

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
v.) Docket No. UE-130043
PACIFICORP D/B/A PACIFIC POWER &)
LIGHT COMPANY,)
Respondent.)
_____)

EXHIBIT NO. __ (PLT-8)

CONTRACTS AND LETTERS

June 21, 2013



650 East Douglas
Walla Walla, Washington 99362

April 1, 2011

Columbia REA
Atten: Scott Peters
P.O. Box 46
Dayton, WA 99328

Dear Mr. Peters;

We have received your request # 5522459 to remove Pacific's facilities serving Columbia REA at 115 E. Main in Dayton, WA.

Pacific charges customers for removal of facilities in the State of Washington. This is necessary to prevent Pacific's other Washington customers from paying for these removal costs.

As a first step, please submit a payment to Pacific of \$453.00, an invoice has been included. This payment is the cost to prepare an estimate for the removal of facilities serving the site in your request. Once Pacific has receipt of this \$453.00 Estimate Advance, we can have a field meeting with you to establish the scope of your removal project. After the field meeting, Pacific can put together an estimate of what your removal project will cost.

To make sure that you understand the steps necessary to complete this removal project:

1. Pacific receives the \$453.00 estimate fee.
2. Field meeting with Pacific to establish scope of removal.
3. Pacific provides you with construction advance invoice, contract and other agreements.
4. Upon return of advance payment and contract, removal date will be agreed upon with you.
5. Within 10 days of removal Pacific will provide you with an accounting of actual costs. Pacific will be either refunding you the balance or invoicing you for additional charges.

Please feel free to call me if you have any additional questions on this.

Sincerely,

Dan Thomsen
Pacific Power
Distribution Manager
509-522-7014

Enclosures



Walla Walla Office
650 E Douglas
Walla Walla, Washington 99362

PRO FORMA INVOICE

Customer		Date	4/1/2011
Name	Columbia REA	Request #	5522459
	Atten: Scott Peters	WO #	5522459
Address	P.O. Box 46	Employee:	P15442
City	Dayton	State	WA
	ZIP		99328

Qty	Description	Unit Price	TOTAL
	02ESTFEEXP - Acct. # 44190301 002 - Advance payment for engineering and design work only for removal of Pacific's facilities @115 E Main, Dayton, WA		
	Advance payment to be deducted from actual engineering charges for your job. Any remaining balance will be refunded, or in the event the amount does not cover expenses, a final bill will be sent		
1	Total advance payment	\$453.00	\$453.00
TOTAL			\$453.00

Office Use Only

Invoice costs are valid for only 90 days from invoice date!
Please remit payment to address at top of invoice.

BILL OF SALE

This bill of sale is made this 25th day of July, 2011 by
PacifiCorp d.b.a. Pacific Power ("Seller") to Columbia REA

For and in consideration of \$ 00.00, Seller hereby sells to Buyer the following
described : 2-90' runs of 4"PVC conduit located in the alley behind 115 E. Main,
Dayton, Washington.

Buyer acknowledges that these utility poles are used and accepts these poles AS
**IS AND WITH ALL FAULTS. SELLER DISCLAIMS ALL WARRANTIES,
WHETHER EXPRESSED OR IMPLIED, BY OPERATION OF LAW OR
OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR
FITNESS FOR A PARTICULAR PURPOSE.**

PACIFICORP
d.b.a. Pacific Power

By _____

Buyer

By _____

650 E. Douglas Ave.
Walla Walla, WA 99362



August 3, 2011

Columbia REA
P.O. Box 46
Dayton, WA 99328

RE: WO# 5522459 Remove company facilities at 115 E Main St., Dayton, WA

Thank you for your request for electric service. For questions regarding your electric service request, please reference your Work Order Number listed above.

To provide you with electrical service, the following items are required.

(X) ELECTRIC SERVICE CONTRACT

All copies must be signed, and your option initialed; only one signature is required. Any changes you make will delay work scheduling. Please return ALL copies along with a check in the amount of \$677.00 within 90 days of date on contract. A fully executed copy will be returned to you when applicable.

ALL OF THE ABOVE REQUIREMENTS MUST BE MET PRIOR TO THE SCHEDULING OF YOUR JOB. Typically, we are able to begin construction 2-4 weeks after you have notified us that you have passed all inspections. Please contact our construction department at (509) 522-7037 if you have any questions regarding any of the above.

Sincerely,

*Jay Ball
Apprentice Estimator*

Enclosure

650 E Douglas Ave.
Walla Walla, WA 99362



March 9, 2012

Columbia R.E.A.
PO Box 46
Dayton, WA 99328

RE: WO# 5632444: Remove one 10kva, three 25kva, and one 37.5kva transformers. As well as 75' of 1/0QDX Svc, 180' of #2QDX svc, one 35' pole, and 3 meters.

Thank you for your request for electric service. For questions regarding your electric service request, please reference your Work Order Number listed above.

To provide you with electrical service, the following items are required.

