

POWER PURCHASE AGREEMENT

BETWEEN

DEPARTMENT OF WATER AND POWER

OF THE CITY OF LOS ANGELES

AND

PACIFICORP

(FOR MILFORD WIND CORRIDOR PHASE I PROJECT)

DATED AS OF _____, 2017

DWP No. BP 16-004

**POWER PURCHASE AGREEMENT BETWEEN
PACIFICORP
AND
CITY OF LOS ANGELES ACTING BY AND THROUGH
THE LOS ANGELES DEPARTMENT OF WATER AND POWER
(FOR MILFORD WIND CORRIDOR PHASE I PROJECT)**

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(FOR MILFORD WIND CORRIDOR PHASE I PROJECT)**

1. Agreement and Parties

This Power Purchase Agreement (“Agreement”) is by and between PacifiCorp, an Oregon corporation (“PacifiCorp” or “Buyer”), and the City of Los Angeles acting by and through the Los Angeles Department of Water and Power, a municipal corporation of the State of California (“LADWP” or “Seller”) (each separately a “Party” and together the “Parties”), and shall take effect on the date of execution by both Parties (“Effective Date”).

2. Recitals

This Agreement is made with reference to the following facts, among others:

- 2.1. PacifiCorp (d/b/a Rocky Mountain Power) provides retail electric service under the supervision of the Utah Public Service Commission within its franchised service territories in the state of Utah; and
- 2.2. A Retail Customer within PacifiCorp’s franchised service territory has requested PacifiCorp to provide it retail electric service via Retail Customer’s existing interconnection to the Intermountain Power Project substation; and
- 2.3. PacifiCorp desires to purchase Wholesale Electric Service from LADWP to provide electric service to the Retail Customer; and
- 2.4. LADWP is willing to sell and deliver Wholesale Electric Service to PacifiCorp, for such Retail Customer; and
- 2.5. The Parties desire to enter into an agreement pertaining to: (i) the purchase and sale of Wholesale Electric Service, (ii) the accounting and billing procedures used to determine and settle the obligations incurred under this Agreement, and (iii) other contractual matters, all as set forth herein.

2.6. The Parties have previously entered into a Power Purchase Agreement for Wholesale Electric Service (DWP No. BP 09-021), which has expired. The Seller has continued to provide Buyer with Wholesale Electric Service since the expiration of the agreement.

3. Agreement

In consideration of the promises and the mutual covenants and agreements contained herein, the Parties agree as follows:

4. Definitions

All terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings set forth in this Section 4:

- 4.1. "Agreement" means this Power Purchase Agreement Between PacifiCorp and LADWP.
- 4.2. "Authorized Representative" means the representative of a Party designated in accordance with Section 10.
- 4.3. "Milford Backfeed Revenue Meters" means a component of the Milford Wind Corridor Phase I, LLC power revenue meter located at the Milford Valley Wind Collector Station South that measures energy flow to the Retail Customer's facility as per Attachment B (Meters labeled F3M, F4M, F5M, F6M, F7M, SSM).
- 4.4. "Bankruptcy" means any case, action or proceeding under any bankruptcy, reorganization, debt arrangement, insolvency or receivership law or any dissolution or liquidation proceeding commenced by or against a Party and, if such case, action or proceeding is not commenced by such Party, such case or proceeding shall be consented to or acquiesced in by such Party or shall result in an order for relief or shall remain undismissed for sixty (60) days.
- 4.5. "Billing Period" has the meaning set forth in Section 7.1.
- 4.6. "Billing Rate" means the rate charged by LADWP for Wholesale Electric Service to PacifiCorp under this Agreement according to the provisions of Section 7.3.

