; and
- (iii) with respect to any such taxes paid by Company, any refund or credit Company receives or to which it may be entitled from any governmental authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Company for such overpayment of taxes (including any reduction in interest otherwise payable by Company to any governmental authority resulting from an offset or credit); provided, however, that Company will remit such amount promptly to Customer only after and to the extent that Company has received a tax refund, credit or offset from any governmental authority for any applicable overpayment of income tax related to work hereunder.

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

6. PROJECT SCHEDULE:

The Parties mutually agree to the schedule for the completion of the Project outlined in Attachment A. All project schedule milestones are best estimates of the Parties at the time the schedule was developed.

7. OPERATION AND MAINTENANCE:

The Parties agree that there shall be no further Operations or Maintenance requirements under this or any other agreement for the facilities which are being decommissioned and removed pursuant to this Agreement.

8. STANDARD OF WORK:

All work performed pursuant to this Agreement by either Party or their agents shall be performed in a good and workmanlike manner in accordance with Good Utility Practice and with any and all prudent and applicable safety and reliability standards.

9. CHANGES:

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

No change shall be binding upon the Parties until a change order is executed by each Party which is in writing and expressly states that it constitutes a change order to this agreement. The issuance of information, advice, approvals, or instructions verbally or by an exchange of e-mail or in any other manner short of a writing executed by both parties shall not constitute an authorized change order pursuant to this provision.

All revisions to this Agreement, if originally filed at FERC, will be filed by Company as a restated agreement.

10. INSPECTION:

Customer may, at its discretion, inspect Company decommissioning and removal work in progress upon reasonable notice and with supervision by Company. Company may inspect Customer's work for Facilities being decommissioned and removed at Customer's expense upon reasonable notice and with Customer supervision.

11. ACCESS:

Company shall grant Customer and its designees reasonable escorted access to the facilities consistent with such access rights as are established in prior agreements



between the Parties, provided that Customer provides Company with reasonable notice and complies with Company's safety and security rules. This right shall terminate after decommissioning and removal work is complete.

12. CONFIDENTIALITY/TRADE SECRETS:

All specifications, data and other information furnished by International Paper Company, or its agents, to COMPANY in connection with this AGREEMENT remain the exclusive intellectual property of International Paper Company and shall be treated by the COMPANY as proprietary and shall not be disclosed or used, except for implementation of this AGREEMENT, without prior written approval of CUSTOMER'S Vice President, Global Sourcing. The purchase of COMPANY'S material/service does not authorize the COMPANY to use the name of or make reference to International Paper Company for any purpose in any releases for public or private dissemination, nor shall the COMPANY divulge or use in any advertisement or publication any specifications, data or other information pertaining to or relating to this usage without prior written approval of CUSTOMER'S Vice President, Global Sourcing.

13. ACCOUNTING AND AUDIT:

CONTRACTOR shall maintain detailed records and accounts, satisfactory to COMPANY, of all costs entering into the performance of the work. COMPANY, or any designated agent retained by COMPANY, shall have the right at any reasonable time to audit, at CONTRACTOR'S expense, CONTRACTOR'S job books, records, receipts, correspondence and accounts insofar as they relate to matters covered by this AGREEMENT and charges made under this AGREEMENT. CONTRACTOR agrees to preserve such materials and documents for at least (3) years after completion of work hereunder.

14. GOVERNING LAW:

Enforcement or interpretation of this Agreement shall be in the state court of the State of Oregon, and all parties hereby submit to the jurisdiction of said court for the stated purpose. Furthermore, this Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

15. NO PARTNERSHIP:

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

16. ASSIGNABILITY:

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

17. PROVISIONAL REMEDIES:

Either party may seek provisional legal remedies, if in such party's judgment such action is necessary to avoid irreparable damage or preserve the status quo.

18. ENTIRE CONTRACT:

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and there are no oral or written understandings, representations or commitments of any kind, express or implied, which are not expressly set forth herein.