(X) ELECTRIC SERVICE CONTRACT

All copies must be signed, and your option initialed; only one signature is required. Any changes you make will delay work scheduling. Please return ALL copies along with a check in the amount of \$2,412.00

ALL OF THE ABOVE REQUIREMENTS MUST BE MET PRIOR TO THE SCHEDULING OF YOUR JOB. Typically, we are able to begin construction 2-4 weeks after you have notified us that you have passed all inspections. Please contact our construction department at (509) 522-7037 if you have any questions regarding any of the above.

Sincerely,

*Jay Ball
Journeyman Estimator*

Enclosure

650 E Douglas Ave.
Walla Walla, WA 99362



May 8, 2012

Columbia REA
PO Box 46
Dayton, WA 99328

RE: WO# 5650326: Customer requested removal of company services.

Dear Customer:

Thank you for your request for electric service. For questions regarding your electric service request, please reference your Work Order Number listed above.

To provide you with electrical service, the following items are required.

(X) ELECTRIC SERVICE CONTRACT

All copies must be signed, and your option initialed; only one signature is required. Any changes you make will delay work scheduling. Please return ALL copies along with a check in the amount of \$6501.00 within 90 days of date on contract. A fully executed copy will be returned to you when applicable.

ALL OF THE ABOVE REQUIREMENTS MUST BE MET PRIOR TO THE SCHEDULING OF YOUR JOB. Typically, we are able to begin construction 2-4 weeks after you have notified us that you have passed all inspections. Please contact our construction department at (509) 522-7037 if you have any questions regarding any of the above.

Sincerely,

*Jay Ball
Journeyman Estimator*

Enclosure

Washington Disconnection & Removal Calculation

Name:	CREA Melrose Overhead	Work Order:	5632444
Address:	2943 Melrose	Version:	1
Date:	4/6/2012		

RCMS Estimate

Customer related Install & Removal costs (prior to salvage)		\$2,412
Customer related Salvage Credit		\$858
LESS Net Book Value of Customer related items		\$437
Customer Related Net Salvage Credit		\$221 >/= \$0

Used below for ACTUALS calculation:

	Cost	% of Total	
Total I & R Costs (prior to salvage)	\$7,766	100%	
Customer related I & R Percentage		31%	<i>Reimbursible % of Total L&M (prior to salvage)</i>

Customer Related Costs to Advance **\$2,191**

10 Day SAP Actual

85% of RCMS jobs w/salvage show \$0 salvage in SAP. Need to use RCMS values. Process below assumes no SAP salvage is available

SAP WBS Actual Cost (w/o Salvage or CIAC credits)		\$5,116
Customer related removal percentage (from estimate)		31%
Customer related portion of SAP actuals		\$1,598
Less RCMS Customer Related Net Salvage		\$221
Actual Customer Related Costs		\$1,377

** Includes cost to remove buried wires, conduits and landscape/street repairs.*

Amount Over/Under Charged Customer		-\$814 Over-Charged, Refund\$
Any outstanding invoices not yet rec'd?	\$435	<i>* contractor bills, flagging recvd past 10 days.</i>
Total Amount Over/Under Charged	-\$379	Initiate Refund

Copy & Paste Work Order Description from RSWC:

Description
 REMOVE 3-25KVA TRANSFORMER BANK, 75' 1/0QDX SERVICE AND _____
 METER POINT 10. _____
 REMOVE 10/37.5 KVA OPEN BANK, 180'#2QDX, 35'POLE AND 2 _____
 METERS. REINSTALL 37.5KVA TRANSFORMER FOR SINGLE PHASE. _____



Walla Walla Office
650 E Douglas
Walla Walla, Washington 99362

PRO FORMA INVOICE

Customer			
Name	Coulumbia REA	Date	7/30/2012
	Attention: Les Teel	Request #	5650326
Address	115 E Main ST	WO #	5650326
City	Dayton	Acct #	
	State Wa	Site ID #	
	ZIP 99328	Employee:	Dan Thomsen

Qty	Description	Unit Price	TOTAL
0	Remove 3 phase riser, approx. 1000' primary UG cable, 250' of 750 QDX Transformer, and CT Metering.		\$0.00
1	Advance Payment	(\$6,501.00)	(\$6,501.00)
1	Labor (Estimator, Journeyman Lineman, and Meterman)	\$3,880.54	\$3,880.54
1	Contract Flagging Services	\$313.91	\$313.91
1	No salvage credit, as net book value was \$7,783, and salvage & scrap value was \$6152.76. Refund	(\$2,306.55)	(\$2,306.55)
TOTAL			\$0.00

Office Use Only

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Please remit payment to address at top of invoice.*

Reese, Baffney, Frol & Grossman, P.S.

ATTORNEYS AT LAW
216 South Palouse Street
Walla Walla, Washington 99362-3025
Telephone (509) 525-8130
FAX (509) 525-8726

JOHN M. REESE
THOMAS K. BAFFNEY
STEVEN C. FROL†
DAVID S. GROSSMAN
Gary M. Schrag (1952-2002)

†Also Admitted in Oregon

December 11, 2012

Ms Michelle Mishoe
c/o Pacific Power and Light
825 NE Multnomah Suite 1800
Portland, OR 97232

RE: Walla Walla Country Club- Pacific Power and Light Disconnect

Dear Ms. Mishoe:

As a follow up to our telephone conference on December 7, 2012, this is to confirm that my firm represents the Walla Walla Country Club in connection with the pending disconnect of its electrical service with Pacific Power and Light and a switch over to Columbia REA.

