

February 17, 2011

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Attention: David W. Danner
Executive Director and Secretary

RE: Affiliated Interest Filing for PacifiCorp

Dear Mr. Danner:

Pursuant to the provisions of RCW 80.16.020 and WAC 480-100-245, PacifiCorp, d.b.a. Pacific Power (or Company), files one verified copy of the Construction Funding and Share Assessment Agreement (Agreement) by and between PacifiCorp and Cottonwood Creek Consolidated Irrigation Company (CCCIC), which is included as Attachment A. CCCIC is a non-profit company that holds water rights in the Cottonwood Creek drainage, located in Utah. The Company currently owns approximately 26 percent of the shares of CCCIC. Additionally, CCCIC helps to manage access to certain water supplies on behalf of PacifiCorp. RCW 80.16.010 includes in its definition of "affiliated interest," "every corporation or person with which the public service company has a management or service contract." Therefore, PacifiCorp's ownership interest in CCCIC creates an affiliated interest.

The Company uses the water obtained through CCCIC as part of the supply to its Hunter Plant located in Emery County, Utah. While the Company has owned a certain percentage of shares in CCCIC since the early 1970's, a recent review of the ownership structure led to the conclusion that PacifiCorp's relationship with CCCIC creates an affiliated interest. The water obtained through CCCIC is used in a generation plant that is not included in the West Control Area allocation methodology and therefore not included in Washington rates. Notwithstanding, the Company is providing this notice out of an abundance of caution to ensure consistent treatment of affiliate contracts under the requirements of RCW 80.16.

Under the Agreement, CCCIC will construct a new regulating reservoir, the Adobe Wash Reservoir, which will provide unique benefits to PacifiCorp. The Company expects increased water availability, decreased operation and maintenance costs by \$250,000 per year, and redundancy in water delivery systems to the Hunter Plant. With the Agreement, PacifiCorp will receive a long-term controlled and regulated rate assessment structure, year-round use of a new regulating reservoir, a reduction in an annual water conveyance

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loss obligation, and a position on CCCIC's Board of Directors. In exchange, PacifiCorp will provide up to \$6.6 million in capital costs for the construction of the Adobe Wash Reservoir and certain easements that may be necessary for the construction project.

The Agreement is in the public interest because it will provide a more reliable and long-term source of water for the Hunter Plant and will reduce operation and maintenance costs.

Also included with this filing is a notarized verification from Natalie Hocken, Vice President and General Counsel, Pacific Power, regarding the Agreement.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Andrea L. Kelly /sc". The signature is written in black ink and is positioned above the typed name and title.

Andrea L. Kelly
Vice President, Regulation
Pacific Power

Enclosures

WASHINGTON AFFILIATED INTEREST FILING

CONSTRUCTION FUNDING AND SHARE ASSESSMENT AGREEMENT

Construction Funding and Share Assessment Agreement

This Construction Funding and Share Assessment Agreement (“Agreement”) is entered into this ____ day of _____, 2011, by and between PacifiCorp Energy, a division of PacifiCorp, an Oregon corporation, (“PacifiCorp”) and Cottonwood Creek Consolidated Irrigation Company (“CCCIC”), a Utah nonprofit irrigation company. PacifiCorp and CCCIC shall collectively be referred to as the “parties” or individually as a “party” as the context so requires.

RECITALS

A. CCCIC has obtained funding to convert its irrigation system from an open-ditch delivery/flood irrigation system to a pressurized pipeline delivery/sprinkler irrigation system (the “Cottonwood Project”). CCCIC intends for a portion of this funding to be repaid through shareholder assessments. CCCIC anticipates that the Cottonwood Project will be paid for between 10 and 25 years from the date of this Agreement.

B. As part of the Cottonwood Project, CCCIC intends to construct a new regulating reservoir near the head of its water delivery system (“Adobe Wash Reservoir”). The Adobe Wash Reservoir for purposes of this Agreement includes the new reservoir, the reservoir outlet works, and a new inlet pipeline to be constructed between a point near CCCIC’s existing point of diversion on Cottonwood Creek and the new reservoir. The Cottonwood Project and the Adobe Wash Reservoir for purposes of this Agreement are further illustrated in **Exhibit A**. The construction of the Adobe Wash Reservoir may be referred to herein as the Adobe Wash Reservoir Project.

C. PacifiCorp owns 8,554.82 shares of Class “A” stock in CCCIC. Class A stock represents interests in water and other property rights of CCCIC other than that water acquired from the Emery Water Conservancy District. PacifiCorp uses the water delivered by CCCIC under its shares at the Hunter Power Plant for power generation and industrial purposes. In addition to the CCCIC water, PacifiCorp receives federal project water totaling 8,576 acre-feet annually based on contracts with the Bureau of Reclamation and the Emery Water Conservancy District. This 8,576 acre-feet of water may also be delivered through the Adobe Wash Reservoir.