- 4.7. **"Business Day"** means any calendar day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Los Angeles, California.
- 4.8. [Intentionally Omitted]
- 4.9. **"Default"** has the meaning set forth in Section 11.
- 4.10. **"Effective Date"** has the meaning set forth in Section 1.
- 4.11. **"Facilities Expenses"** has the meaning set forth in Section 6.1.
- 4.12. **"Improvements"** has the meaning set forth in Section 6.1.
- 4.13. **"Interconnection Agreement"** means that certain Amended and Restated Generator Interconnection Agreement, dated October 12, 2010, by IPA and Milford Wind Corridor Phase I, LLC, as such agreement may be amended, modified or supplemented from time to time.
- 4.14. **"Intermountain Power Project"** means the coal-fired electric generating facility located in the State of Utah and owned by the IPA.
- 4.15. **"IPA"** means the Intermountain Power Agency, a political subdivision of the State of Utah.
- 4.16. **"Point of Delivery"** means, when used with respect to any Wholesale Electric Service sold and purchased under this Agreement, the physical point where electrical energy is required to be delivered from LADWP to PacifiCorp, which shall be the Point of Interconnection identified in the Interconnection Agreement and restated in Attachment A to this Agreement.
- 4.17. **"Retail Customer"** has the meaning set forth in Section 6.
- 4.18. **"Wholesale Electric Service"** means the electric energy, reactive power and capacity sold at wholesale from LADWP to PacifiCorp and required by Retail Customer, including all transmission services and ancillary services required to deliver Wholesale Electric Service to the Point of Delivery.

5. Effective Date, Term, and Termination

This Agreement shall have an initial term of three (3) years. At the end of the third year of the initial term, and at the end of the first year of each subsequent term, the Agreement will automatically renew for successive one (1) year terms until the expiration of the Milford Wind Corridor Phase I Power Sales Agreement, unless either Party timely notifies the other party of the termination of the automatic renewal of this Agreement as set forth in Subsection 5.1, or the Agreement otherwise terminates as provided in Subsections 5.2 through 5.6 below. Buyer's obligation to pay bills pursuant to Sections 6 and 7 shall survive termination of this Agreement.

- 5.1. Either Party may notify the other Party of the termination of the automatic one (1) year renewals described in this Section 5 on or before the date that is one (1) year prior to the last day of the initial term, and one (1) year prior to the last day of each subsequent term of the Agreement thereafter.
- 5.2. This Agreement shall terminate automatically upon termination of the Wind Retail Service Agreement Between PacifiCorp and Milford Wind Corridor Phase I, LLC (including any extension to, or replacement of, that agreement).
- 5.3. The Non-Defaulting Party may terminate this Agreement as set forth in Section 12.
- 5.4. LADWP may terminate the Agreement immediately should the Utah Public Service Commission or a court of competent jurisdiction declare that LADWP is a public utility in Utah by virtue of services provided under this Agreement.
- 5.5. LADWP may terminate the Agreement as set forth in Subsection 6.1.
- 5.6. Either Party may terminate this Agreement as provided in Subsection 8.3.

6. Wholesale Electric Service to PacifiCorp

Commencing on the Effective Date, LADWP shall sell Wholesale Electric Service to PacifiCorp for the benefit of the retail customer of PacifiCorp specified in **Attachment A ("Retail Customer")**. The purchase and sale of Wholesale Electric Service shall be subject to the following terms and conditions:

- 6.1. LADWP and PacifiCorp believe that Retail Customer's Interconnection Agreement obligates the Retail Customer to bear the cost of any additional interconnection facilities needed to serve Retail Customer's load via the Intermountain Power Project substation. However, if, as a result of the sale of Wholesale Electric Service to PacifiCorp hereunder, LADWP, in its own capacity and not as IPA's agent, must construct improvements to LADWP's, IPA's or any other transmission system or interconnection facilities for purposes of service reliability ("**Improvements**"), PacifiCorp shall bear the cost of the completion of all Improvements ("**Facilities Expenses**"), *provided, that* prior to obligating itself to construct such Improvements, LADWP shall give PacifiCorp ninety (90) days to approve such Facilities Expenses, such that PacifiCorp may seek and obtain indemnification from liability for such costs from its Retail Customer. If PacifiCorp is unable to obtain indemnification for Improvements from its Retail Customer, PacifiCorp may disapprove such Improvements and LADWP may, upon such disapproval by PacifiCorp, terminate this Agreement.
- 6.1.1. LADWP shall render an invoice to PacifiCorp for Facilities Expenses incurred pursuant to this Section 6.1 no later than ninety (90) days after completion of the Improvements. PacifiCorp shall pay LADWP for such Facilities Expenses no later than ninety (90) calendar days after receipt of such invoice.
- 6.1.2. Payments which are not made in full by PacifiCorp to LADWP by said due date as set forth in Section 6.1.1 shall thereafter accrue interest at the rate of ten percent (10%) per annum on the unpaid balance prorated by days.
- 6.2. Retail Customer, as required under the Interconnection Agreement, shall pay for the construction and maintenance of the Milford Backfeed Revenue Meters. The Milford Backfeed Revenue Meters installed shall be acceptable to LADWP, and LADWP shall provide PacifiCorp all data from the Milford Backfeed Revenue Meters upon PacifiCorp's request; provided that LADWP shall not be required to provide such data more frequently than once per calendar month.
- 6.3. LADWP shall only be obligated to provide Wholesale Electrical Service to PacifiCorp for use by its Retail Customer to the extent

electrical energy and capacity is available to LADWP from its agreements with the IPA and the Intermountain Power Project.

- 6.4. PacifiCorp undertakes and agrees to indemnify and hold harmless the City of Los Angeles, the Department of Water and Power, the Board of Water and Power Commissioners of the City of Los Angeles, and all of their officers and employees, and, at the option of LADWP, defend LADWP, and any and all of their Boards, officers, agents, representatives, employees, assigns and successors in interest from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including PacifiCorp's employees and agents, or damage or destruction to any property of either Party hereto, or third persons in any manner arising by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of PacifiCorp, or PacifiCorp's officers, agents, employees, or subcontractors of any tier, except for the active negligence or willful misconduct of LADWP, its Board, officers, agents, representatives or employees.

7. Energy Accounting

- 7.1. The Authorized Representative of LADWP shall furnish Backfeed Revenue Meter data to the Authorized Representative of PacifiCorp, specifying the kilowatt amounts of energy in kilowatt-hour (kWh), reactive power in kilovar hour (kVarh), and maximum capacity delivered for each calendar month period (each, a "Billing Period"), commencing at the end of the first (1st) calendar month following the Effective Date. Such amounts shall be provided to the Authorized Representative of PacifiCorp within thirty (30) days of the end of each Billing Period.
- 7.2. PacifiCorp shall pay LADWP for the Wholesale Energy Service using the amounts calculated and reported to LADWP pursuant to Section 7.1 and the Billing Rate established pursuant to Section 7.3.
- 7.3. The applicable Billing Rate shall be the Billing Rate set forth in Attachment A and shall be used to set the price for all electric energy, reactive power and capacity provided by LADWP to PacifiCorp under this Agreement commencing on the Effective Date and for each

calendar year. On January 1 of each year, the capacity and power factor charges listed in Attachment A shall escalate (or decrease) according to the Consumer Price Index for the City of Los Angeles.

- 7.4. LADWP shall render an invoice to PacifiCorp for energy, reactive power and capacity sold and delivered to PacifiCorp under this Agreement within thirty (30) days of the end of the applicable Billing Period, and PacifiCorp shall pay for such energy no later than thirty (30) calendar days of receipt of such invoice ("Due Date").
- 7.5. Amounts invoiced pursuant to Section 7.4 and unpaid by PacifiCorp by said Due Date shall thereafter accrue interest at the rate of ten percent (10%) per annum prorated by days.
- 7.6. Each Party shall submit invoices and payments to the other Party at the addresses provided in Notices, Section 14, unless changed by written notice.

