

POWER PURCHASE TERMINATION AGREEMENT

BETWEEN

**THE DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES**

and

PACIFICORP

POWER PURCHASE TERMINATION AGREEMENT

This Power Purchase Termination Agreement, dated as of August __, 2014, by and between PacifiCorp and the Department of Water and Power of the City of Los Angeles (“Los Angeles”).

I. RECITALS

Los Angeles and PacifiCorp (successor to Utah Power & Light Company) have heretofore entered into a Power Purchase Agreement, dated June 22, 1989 (the “1989 Power Purchase Agreement”) providing for the purchase by Los Angeles from PacifiCorp of capacity and associated energy equivalent to PacifiCorp’s 4% Generation Entitlement Share from the Intermountain Power Project (“IPP”) which PacifiCorp purchases from Intermountain Power Agency (“IPA”) under its Power Sales Contract, dated September 28, 1978, as amended, with IPA (the “PacifiCorp IPP Power Sales Contract”). The terms of such capacity and energy purchase by Los Angeles under the 1989 Power Purchase Agreement are substantially the same as those under the PacifiCorp IPP Power Sales Contract for the purchase by PacifiCorp of its IPP 4% Generation Entitlement Share. All capitalized terms used herein without definition shall have the respective meanings assigned thereto in the 1989 Power Purchase Agreement.

PacifiCorp and IPA are entering into a Final PacifiCorp Amendatory Power Sales Contract (the “Final PacifiCorp Amendatory Power Sales Contract”) that reduces to 0% PacifiCorp’s 4% IPP Generation Entitlement Share and terminates the PacifiCorp IPP Power Sales Contract. IPA and the other IPP Purchasers, including Los Angeles, are amending their respective IPP Power Sales Contracts by entering into the Second Amendatory Power Sales Contracts under which, among other things, Los Angeles’ IPP Generation Entitlement Share is

increased by 4%, which corresponds with the reduction of PacifiCorp's 4% IPP Generation Entitlement Share.

As a result of the termination of the PacifiCorp IPP Power Sales Contract, which terminates PacifiCorp's IPP 4% Generation Entitlement Share, and the corresponding increase of Los Angeles' IPP Generation Entitlement Share, the parties recognize that the purchase by Los Angeles from PacifiCorp under the 1989 Power Purchase Agreement of capacity and energy equivalent to the PacifiCorp's IPP 4% Generation Entitlement Share is no longer needed and, consequently, the parties intend to terminate the 1989 Power Purchase Agreement.

II. AGREEMENT

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the parties agree as follows:

Section 1. Pursuant to Section 5.1(a) of the 1989 Power Purchase Agreement and upon the occurrence of the Effective Date as provided in Section 4 below, the 1989 Power Purchase Agreement shall terminate and shall no longer have any force or effect, except that the provisions thereof for payment by Los Angeles of the final billing under the 1989 Power Purchase Agreement as provided in Section 2 hereof shall survive until Los Angeles completes its payment obligations thereunder.

Section 2. Promptly following the Effective Date occurring as provided under Section 4 below, PacifiCorp shall deliver to Los Angeles the final bill under the 1989 Power Purchase Agreement, which shall consist of the final invoice submitted by IPA to PacifiCorp pursuant to Section 3 of the Final PacifiCorp Amendatory Power Sales Contract, and Los Angeles shall pay

the amount of such bill to PacifiCorp within fifteen (15) days of receipt thereof, all as provided in Section 8 of the 1989 Power Purchase Agreement.

Section 3. Upon the occurrence of the Effective Date, each party to this Power Purchase Termination Agreement hereby releases and discharges the other party hereto from any and all claims, demands or causes of action of any kind, whether arising in law or equity, which such party has had, or now has, against the other party by reason of any act, omission, matter or cause whatsoever arising under the 1989 Power Purchase Agreement. For the avoidance of doubt, such release and discharge do not apply to the obligation of Los Angeles with respect to payment of the final bill submitted by PacifiCorp to Los Angeles following the Effective Date pursuant to Section 2. Such final bill shall remain in effect until paid.

Section 4. This Power Purchase Termination Agreement shall become effective upon the date (the "Effective Date") on which the following shall have occurred:

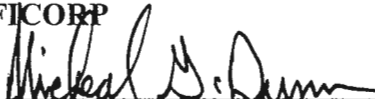
- (i) This Power Purchase Termination Agreement shall have been executed and delivered by PacifiCorp and Los Angeles;
- (ii) PacifiCorp and Los Angeles shall have each received any governmental regulatory approvals, consents and authorizations required for the execution and delivery of this Power Purchase Termination Agreement and the effectiveness of its terms and provisions; and
- (iii) The Final PacifiCorp Amendatory Power Sales Contract shall become effective in accordance with its terms.

Section 5. By executing this Power Purchase Termination Agreement, and except as otherwise stated herein, the parties do not intend to amend or alter any other contracts or commercial arrangements that exist between them. If the parties agree, following the Effective Date of this Power Purchase Termination Agreement, that other contracts or commercial arrangements between them require amendment or alteration in order to conform to this Power Purchase Termination Agreement, then the parties shall cooperate in good faith to make such amendments or alterations.


Section 6. This Power Purchase Termination Agreement shall be interpreted, governed by and construed under the laws of the State of Utah.

IN WITNESS WHEREOF, PacifiCorp and Los Angeles have each duly caused this Power Purchase Termination Agreement to be executed in compliance with Section 5.3 of the 1989 Power Purchase Agreement on their respective behalves as of the date hereinabove set forth.

PACIFICORP

By: 
Title: President and CEO - PacifiCorp Energy

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

MAY 26 2015
BY 
VAUGHN MINASSIAN
DEPUTY CITY ATTORNEY

**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES**

By: _____

Title: _____