D. PacifiCorp and CCCIC have participated in lengthy negotiations regarding the level of how many dollars and other consideration PacifiCorp will provide. CCCIC initially

demanded that PacifiCorp's share assessments be as high as an 11:1 ratio when compared to other non-PacifiCorp shares, but the parties now agree to a 5:1 ratio as set forth in this Agreement.

E. CCCIC proposes to assess PacifiCorp's water shares at an "industrial" rate set forth below to help pay for the Cottonwood Project and the Adobe Wash Reservoir. In addition, CCCIC proposes for PacifiCorp to make a capital contribution to help fund the Adobe Wash Reservoir as set forth below.

F. CCCIC and PacifiCorp believe the Cottonwood Project and Adobe Wash Reservoir benefit all shareholders of CCCIC, but it is anticipated that the Adobe Wash Reservoir in particular will provide unique benefits to PacifiCorp. PacifiCorp is willing to make a capital contribution and pay the higher industrial assessment described herein only because of unique benefits it receives hereunder as compared to Agricultural users. The parties do not assert by this Agreement that these same benefits exist in other water drainages or in regard to other irrigation companies. These unique benefits to PacifiCorp related to the proposed Adobe Wash Reservoir include:

i. As a result of less delivery losses and increased water availability, there will be a more certain year-round and on-demand water supply for PacifiCorp's year-round water use authorized by the Utah State Engineer, while the Agricultural uses have limited, if any, need for increased non-irrigation season water;

ii. Decreased costs associated with the placement and operation of the Adobe Wash Reservoir. The Adobe Wash Reservoir will decrease PacifiCorp's unique O&M costs by approximately \$250,000+ annually, including pumping costs. Under normal conditions, the Adobe Wash Reservoir will eliminate the need to pump water to the power plant using the existing pump station;

iii. The financial yield from the Adobe Wash Reservoir for the Industrial uses likely exceeds the financial yield for the Agricultural uses; and,

iv. The Adobe Wash Reservoir will allow PacifiCorp to have a redundant water delivery system from Cottonwood Creek to the Hunter Plant by having access to both the old pumping station and the new Adobe Wash Reservoir. These and other benefits diminish risk exposure from drought and water delivery operation failures.

TERMS AND CONDITIONS

For the exchange of valuable consideration, the parties hereby agree as follows:

1. **Term:** The term of this Agreement shall be 25 years. However, if CCCIC still has debt for the Cottonwood Project, this Agreement shall remain in force beyond the 25 years until the debt is fully satisfied. If CCCIC still has debt for the Cottonwood Project beyond the end of the 25-year term, PacifiCorp may at its sole discretion pay off PacifiCorp's portion of the debt.

2. **Share Assessment Categories:** CCCIC delivers water to two general water user categories among its shareholders: (i) "Agricultural" (all water users except PacifiCorp); and (ii) "Industrial" (PacifiCorp). As part of funding the Cottonwood Project and the Adobe Wash Reservoir, these two general shareholder categories shall be used for purposes of assessing water shares. CCCIC does not assess all Agricultural users the same. For purposes of this Agreement, CCCIC shall determine annually the average Agricultural assessment by totaling all assessment income from Agricultural users and dividing the total income by the total number of Agricultural shares ("Annual Average Agricultural Assessment"). CCCIC shall provide annually with its assessment notice to PacifiCorp the reasonably detailed calculations used to determine the Annual Average Agricultural Assessment. See attached **Exhibit B** for the 2010 calculation of the Annual Average Agricultural Assessment.

3. **Share Assessments:** CCCIC shall assess Industrial water shares in accordance with this Agreement and the Utah Share Assessment Act as it may be amended from time to time.

4. **Share Assessment With Capital Contribution:** In consideration of PacifiCorp's capital contribution described in Section 4(a), CCCIC will establish the water share assessment structure described in Section 4(b):
 - a. **Capital Contribution:** Subject to Section 8 below, PacifiCorp shall contribute \$6,600,000 capital funding to CCCIC to be used solely for the construction of the Adobe Wash Reservoir as needed. Under no circumstance shall PacifiCorp pay capital funding in excess of the actual construction costs of the Adobe Wash Reservoir. The Parties hereby agree on the following methodology by which the timing and other requirements for PacifiCorp's capital funding payments will be set.

i. Funding Availability. The parties acknowledge and agree that there are multiple variables associated with the construction of the Adobe Wash Reservoir that may have an impact on the cash flow – causing the need for more or less funding at any given time than what is planned. However, the parties anticipate that the construction will be substantially completed by the end of 2012. CCCIC shall provide PacifiCorp with a construction schedule and any subsequent updates thereto to keep PacifiCorp as informed as reasonably possible as to the status of the construction schedule. Unless otherwise mutually agreed by the parties in writing, PacifiCorp’s capital funding contributions for the Adobe Wash Reservoir shall be limited to the following amounts in each calendar year of the anticipated construction schedule.