8. Uncontrollable Forces

Neither Party shall be considered to be in default in the performance of any of its obligations under this Agreement (other than obligations of said Party to pay expenses and costs in accordance with Sections 6 and 7) if failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" shall mean any cause beyond the reasonable control of the Party affected including, but not limited to, failure of facilities, flood, earthquake, storm, drought, fire, pestilence, lightning, and other natural catastrophes, terrorism, cyber risk, epidemic, war, riot, civil disturbance or disobedience, strike, sabotage, labor dispute, labor or material shortage, shortage of supply, curtailment, restraints by court order or public authority, and action or non-action by or inability to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence it has been unable to overcome. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. Any Party rendered unable to fulfill any obligation under this Agreement by reason of any uncontrollable force shall exercise due diligence to remove any such inability with all reasonable dispatch.

8.1 Notice of Event: The affected party shall provide notice to the unaffected party within 10 days of the event giving rise to activating protection under this section.

8.2 **Period to Cure/Duration:** Said notice shall indicate the anticipated duration of the inability to perform and the affected party shall be provided a period to cure or recover from the event subject to acceptance by the unaffected party.

8.3 **Right to Terminate:** The unaffected party may elect to terminate this agreement by providing 30 days written notice to the affected party due to the duration, impact, or content in the written notice of the event as provided in section 8.2.

9. Regulatory Authority

Nothing contained herein shall be construed to mean that the LADWP consents to an exercise of jurisdiction by the Utah Public Service Commission, the Federal Energy Regulatory Commission, or any other regulatory authority.

10. Authorized Representative

The following person(s) are authorized to act on behalf of their respective Party in the implementation of the Agreement and with respect to those matters contained herein which are the functions and responsibilities of the Authorized Representative. Either Party may at any time change the designation of its Authorized Representative by written notice to the other Party.

For PacifiCorp:

PacifiCorp
c/o Bruce Griswold
Director, Origination
(or any successor thereto)
825 NE Multnomah, Suite 925
Portland, OR 97232

For LADWP:

City of Los Angeles by and through
The Department of Water and Power
c/o Manager of Power System Planning and
Development, (or any successor thereto)
P.O. Box 51111, Room 1250

Los Angeles, California 90051-0100

11. **Default.** Each of the following events or circumstances shall constitute a "Default" by the responsible Party (the "Defaulting Party"):

11.1. *Buyer Payment or Performance Default.* Failure by Buyer to make any payment or perform any of its other duties or obligations under this Agreement when and as due which is not cured within thirty (30) calendar days after receipt of notice thereof from the Seller.

11.2. *Seller Payment or Performance Default.* Failure by Seller to make any payment or perform any of its other duties or obligations under this Agreement when and as due which is not cured within thirty (30) calendar days after receipt of notice thereof from the Buyer.

11.3. *Buyer Bankruptcy.* Bankruptcy of Buyer.

11.4. *Seller Bankruptcy.* Bankruptcy of Seller.

11.5. **Default Remedy.**

11.5.1. If Buyer is in Default for nonpayment, subject to any duty or obligation under this Agreement, Seller may continue to provide services pursuant to its obligations under this Agreement. Seller's continued service to Buyer shall not act to relieve Buyer of any of its duties or obligations under this Agreement.

11.5.2. Notwithstanding any other provision herein, if any Default has occurred and is continuing, the affected Party may, whether or not the dispute resolution procedure set forth in Section 13 has been invoked or completed, bring an action in any court of competent jurisdiction as set forth in Section 15.6 and 15.7 seeking injunctive relief in accordance with applicable rules of civil procedure.

11.5.3. Except as expressly limited by this Agreement, if a Default has occurred and is continuing and the Buyer is the Defaulting Party, Seller may without further notice exercise any rights and remedies provided herein or otherwise available at law or in equity, including the right to terminate this Agreement pursuant to Section 12. No failure of Seller to exercise, and no delay in

exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Seller of any other right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power.

12. Termination for Default.

If Default occurs, the Party that is not the Defaulting Party (the "**Non Defaulting Party**") may, for so long as the Default is continuing and without limiting any other rights or remedies available to the Non-Defaulting Party under this Agreement, by notice ("**Termination Notice**") to the Defaulting Party (i) establish a date (which shall be no earlier than the date of such notice and no later than twenty (20) days after the date of such notice) ("**Early Termination Date**") on which this Agreement shall terminate.