19. NOTICES:

Any correspondence regarding this work shall be in writing to the appropriate party (or parties) as shown below:

Customer:

International Paper  
Attn: Jena Hackett  
6400 Poplar Ave  
Tower 1, 6-105  
Memphis, TN 38197  
Phone: 901-419-7331  
e-mail: jena.hackett@ipaper.com

PacifiCorp:

PacifiCorp Transmission  
Attn: PacifiCorp Transmission Services  
825 NE Multnomah St., Suite 550  
Portland, OR 97232  
Phone: 503-813-6077



20. BILLING AND PAYMENT:

Billings and payments shall be sent to the address(es) set out below:

Customer:

International Paper  
Attn: Dan Davis  
6400 Poplar Ave  
Tower 1, 7-147  
Memphis, TN 38197  
Phone: 901-419-4270  
e-mail: dan.davis@ipaper.com

21. INDEMNIFICATION:

Company ("Indemnifying Party") agrees to protect, defend, indemnify and hold harmless the Customer, its officers, employees and agents (collectively the "Indemnified Party") against and from any and all liability, suits, loss, damage, claims, actions, costs and expenses of any nature, including court costs and attorney's fees, even if such actions or claims are completely groundless, growing out of injury to or death of the Indemnifying Party or its subcontractors of any tier, their employees, agents or guests, or any other person or persons, or any and all destruction, loss or damage to property arising in any way in connection with, or related to, the Indemnifying Party's performance of any Work or any of its obligations under the Agreement, except as to injury to persons or damage to property on the Work site caused by the sole negligence of the Indemnified Party.

The indemnification obligations set forth herein shall not be limited by amounts or types of damages, compensation or benefits payable by or for the Indemnifying Party, contractors, subcontractors, sub-subcontractors, material suppliers or any person or entity for which any of them may be liable, under workers compensation acts, or any disability or employee benefit acts, in the event claims are asserted against persons or entities indemnified under this Paragraph 22 by an employee of the Indemnifying Party, a contractor, a subcontractor, a sub-subcontract or, a material supplier, anyone directly or indirectly employed by any of them or anyone (or for whose acts they may be liable.)

Moreover, at the request of the Indemnified Party, the Indemnifying Party shall defend any action, claim or suit asserting a claim that might be covered by this indemnity. The Indemnifying Party shall pay all costs and expenses that may be incurred by the Indemnified Party in enforcing this indemnity and defense agreement, including attorney's fees actually paid by the Indemnified Party.

22. INSURANCE:

1. COMPANY must at all times maintain the following types and amounts of insurance coverage on policies issued on an "occurrence" basis:

- (a) Workers' Compensation Insurance (or qualification as a self-insurer) sufficient to satisfy the laws of the state(s) in which COMPANY's operations are being performed. COMPANY's Workers' Compensation insurer (or COMPANY, if self-insured) agrees to waive rights of subrogation against CUSTOMER except for claims caused by CUSTOMER's sole negligence. COMPANY shall provide for or require any subcontractor to maintain similar coverage for the subcontractor's employees employed in connection with this Project. The insurance required under this Section shall bear an endorsement evidencing a waiver of the right of subrogation against CUSTOMER and an assignment of statutory lien, if applicable;
- (b) Employer's Liability Insurance that covers both "bodily injury by accident" and "bodily injury by disease" with limits of not less than \$1,000,000;
- (c) Commercial General Liability Insurance that covers bodily injury, personal injury, and property damage, including but not limited to products liability, completed operations, and contractual liability coverage, with per occurrence limits of not less than \$5,000,000 and an aggregate limit of not less than \$5,000,000. Commercial General Liability Insurance shall include "contractual" coverage for the indemnity clause set forth in Paragraph 19 of this Article. If "defined term denoting scope of contractor's work" involves hazards due to blasting or explosions, or the hazards of the collapse of or structural injury to any building due to excavation, pile driving, shoring, underpinning, etc., then the policy shall be expressly endorsed to cover such hazards;
- (d) Automobile Liability Insurance on any owned, non-owned, or hired vehicle, with per occurrence limits for both bodily injury and property damage of not less than \$2,000,000; and
- (e) COMPANY's Pollution Liability Insurance with per occurrence limits of not less than \$2,000,000 and an aggregate limit of not less than \$2,000,000. If written on a claims-made basis, such insurance shall provide for a minimum 2-year extended reporting period beyond the latter of (1) the completion of all services by COMPANY, or (2) the expiration of this AGREEMENT. [*Note: Optional paragraph for contractors doing work involving hazardous materials, waste, environmental services, etc. May need special language for hauling and disposal of waste/hazmat.*]



- (f) Professional Liability Insurance with Liability Limits of no less than \$XMM . “If written on a claims-made basis, such insurance shall provide for a minimum 2-year extended reporting period beyond the latter of (1) the completion of all services by COMPANY, or (2) the expiration of this AGREEMENT.” [Note: *Optional paragraph*]

With respect to the insurance provided by COMPANY under subsections 1. (c) and (d) above [and (e) and (f) if required], COMPANY shall procure from each insurer a waiver of subrogation in CUSTOMER’s favor.