2011	\$3,300,000
2012	\$3,300,000

ii. Invoices. As consideration for the satisfactory performance of CCCIC’s obligations under this Agreement, PacifiCorp will remit payment for completed work to CCCIC within fifteen (15) calendar days upon receipt by mail of a proper invoice for construction work completed related to the Adobe Wash Reservoir Project, or within ten (10) calendar days if satisfactory arrangements are made between the parties for electronic invoice submission and payment. CCCIC agrees to send PacifiCorp Adobe Wash Reservoir Project invoices no later than the 15th day of each month. Each invoice shall reasonably meet the following requirements:

- A. Contain a signed certification from the Adobe Wash Reservoir Project Engineer that the items being invoiced are true, accurate, and complete (verification that the work has actually been done and the invoiced materials have been purchased and received by the Adobe Wash Reservoir Project construction contractor or that costs need to be accrued due to financial liabilities that will be incurred by month end).
- B. Signed certification from CCCIC acknowledging it has accepted the goods and services being invoiced from the Adobe Wash Reservoir Project construction contractor.
- C. A computer generated invoice on CCCIC letterhead.
- D. Each invoice shall clearly identify the Adobe Wash Reservoir Project and will provide a detailed description of each invoice item.

E. Copies of each invoice received from the Adobe Wash Reservoir Project construction contractor must accompany each PacifiCorp invoice from CCCIC.

F. All invoices shall be addressed as follows:

PacifiCorp Energy – Hunter Plant

Attn: Plant Manager

P.O. Box 569

Castle Dale, Utah 84513

G. In the event that PacifiCorp reasonably determines that an invoice is materially deficient and does not meet the requirements of this section, it shall notify CCCIC within five (5) business days of receipt in writing of the details of the deficiency. CCCIC may submit a corrected invoice to address the deficiency.

iii. Accounting and Auditing. CCCIC shall keep reasonably accurate and complete business and accounting records in support of all construction invoices provided to PacifiCorp for payment in accordance with generally recognized accounting principles and practices. CCCIC shall also reasonably and clearly account for all debt incurred for the Cottonwood Project and separately for the Adobe Wash Reservoir Project. Upon 24-hour written notice, PacifiCorp, or its audit representatives, shall have the right at any reasonable time or times to examine, audit, and copy the records, vouchers, and source documents which relate to any claim or compensation other than pricing elements which are fixed in amount by this Agreement. CCCIC shall make such documents available for examination, audit, and copying for three (3) years after the completion or termination of this Agreement. CCCIC shall cooperate and assist PacifiCorp in any such auditing process. PacifiCorp shall pay for the cost of such audits and examinations, including reimbursement to CCCIC for reasonable expenses incurred in PacifiCorp's auditing process.

b. **Share Assessments.** Beginning with assessments issued by CCCIC in November 2012, the Industrial water share assessment rate for PacifiCorp shall be no more than a 5:1 ratio as compared to the Annual Average Agricultural Assessment throughout the term. PacifiCorp agrees to pay assessments of \$30.00 per share for assessments issued by CCCIC in 2010 and 2011. But beginning with the November 2012 assessment, all Industrial share assessments shall be no more

than a 5:1 ratio as compared to the Annual Average Agricultural Assessment, meaning that if the Annual Average Agricultural Assessment goes below or above \$6.00 per share, the Industrial share assessment shall be decreased or increased such that PacifiCorp pays assessments of no more than a 5:1 ratio as compared with the Annual Average Agricultural Assessment. By way of example only, if the Annual Average Agricultural Assessment is \$7.00 per share, the Industrial assessment shall be no more than \$35.00 per share, and if the Annual Average Agricultural Assessment is \$5.00 per share, the Industrial assessment shall be no more than \$25.00 per share.