13. Disputes

- 13.1. In the event PacifiCorp desires to dispute all or any portion of any invoice submitted by LADWP, it shall nevertheless pay the full amount of the invoice when due and shall give notice in writing to LADWP in accordance with Section 13.2. LADWP shall not be required to adjust any bill submitted by LADWP or otherwise pay PacifiCorp such disputed amount unless such disputed amount has been brought to the attention of LADWP within the time and in the manner herein specified. Commencing on the date of PacifiCorp's payment to LADWP of a disputed amount, such amount that is later returned to PacifiCorp shall accrue interest at the rate of ten percent (10%) per annum prorated by days.
- 13.2. In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (a "**Dispute**"), either Party (the "**Notifying Party**") may deliver to the other Party (the "**Recipient Party**") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "**Dispute Notice**"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

13.2.1. The Recipient Party shall within five (5) Business Days following receipt of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

13.2.2. In the event the dispute is not resolved pursuant to the procedures set forth in subsection 13.2.1 either Party may request a non-binding mediation or arbitration for the dispute, the cost of which shall be borne equally by both Parties.

13.2.3. In the event a Dispute is not resolved pursuant to the procedures set forth in Subsections 13.2.1 or 13.2.2 by the expiration of the thirty (30) day period set forth in Subsection 13.2.1, then either Party may pursue any legal remedy available to it in accordance with the provisions of Section 15.6 and 15.7 of this Agreement.

14. Notices

Any notice, invoice, demand, or request provided in this Agreement, or served, given, or made in connection with it shall be in writing and shall be deemed properly served, given, or made if delivered in person (personal delivery) or sent by United States mail, postage prepaid, to the person specified herein, unless otherwise provided in this Agreement:

LADWP:

Notices: City of Los Angeles by and through
The Department of Water and Power
c/o Manager of Long Term Transmission Management, (or
any successor thereto)
P.O. Box 51111, Room 1250
Los Angeles, California 90051-0100

Invoices: City of Los Angeles by and through
The Department of Water and Power

c/o Manager of Long Term Transmission Management, (or
any successor thereto)
P.O. Box 51111, Room 1250
Los Angeles, California 90051-0100

PacifiCorp:

Notices: PacifiCorp
825 NE Multnomah Street
Portland, OR 97232
Attn: Contract Administration, Suite 600
Phone: (503) 813 - 5280
Facsimile: (503) 813 - 6291

{for notices of default, copy Attn: PacifiCorp General Counsel
at same street address above}

Invoices: PacifiCorp
(same as street address above)
Attn: Back Office, Suite 700
Phone: (503) 813 - 5578
Facsimile: (503) 813 - 5580

Either Party may at any time, by notice to the other Party, change the designation or address of the person so specified as the one to receive notices pursuant to this Agreement.

15. Miscellaneous Provisions

- 15.1. Relationship of Parties: The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing contained in this Agreement shall ever be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either Party. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as provided in this Agreement. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's express written consent.
- 15.2. No Third-Party Rights: Unless otherwise specifically provided in this Agreement, the Parties do not intend to create rights in or grant

remedies to any third party as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established hereunder.

- 15.3. Waivers: Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other or subsequent default or other matter arising in connection therewith. Any delay, short of any statutory period of limitation, in asserting or enforcing any right, shall not be deemed a waiver of such right.
- 15.4. No Dedication of Facilities: Any undertaking by one Party to the other Party under this Agreement shall not constitute the dedication of the electrical system or any portion thereof of the undertaking Party to the public or to the other Party, and it is understood and agreed that any such undertaking by a Party shall cease upon the termination of its obligations hereunder.
- 15.5. Ratification: The Parties ratify the performance and obligations of the Parties since the expiration of agreement DWP No. BP 09-021 as if they were performed or accrued under this Agreement.
- 15.6. Governing Law: This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of Utah without regard to conflict of law principles.
- 15.7. Venue. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the State of Utah. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of Utah and waive any defense of forum non conveniens.
- 15.8. Entire Agreement: This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding the subject matter of this Agreement. This Agreement (including all Attachments) contains the entire understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, discussions or agreements between the Parties, or any of them, concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document.