2. Attorneys’ fees and costs shall be in addition to the policy limits set forth above, unless approved in writing by CUSTOMER.

3. COMPANY is responsible for payment of all deductibles, self-insured retentions and/or similar charges for the coverage required under this Article.

4. COMPANY agrees to make CUSTOMER an additional insured on COMPANY’s Commercial General Liability, Automobile Liability, and COMPANY’s Pollution Liability [**if required**] insurance policies, and will provide CUSTOMER with copies of policy endorsements reflecting CUSTOMER’s status as an additional insured thereunder. It is hereby agreed that all insurance coverage available to CUSTOMER under COMPANY’s policies will be primary without right of contribution from any other insurance carried by or on behalf of CUSTOMER, and that all of COMPANY’s insurance policies identified above will so indicate.

5. In addition to the policy endorsements making CUSTOMER an additional insured under COMPANY’s policies, COMPANY will also provide CUSTOMER with written certificates of insurance evidencing COMPANY’s compliance with the requirements of this Article. These certificates of insurance must provide that the policies in force listed therein cannot be canceled for any reason unless CUSTOMER is given at least thirty days advance written notice of cancellation (except ten days’ notice for nonpayment of premium). COMPANY hereby agrees that if it fails to furnish the policy endorsements and/or the certificates of insurance required hereunder, or if CUSTOMER receives notice that any policy of insurance issued to COMPANY has been canceled or no longer meets the requirements of this Article, then CUSTOMER may 1) suspend this AGREEMENT until insurance is obtained; 2) terminate this AGREEMENT immediately for cause; or 3) obtain forced placement insurance that meets the requirements of this Article at COMPANY’s sole cost from any broker or insurer satisfactory to CUSTOMER.

6. Risk of Loss to the Work. CUSTOMER shall assume such risk of loss to property of CUSTOMER, COMPANY and any subcontractor as normally insured by an-all-risk property insurance policy which shall cover the Work incorporated in the project and all material for the same stored on the building site and intended

for the permanent use therein, except to the extent any damage to property of CUSTOMER is caused by COMPANY's negligent, grossly negligent, willful or intentional acts. CUSTOMER shall not be responsible for, and assumes no liability for, any damage however caused willfully or intentionally to property or caused to any sheds, equipment, machinery, materials, tools, supplies or personal effects belonging to or rented by COMPANY, any subcontractor, or employees of either. The CUSTOMER, COMPANY and any subcontractors mutually agree to waive the right of subrogation for loss or damage to the property as defined in this paragraph and covered by property insurance.

7. The above insurance requirements can be met through a combination of contractor's insurance, self-insured retention of the COMPANY and insurance.

23. SAFETY AND DRUG TESTING:

COMPANY and its subcontractors shall comply with all local, state, and federal health and safety laws and regulations applicable to COMPANY in the performance of its services hereunder. While on the premises of CUSTOMER, COMPANY and its subcontractors shall comply with CUSTOMER's site-specific regulations and shall ensure that all of its employees, subcontractors and agents have a safe work environment. COMPANY is solely responsible for the safety of COMPANY's employees and the means and methods employed by its employees in performing the services contemplated herein, and agrees that CUSTOMER shall have no such responsibility. In the event an employee of COMPANY or one of its subcontractors is injured while on CUSTOMER'S premises, COMPANY or its subcontractor shall (i) immediately notify CUSTOMER of the time, nature, and severity of the injury, (ii) at its own cost and expense cause to be performed an investigation into the "root cause" of the injury by a competent investigator, and (iii) provide CUSTOMER with a copy of an investigation report. The report shall include the steps COMPANY or its subcontractor is taking to avoid a similar accident from occurring. In the event CUSTOMER elects to perform its own investigation, or requests that a joint investigation be performed, COMPANY or its subcontractor shall cooperate and actively assist in such an effort. In addition to the above, if an employee of COMPANY or one of its subcontractors experiences a "near miss" that could have resulted in serious injury while on CUSTOMER'S premises, COMPANY shall investigate the incident and report to CUSTOMER its findings and the steps that COMPANY will take to avoid a repeat incident.