5. **Water Share Assessment Administration:** Industrial water share assessments shall be administered according to the following principles:
- a. In the event that CCCIC establishes future assessment categories in addition to, or in lieu of, Agricultural, then in no event shall the Industrial assessment for PacifiCorp be greater than a 5:1 ratio as compared to the Annual Average Agricultural Assessment rate imposed by CCCIC for any assessment category.
 - b. CCCIC shall not assess any future industrial or other non-agricultural water users any more favorably than it assesses Industrial shares for PacifiCorp, except as CCCIC may establish as appropriate under the Utah Share Assessment Act. This subsection does not apply to CCCIC contracts for municipal water between CCCIC and the cities of Orangeville or Castle Dale.
 - c. The Industrial share assessment rate is intended to include a proportionate share of all expenses, including but not limited to general operation and maintenance costs and project repayment, associated with CCCIC that are assessable to shareholders. The parties intend that no additional costs will be imposed on PacifiCorp outside of the Industrial share assessment related to the Cottonwood Project. Notwithstanding this provision, CCCIC shall have the right to make special assessments under the Utah Share Assessment Act against all CCCIC Class A shares for expenses not part of the Cottonwood Project, provided that PacifiCorp is never assessed more than a 5:1 ratio. CCCIC shall invoice PacifiCorp only on the basis of a one-line assessment of so many dollars per Class A shares of stock owned by PacifiCorp.
 - d. When CCCIC's debt for the Cottonwood Project and Adobe Wash Reservoir has been paid, the parties anticipate that CCCIC will reduce all assessment categories to an amount necessary to fund operating and maintenance costs of CCCIC.

6. **Adobe Wash Reservoir:** CCCIC shall design, construct and operate Adobe Wash Reservoir in accordance with the following provisions:
- a. All of PacifiCorp's water supplies obtained through the Cottonwood Creek Drainage from whatever source will be delivered year round by CCCIC to the Hunter Plant through the Adobe Wash Reservoir and its associated diversion, inlet and outlet structures. The Cottonwood Project and Adobe Wash Reservoir will be designed and constructed to convey up to 40 cfs of PacifiCorp water during the full calendar year.
 - b. CCCIC will connect the new Adobe Wash Reservoir discharge pipeline to PacifiCorp's existing water delivery lines. PacifiCorp will have the right to review and approve the design of this connection point.
 - c. CCCIC's ownership and responsibility will terminate immediately after the first isolation valve going to the Hunter Plant pipelines. PacifiCorp ownership will begin immediately downstream from the isolation valve. This connection point will be the delivery point for PacifiCorp's water delivered by CCCIC. CCCIC shall install a meter acceptable to PacifiCorp at the delivery point where the water delivered to PacifiCorp shall be metered and measured. See attached **Exhibit C** for a drawing illustrating this subsection.
 - d. CCCIC will oversee all aspects of the construction of the Adobe Wash Reservoir and will be the owner and operator of the Adobe Wash Reservoir for the full calendar year.
 - e. CCCIC shall be responsible for all and any permits associated with the Adobe Wash Reservoir. PacifiCorp shall cooperate with CCCIC in obtaining all and any permits necessary for the Adobe Wash Reservoir.
 - f. If suitable materials required to construct the Adobe Wash Reservoir (e.g., gravel, clay, sand) are identified on nearby PacifiCorp properties, then PacifiCorp will agree to make such materials available pursuant to an agreement between PacifiCorp, CCCIC and CCCIC's contractor for the Adobe Wash Reservoir. In such an agreement, a fair market value will be established for such material on a per-unit basis. The quantities of materials provided by PacifiCorp will be tracked and used to determine the total value of materials provided. This total value will then be deducted from PacifiCorp's capital contribution described in Section 4(a) or, if no such capital contribution is committed, then the total value will be paid to PacifiCorp.
 - g. PacifiCorp owns a parcel of ground that will be partially encumbered by the Adobe Wash Reservoir. PacifiCorp agrees to provide an easement, at no charge,

to CCCIC that will allow the Adobe Wash Reservoir to be located on the easement for as long as the Adobe Wash Reservoir is in operation.

- h. PacifiCorp also owns several other parcels of ground located throughout CCCIC's service area. CCCIC agrees to make reasonable efforts to avoid installing pipelines on PacifiCorp property. In the event it is necessary to install pipelines on PacifiCorp property, PacifiCorp will agree to provide CCCIC easements for such purpose on mutually agreeable terms at no charge.