- 15.9. Successors and Assigns: This Agreement will be binding upon, and inure to the benefit of the Parties respective successor and assigns. Neither Party may assign this Agreement or delegate its obligations hereunder without the other Party's prior written consent.
- 15.10. Amendments: This Agreement may be amended or modified only by an instrument in writing signed by each Party.
- 15.11. Counterparts: This Agreement may be executed in two (2) or more counterparts, each of which is an original and all of which taken together constitute one and the same instrument.

16. Limitation of Liability

In no event shall Seller incur nor have any liability for special, incidental, indirect, punitive, or exemplary damages of any nature or type whatsoever including loss of profits, lost revenue, cost of capital, or replacement power, regardless of the theory of liability.

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first above written.

PACIFICORP, an Oregon Corporation

By: M- / 7

Date: 11/16/17

Name: Mark Tourangeau

Title: Director, Commercial Services

CITY OF LOS ANGELES BY AND THROUGH THE DEPARTMENT OF WATER AND POWER

By: _____

BOARD OF WATER AND POWER
COMMISSIONERS
OF THE CITY OF LOS ANGELES

Date: _____

By: _____

 DAVID H. WRIGHT, GENERAL MANAGER

And: _____

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

BARBARA E. MOSCHOS
Board Secretary

DEC 18 2017

BY [Signature]
WILLIAM H. KYSELLA, JR.
DEPUTY CITY ATTORNEY

BP 16-004

ATTACHMENT A

PACIFICORP RETAIL CUSTOMER

Name of Retail Customer: Milford Wind Corridor Phase I, LLC

Point of Delivery: The Point of Interconnection identified in the Amended and Restated Generator Interconnection Agreement between Intermountain Power Agency and Milford Wind Corridor Phase I, LLC: "The 88-mile long Milford Wind Corridor 345 kV transmission line will carry the wind power from the proposed Milford Wind facility and interconnect to the IPA Switchyard. The point of interconnection shall be the A-frame structure within the IPA Switchyard."

Meter Number: _____ Account Number: _____

Maximum Demand (kW): 3,500

Delivery Voltage: 345 kV

Monthly Billing Rate:

Capacity Charge (\$/kW-Month) = X

Power Factor Charge (\$/MWh) = Y

Energy Charge (\$/MWh) = Z

Transmission Losses (%) = L

Where: X = \$1.73/kW-Month
Y = \$0.33/MWh
Z = Monthly Weighted Average of the ICE Palo Verde Daily On-peak and Off-peak Indices Price + \$10.00/MWh
L = 1%

Monthly Billing is the sum of the following three charges:

Capacity Charge (\$/Month) = C * X

Power Factor Charge (\$/Month) = E_{MI} * Y

$$\text{Energy Charge (\$/Month)} = E_{MI} * Z$$

Where:

$$C = \text{Maximum Demand (kW)}$$

$$E_{MI} = \text{Monthly Energy Usage (MWh)}$$

$$= [(F3M+F4M+F5M+F6M+F7M) + (2/3)(SSM)](1+L)$$

Monthly Billing Example for a hypothetical Month A in 2010:

$$E_{MI} = 400 \text{ MWh}$$

Palo Verde Weighted Average ICE Daily On-peak and Off-peak Indices Month A = \$40/MWh

$$Z = \$40/\text{MWh} + \$10/\text{MWh} = \$50/\text{MWh}$$

$$\text{Monthly Billing for Month A} = C * X + E_{MI} * Y + E_{MI} * Z$$

$$\text{Capacity Charge} = 3500 \text{ kW} * \$1.73/\text{kW-Month} = \$6,055$$

$$\text{Power Factor Charge} = 400 \text{ MWh} * \$0.33/\text{MWh} = \$132$$

$$\text{Energy Charge} = 400 \text{ MWh} * \$50/\text{MWh} = \$20,000$$

$$\text{Month A Billing} = \$6,055 + \$132 + \$20,000 = \underline{\$26,187}$$

Example of Palo Verde Weighted Average ICE Daily On-peak and Off-peak Indices Price ("P") Calculation for a hypothetical Month A in 2010.