COMPANY agrees to advise its employees and the employees of its subcontractors and agents that: (1) it is the policy of International Paper Company that the use, possession, sale, transfer or purchase of alcohol, drugs, or controlled substances on International Paper Company property is prohibited as is the presence on International Paper Company property of anyone under the influence of same; (2) entry onto International Paper Company property constitutes consent to an inspection of the employee and his or her personal effects when entering, on, or leaving International Paper Company property; (3) any employee who is found in



violation of the policy or who refuses to permit an inspection may be removed and barred from International Paper Company property at the discretion of International Paper Company.

COMPANY has an existing Drug and Alcohol Policy and Drug and Alcohol Testing Policy. COMPANY expects all employees to report to work capable of performing assigned duties safely, efficiently and free from the presence or effects of drug and/or alcohol use. To this end COMPANY conducts drug and alcohol testing to the extent permitted by law under the following circumstances, post-offer pre-employment; random selection; reasonable suspicion of being under the influence of drug or alcohol use; before returning to duty after an absence or suspension from employment; after drug or alcohol rehabilitation; after an accident at work; in a near-miss event where the actions of the employee are suspect or where at-risk behavior or failure to follow safe work practices jeopardizes the safety of the employee, property or others; and pursuant to federal and/or state regulations application to employees performing safety sensitive functions or other covered tasks. Violations of COMPANY policy or positive test results may result in disciplinary action, up to and including termination of employment.

#### 24. COMPLIANCE WITH RULES, REGULATIONS AND LAWS:

Company shall at all times comply with all material laws, statutes, regulations, rules, executive orders, ordinances, codes, and standards applicable to Contractor's performance of the work performed by Company under this Agreement including, without limitation, those governing health and safety, wages, hours, employment of minors, desegregation and employment discrimination, as each may be applicable to the work performed by Company hereunder, and based on total anticipated dollar value of this Agreement. Company further confirms that its employees employed under the Agreement may legally work in the United States.

Without limiting the generality of the foregoing, Company shall abide by the requirements of 41 CFR §§60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. Company shall also abide by the requirements of Executive Order 11246, as amended, to develop and maintain a written affirmative action program (AAP) and Executive Orders 11625 and 13170 (utilization of disadvantaged business enterprises) and the Small Business Act. To the extent applicable, the employee notice requirements set forth in 29 CFR Part 471, Appendix A to Subpart A, are hereby incorporated by reference into this Agreement.

25. LIMITATION OF LIABILITY:

In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages.

26. FORCE MAJEURE:

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

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

Provided, the Party claiming Force Majeure shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible. Except for the obligation to pay amounts owed when due, time periods for performance obligations of either Party herein shall be extended for the period during which Force Majeure was in effect.

27. SUCCESSORS:

This Agreement will be binding upon the Parties and will inure to the benefit of their respective successors.

28. SEVERABILITY:

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

29. WAIVER OF JURY TRIAL:

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN



RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE, OR TO REQUEST THE CONSOLIDATION OF, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

30. MULTIPLE COUNTERPARTS:

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

31. CONTRACTORS AND SUBCONTRACTORS:

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

32. NO THIRD-PARTY BENEFICIARIES:

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

33. SURVIVAL

The provisions of Section 4, as well as all payment obligations and liabilities incurred before the termination or expiration of this Agreement, will survive its termination or expiration.

34. MODIFICATIONS OR AMENDMENTS

No modification or amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by authorized representative of the Parties.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective as of the day and year first herein above written.

PACIFICORP

International Paper Company

*Rick Vail*  
Signature

*Andy Wolgemuth*  
Signature

*Rick Vail*  
Printed Name of Signor

*Andy Wolgemuth*  
Printed Name of Signor

*VP, Transmission*  
Title of Signor

*Sourcing Leader - Energy*  
Title of Signor

*1/30/17*  
Date

*1-24-2017*  
Date

## Attachment A: Project Schedule

<b>Initiating task</b>	<b>Date</b>
Execute construction agreement	2/1/17
Financial Security Provided	2/1/17
Engineering & procurement commences	4/1/17
Engineering design completed	9/1/17
Field construction/wreck out commences	9/15/17
Western Kraft Substation decommissioned/removed	1/15/18
Project fully decommissioned	2/3/18

## **Attachment B: Scope of Work**

### ***SCOPE OF WORK***

The following outlines the design, procurement, installation, commissioning, ownership and future maintenance of equipment needed to replace affected transmission equipment inside Western Kraft substation and to remove the Transmission Provider's interconnection equipment.