7. **Change Applications:** The parties acknowledge that the State Engineer examined the proposed Adobe Wash Reservoir and its operations on January 6, 2011, and determined that the Reservoir will operate as a regulating reservoir. As a regulating reservoir, the State Engineer requires no change application for the diversion of water during any portion of the full calendar year for either CCCIC water diverted under CCCIC water rights and contracts, or federal project water diverted for PacifiCorp under federal water contracts used to supply the Hunter Plant. However, on advice of the State Engineer, the Bureau of Reclamation filed change application a36609 (93-1003) for the purpose of potentially supporting the operation of the Reservoir at certain times during the non-irrigation season. No protests to the change application were filed. Change Application a36609 was approved by the State Engineer on January 26, 2011. The parties acknowledge that the Bureau of Reclamation is satisfied with the Order of the State Engineer approving the change application and will not file a Request for Reconsideration or an appeal to the district court. Furthermore, CCCIC agrees that on any future change application filed by CCCIC that CCCIC shall preserve the point of diversion currently used by PacifiCorp to pump the Hunter Plant water from Cottonwood Creek unless PacifiCorp decides not to preserve such point of diversion.
8. **Additional Federal Funding:** CCCIC agrees to reasonably pursue federal funding, including an additional \$3.0 million through the Army Corps of Engineers' 595 Program, for the construction of the Adobe Wash Reservoir. If, as a result of successfully obtaining federal grant monies, there becomes a "surplus" of funding for the Adobe Wash Reservoir (defined as: if the sum of CCCIC's additional federal grant monies and PacifiCorp's capital contribution is greater than the cost to build the Adobe Wash Reservoir), then CCCIC agrees to utilize the federal grant monies as a direct offset against CCCIC's Board of Water Resources loan first, and PacifiCorp's capital funding second, thus reducing PacifiCorp's capital contribution by the remaining surplus amount.
9. **Conveyance Loss:** CCCIC agrees that PacifiCorp's annual conveyance loss associated with CCCIC primary water shall be reduced from 12% to no more than 6%. CCCIC shall review

conveyance loss percentage annually and based on such review shall adjust the conveyance loss percentage as appropriate, but under no conditions shall the loss factor exceed 6%. CCCIC shall amend its bylaws to allow for conveyance losses to be less than 12% for PacifiCorp under this agreement.

10. **PacifiCorp Director:** CCCIC's company Articles of Incorporation shall be modified at the annual shareholders meeting held in January 2012 to provide for the addition of a PacifiCorp representative to be on the CCCIC Board of Directors. Such PacifiCorp director shall hold equal rights as any other director.
11. **Termination:** In the event PacifiCorp determines it has stopped operating the Hunter Plant for purposes of electricity production, PacifiCorp may terminate this Agreement only upon full satisfaction of PacifiCorp's debt obligations to CCCIC for the Cottonwood Project by making a lump sum payment to CCCIC.
12. **Designated Representative and Notices:** Prior to commencement of the Adobe Wash Reservoir Project, each party shall designate a representative authorized to act in its behalf and shall advise the other party in writing of the name, address, and telephone number of such designated representative, and shall inform the other party of any subsequent change in such designation. All communications relating to the day-to-day activities under this Agreement shall be exchanged between such designated representatives. Either party may change the identity or address of its designated representative by giving the other party written notice of such change.
Any notice by either party to the other shall be delivered to the office of the designated representative of the other party, or, if deposited in the mail, properly stamped with the required postage and addressed to the office of such representative. The parties' addresses for purposes of notice shall be set forth below:

If to PacifiCorp:

PacifiCorp Energy – Hunter Plant
P.O. Box 569
Castle Dale, Utah 84513
Attn: Plant Manager
Telephone: (435) 748-5114

If to CCCIC:

CCCIC Irrigation Company
P.O. Box 678
Orangeville, Utah 84537
Attn: President
(435) 381-2523

13. **Indemnification:** To the extent allowed by law and not covered by PacifiCorp's or CCCIC's liability insurance, CCCIC agrees to indemnify, defend, and hold PacifiCorp and its officers, directors, employees and agents (hereinafter collectively "Indemnitees") harmless against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including attorneys' fees and/or litigation expenses, brought or made against any of the Indemnitees to the extent the same directly arise out of any fault of CCCIC, its employees, agents, or representatives, in the construction of the Adobe Wash Reservoir.

14. **Independent Contractor:** CCCIC is an independent entity, and all persons employed or contracted by CCCIC in connection herewith shall be employees and/or subcontractors of CCCIC and not employees and/or contractors of PacifiCorp in any respect. CCCIC is not an agent of PacifiCorp and shall maintain complete control over its employees and contractors. As such, CCCIC shall have no authorization, express or implied, to bind PacifiCorp, and PacifiCorp shall have no authorization, express or implied, to bind CCCIC to any agreement, settlement, liability or understanding whatsoever, nor is either party authorized to perform any acts for the other except as specifically set forth in this Agreement.