$$P = [(A) * (\text{Average ICE Palo Verde on-peak price})] + [(B) * (\text{Average ICE Palo Verde off-peak price})],$$

Where:

Average ICE Palo Verde on-peak price = (sum of all the ICE Palo Verde on-peak prices reported for the month) / (the number of these reports);

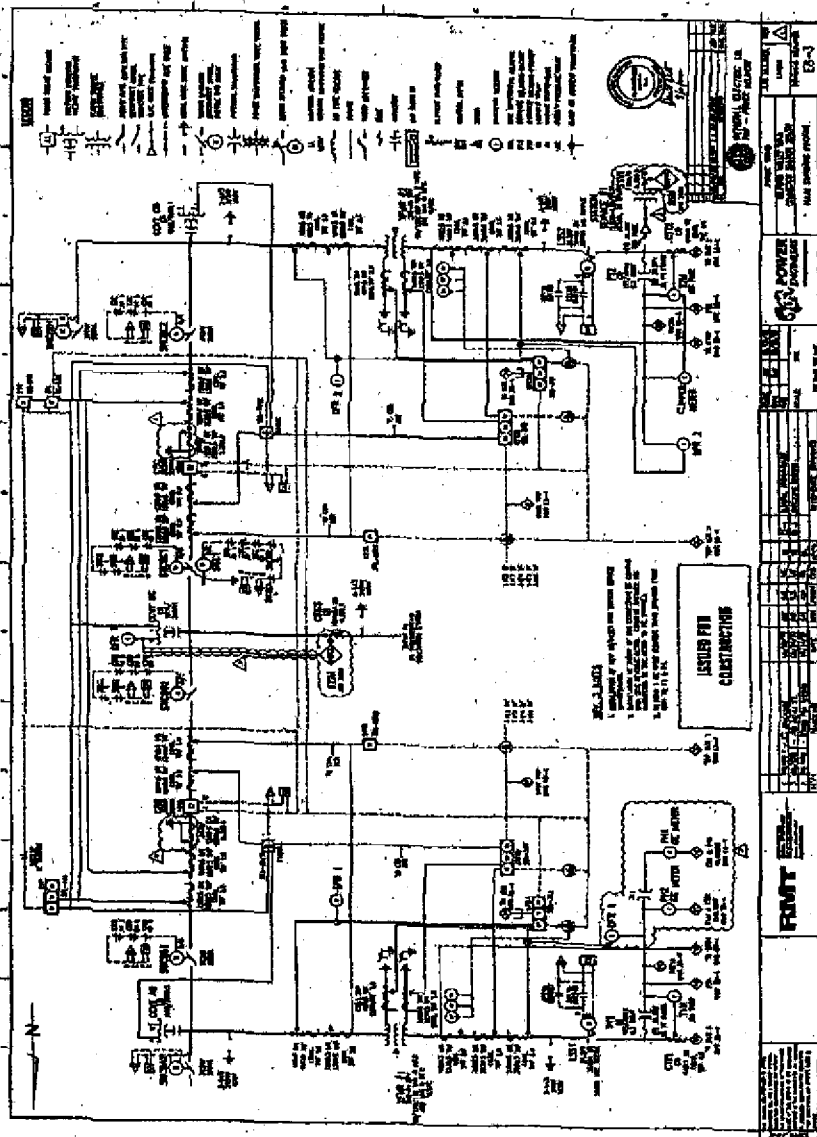
Average ICE Palo Verde off-peak price = (sum of all the ICE Palo Verde off-peak prices reported for the month) / (the number of these reports);