#### ***Interconnection Customer's Generating Facility***

Interconnection Customer will be Responsible for the following:

- Remove the Transmission Provider's protection and control equipment in the metal clad switchgear units 1 and 8 in the Interconnection Customer's switch gear building.
- Provide the Transmission Provider access to remove the Transmission Provider's metering equipment from the Interconnection Customer's switch gear building.
- Provide the Transmission Provider access to remove the Transmission Provider's communication equipment from the Interconnection Customer's switch gear building.
- If necessary, obtain alternate feeds from a Transmission Provider's 20.8 kV feeder supplied from Murder Creek substation, to serve the Interconnection Customer's remaining load.

Transmission Provider will be Responsible for the following:

- De-energize the Transmission Provider owned substation equipment from the 115 kV circuit switchers through the Switchgear Units 1 and 8.
- Remove the Transmission Provider's metering equipment from the Interconnection Customer's switch gear building.
- Remove the Transmission Provider's communication equipment from the Interconnection Customer's switch gear building.

#### ***Removal of Equipment Currently Serving the International Paper Facility – Western Kraft Substation***

Interconnection Customer will be Responsible for the following:

Transmission Provider will be Responsible for the following:

- Remove the Interconnection Customer's grounding resistor and related equipment from the Transmission Provider's Western Kraft substation.
- Remove the Transmission Provider's Western Kraft substation and send to salvage or stores as appropriate. This work includes the removal of the following equipment:



- 1 -116-12.47/7.2kV, 15/20/25MVA Federal Pacific transformer T-3566
  - 2 – 7.2kV-120/240, 25kVA SS transformers
  - 3 – 1000/600:1, single phase instrument transformers I-1284, 1285 & 1286.
  - 1 – 4800kVar capacitor bank SC-429, with vacuum switch 5M26
  - 1 – 5400kVar capacitor bank SC-430, with vacuum switch 5M27
  - 2 – S&C 115kV, 1200A, Mark II circuit switchers S-201 (2M211) and S-202 (2M212).
  - 2 – 115kV, 1200A, TPST, vertical break, motor operated switches, (2M107 & 2M109) equipped with grounding blades (2M533 & 2M534).
  - 2 – 115kV, 1200A, TPST, center break “V”, manually operated switch 2M108 & 2M726
  - 6 – 115kV S&C SMD-2C fuse assemblies equipped with 125E fuses
  - 4 – 14.4kV S&C SM-5 fuse assemblies equipped with 1E fuses
  - 2 – 14.4kV, S&C SM-5 fuse assemblies equipped with 7E fuses.
  - 2 – 14.4kV, S&C SM-5 fuse assemblies equipped with 400E fuses.
  - 6 – 15kV, 100:1 voltage transformers
  - 2 – 15kV, 60:1 voltage transformers
  - 3 – 115kV, 600 x 1200:5 current transformer (I-1287, I-1288 & I-1289)
  - 6 – 15kV, 400:5 current transformers (associated with cap banks SC-429 & 430)
  - 2 – 15kV, 100:5 current transformers
  - 1 – GE – GS1202, 200A throw-over switch. (assumed to be mounted on the south wall inside the control building).
- Ship the Western Kraft substation transformers to the Transmission Provider’s DEMC location for reconditioning and future deployment.
  - Remove and dispose all substation structural steel.
  - Remove all metering equipment from the Western Kraft substation.
  - Remove the existing tone telemetry and MAS radio equipment at Western Kraft substation and place in the Transmission Provider’s storeroom.
  - Cancel the existing 4-wire telco lease between Western Kraft substation and Willamette Power Office.
  - Remove the communication equipment which includes SCADA equipment used to operate and support the low side breakers and transmission switches, and to monitor and control various equipment and electrical values for the entire substation. This equipment is located inside the Interconnection Customer owned switchgear building.
  - Cut off at ground level the Western Kraft substation fence but leave the footings in place.
  - Grind down to ground level all substation equipment concrete foundations.
  - Leave the ground grid equipment in place.
  - Backfill any necessary locations caused by the removal of substation equipment then compact and grade to match the existing grades and slopes.

- Perform environmental tests on soil samples from the substation site.
- If necessary take any corrective action based on the results of the environmental soil sample tests.