15. **Miscellaneous Provisions:**

a. Governing Law. This Agreement shall be governed by the laws of the State of Utah, without giving effects to its conflict of law rules contained therein.

b. Venue. The parties hereby irrevocably submit to the jurisdiction of the courts of the State of Utah, and hereby waive, to the fullest extent permitted by law, any objection that may now or hereafter have to such venue.

c. Assignment. CCCIC shall not assign or transfer its rights or interest (including, without limitation, CCCIC's right to receive any moneys due hereunder) in this Agreement without the written consent of PacifiCorp. PacifiCorp may, without obtaining CCCIC's consent, assign PacifiCorp's interests under this Agreement to any entity which PacifiCorp has an interest or to any entity which has an interest in PacifiCorp. After any assignment by PacifiCorp, the assignee shall possess all rights and interests of the assignor hereunder, including the right of assignment. Any assignee entity must agree in writing that it will assume all obligations under this Agreement. Any assignment or transfer in violation of this section shall be void and without force or effect.

- d. Entire Agreement. This Agreement represents the entire and integrated agreement between PacifiCorp and CCCIC with respect to the matters contained therein and supersedes all prior negotiations, representation or agreement, either rewritten or oral. This Agreement may be amended only by written instrument signed by both PacifiCorp and CCCIC.
- e. Third Party Rights. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either PacifiCorp or CCCIC, provided, however, PacifiCorp is an intended third party beneficiary of CCCIC's construction of the Project.
- f. Attorneys' Fees.
- i. If a party to this Agreement commences an action or claim against the other party, whether litigation, arbitration or otherwise, respecting any dispute or claim arising out of or relating to this Agreement, each party shall be solely responsible for its own costs directly incurred related thereto and shall not have a right of contribution therefore or otherwise seek payment from the other party.
- ii. Notwithstanding the foregoing, in the event a party commences an action or files a claim against the other party seeking to enforce any term or provision of this Agreement, PacifiCorp may be assessed or otherwise obligated to pay amounts related to such attorney fees otherwise chargeable to the corporation and which is chargeable to all shareholders, whether directly through a special assessment or indirectly through an annual-member minimum assessment. In such event, PacifiCorp, as a CCCIC shareholder, shall not be assessed an amount per Class A share greater than any other Class A shareholder. CCCIC Class B shares shall be assessed an amount per share as determined by the Board of Directors.
- g. Severability. In case a provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.
- h. Authorization. The individuals executing this Agreement on behalf of PacifiCorp and CCCIC certify that they are duly authorized to execute this Agreement on behalf of their respective organizations and all necessary actions, resolutions and authorizations have been granted or obtained. Upon execution of this Agreement, PacifiCorp and CCCIC agree to and shall be legally bound by the terms, provisions and obligations contained herein.

i. Consequential Damages. Except to the extent such damages are included in indemnification for third party damages, or other specified measure of damages expressly provided for herein, neither party shall be liable to the other party for special, punitive, indirect, exemplary or consequential damages, whether such damages are allowed or provided by contract, tort (including negligence), strict liability, statute of otherwise.

j. Interpretation. Each term hereof shall be construed simply according to its fair meaning and not strictly for or against either party. The parties have jointly prepared this Agreement, and no term hereof shall be construed against a party on the ground that the party is the author of that provision. The Recitals contained herein are repeated verbatim and are incorporated as part of this Agreement.

k. Counterparts. This Agreement may be executed in one or more counterparts, which together shall constitute the Agreement.

Now, THEREFORE, this Agreement is entered into as of the day and year first written above.

By: _____
PacifiCorp
Its: _____

Date: _____

By: _____
CCCIC
Its: _____

Date: _____

DESIGN	CEC/20	REVISIONS	BY
DRAWN	11-2010	CEC/20	11-2010
SHEET NO.	1	PROJECT NO.	

CCIC IRRIGATION IMPROVEMENT PROJECT SCHEMATIC

DESIGN	CEC/20	REVISIONS	BY
DRAWN	11-2010	CEC/20	11-2010
SHEET NO.	1	PROJECT NO.	

ADobe WASH RESERVOIR PROJECT LIMITS

Johansen & Tuttle engineering inc.
 BOX 487, CASTLE DALE, UTAH 84513, (435) 381-2523, FAX 381-2522, email j@ev.net