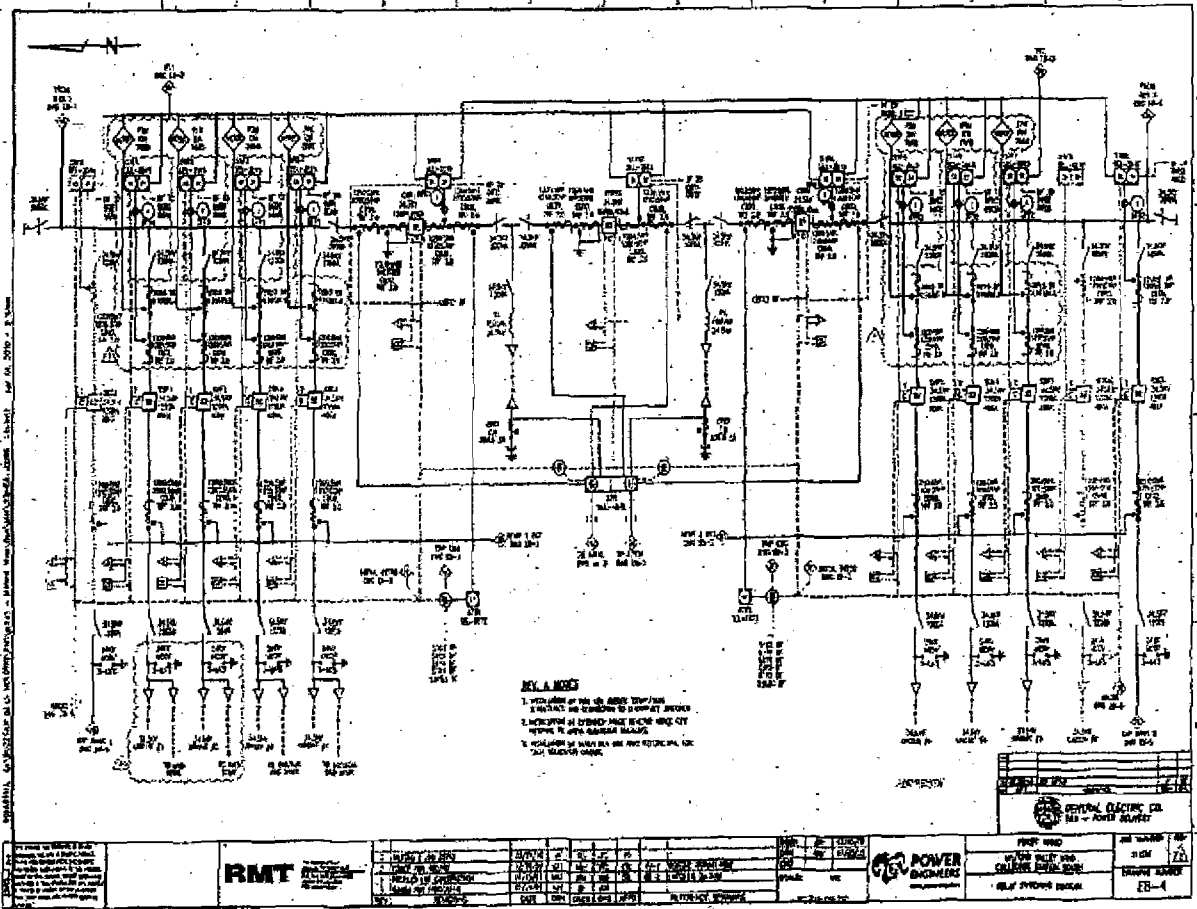
A = (Number of on-peak hours of the month) / (total number of hours of the month), and

B = (Number of off-peak hours of the month) / (total number of hours of the month).

ATTACHMENT B

**Milford Valley Wind Collector Station South
Relay Switching Diagram**





- NOTES**
1. THIS DRAWING IS TO BE USED FOR THE DESIGN OF THE ELECTRICAL SYSTEM.
 2. THE DESIGNER IS RESPONSIBLE FOR THE CORRECTNESS OF THE DRAWING.
 3. THE USER OF THIS DRAWING IS RESPONSIBLE FOR THE CORRECTNESS OF THE INSTALLATION.

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