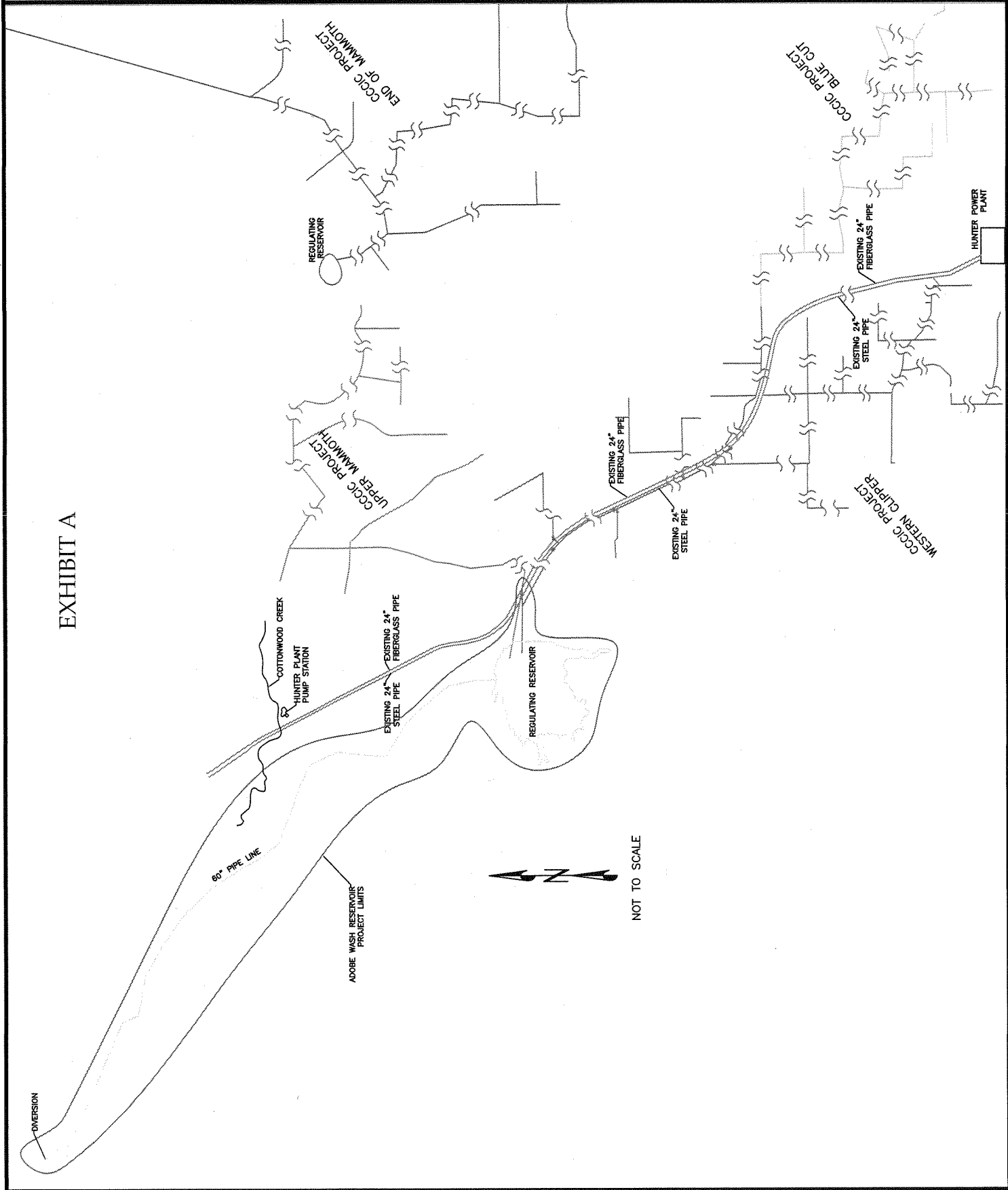


EXHIBIT A

DIVERSION

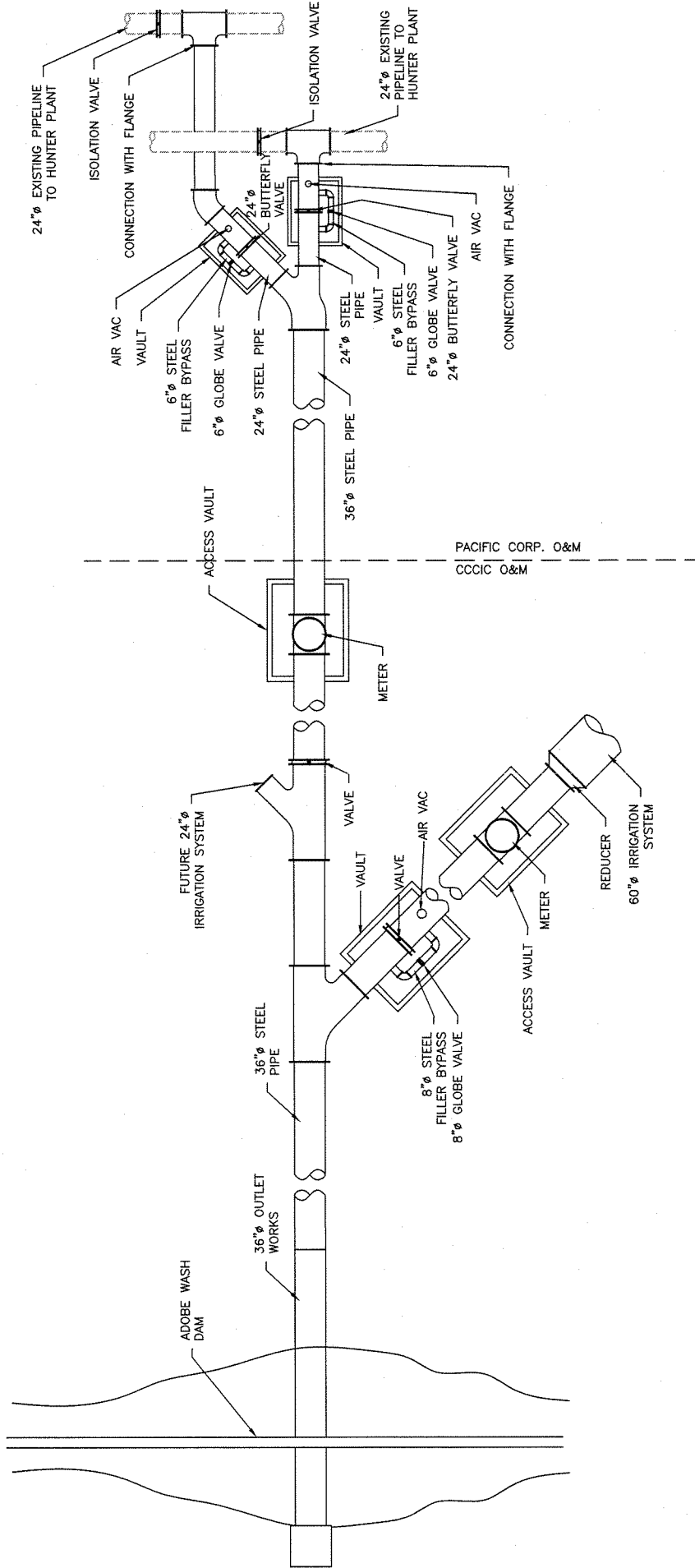
EXHIBIT B

The agricultural assessment on a per share basis is calculated by subtracting a number of non-agricultural shares and assessments from company totals. A sample of the calculation, using 2010 data is as follows:

Annual Average Agriculture Assessment
Cottonwood Creek Consolidated Irrigation Company
2010

	Shares	Annual Assessment
Company Total:	32,923.70	\$358,995.45
Subtract Non-Agriculture Shares:		
PacifiCorp	8,554.82	\$256,644.60
Municipal		
Orangeville	1,120.40	\$ 2,619.58
Castle Dale	1,407.74	\$ 4,691.64
Impound	74	\$ 170.40
Treasury Stock	557.43	\$ 1,559.97
Lease Back	186.43	\$ -0-
<hr/>		
Agricultural Shares	21,022.88	
Agricultural Assessment		\$ 93,309.26
Annual Average Agricultural Assessment:	$\frac{93,309.26}{21,022.88} =$	\$ 4.44

EXHIBIT C



ADOBE WASH RESERVOIR OUTLET WORKS

SCHEMATIC SHEET		APPROVAL RECOMM.		DESIGN DATE		CHECK DATE		REVIEW DATE		REVISIONS	
		PROJECT DESIGN ENGINEER		DESIGN	2/11	CHECK	2/11	REVIEW	2/11	NO. DATE	
		DATE		DRAWN	2/11	CHECK	2/11			DESIGN MAPS PARCELS REQUEST BY	
		APPROVED		QUANT.		CHECK				ORIGINAL SUBMISSION FOR AUTHORIZATION	
PROJECT NUMBER		DATE		QUANT.		CHECK		BY		DATE	
EMERY COUNTY		---								REVISIONS	
EXHIBIT: C											

WASHINGTON AFFILIATED INTEREST FILING

VERIFICATION

VERIFICATION

I, Natalie L. Hocken, am an officer of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Construction Funding and Share Assessment Agreement, I verify that Construction Funding and Share Assessment Agreement is a true and accurate copy of the original.


I declare upon the penalty of perjury, that the foregoing is true and correct.

Executed on 2/14, 2011 at Portland, Oregon.



Natalie Hocken
Vice President & General Counsel

Subscribed and sworn to me on this 14 day of February 2011.



Notary Public for Oregon

My Commission expires: November 13, 2014