As I mentioned to you the stance Pacific Power is taking with respect to the removal of all conduit located on the Country Club properties is extremely troubling to our client. We are requesting that Pacific Power set forth its rationale and justification for its position that all conduit located on the Country Club property needs to be removed, at its cost, in addition to the company's other facilities providing electrical service to the Club.

We can certainly understand and agree that the company's wiring and other hardware can and should be removed by Pacific Power. But the mandated removal of the conduit, which has no value, makes absolutely no sense, will severely and adversely impact the Country Club given its location, and seems to be in direct violation of WUTC General Rule and Regulation 6(I)(1).

The conduit in question is located at several different places on the Country Club's property, both on the golf course itself and under certain paved areas. The Club recently installed a one million dollar irrigation system and the removal of the conduit will adversely impact the placement and operation of both irrigation mainlines and laterals, as well as areas planted to grass, shrubbery and trees.

With respect to the paved areas, the proposed removal will require the cutting of curbs, gutters and sidewalks, a public road accessing the Club, and handicapped and regular parking stalls, and will further destroy turf and planted areas including an 18-foot tall Norway maple tree.

Rule 6(I)(1) provides, in part, that when a customer requests a permanent disconnect the customer shall be responsible to the company for the "actual cost for the removal less salvage of only those facilities that need to be removed for safety or operational reasons, and only if those facilities were necessary to provide service to the customer."

Ms. Michelle Mishoe
December 11, 2012
Page 2

We can see absolutely no basis from a "safety or operational reason" why the conduit needs to be either removed or filled. It is worthless to Pacific Power. It appears to us that the only reason Pacific Power is taking this hard line, unjustified position is in an attempt to force the Country Club to reconsider its decision to disconnect due to the cost and disruption such removal will incur. The decision has been made to proceed with the disconnect, it is final, and it will not be reconsidered or reversed.

If there is some valid basis upon which Pacific Power can legally justify its position, then please provide that to me. If there is some written agreement, easement or license between the Country Club and Pacific Power, of which I am not aware, that provides that the conduit belongs to Pacific Power and can be removed in its sole discretion, please provide that to me.

The conduit is located on the Country Club's property, it belongs to the Country Club, it has no value to Pacific Power, and there exists no safety or operational reason for its removal. The Country Club should be able to utilize it in any manner it deems appropriate.

The Country Club has had a long, good relationship with Pacific Power. While the Board of Directors has recently made the decision to switch over its electrical service to Columbia REA, this is not to say that at some point in the future the Club might not desire to return to Pacific Power. However, the current position of the company makes it highly unlikely that this will ever occur.

We are requesting that Pacific Power reconsider its decision with respect to the removal or filling of the conduit and agree to leave it in place, without the wiring, as is. If the company is not willing to do so, then the Country Club will explore every avenue available to it, through the WUTC and/or the courts, to prevent Pacific Power from removing the conduit. The Country Club will be damaged if Pacific Power proceeds as planned and we will seek compensation for all such damages incurred.

I will look forward to your response.

Very truly yours,

Thomas K. Baffney

TKB:thg
cc: Jeffrey Thomas, Manager
Walla Walla County Club



January 7, 2013

City of Walla Walla
Attn: Nabel Shawa
15 N. 3rd Ave.
Walla Walla, WA 99362

Dear Mr. Shawa;

This letter is in response to the City of Walla Walla's request for Pacific Power to remove certain facilities from the City of Walla Walla's Water Treatment Plant while leaving other facilities in place.

We enjoy a positive working relationship with the City and will continue to do so. While it is unfortunate, we respect the city's decision to move to another provider. At the same time, we must minimize cost impacts on our business, manage safety and liability issues, and ensure that any investments we have made in capital and operating costs are recovered on behalf of our Washington customers. In order to minimize costs for remaining customers we must charge for removal and ensure that assets for which we are responsible are not used by a successor utility.

Pacific Power owns and maintains all conduits and vaults that it has electrical facilities installed in and on. This is similar to the City of Walla Walla's practice of requiring developers to install pipes, vaults and other equipment for city water and sewer service. After installation, the city assumes ownership and maintenance of these customer-installed facilities. The same requirement holds true for Pacific Power facilities, and it is reflected in rules and tariffs approved by the Washington Utilities and Transportation Commission.

Section 4.A of Pacific Power's franchise agreement with the City of Walla Walla requires Pacific Power to make necessary accommodations as part of public works improvements. The city project at hand is to change electrical service providers at the water treatment plant. The city has requested Pacific Power leave the conduit and vault in place. In order to fulfill our obligation under our franchise agreement and accommodate the city's request, it will be necessary for Pacific Power to transfer the ownership and maintenance of this specific conduit and vault equipment to City of Walla Walla. To accomplish that, Pacific Power will require the city to formally agree to assume ownership of the conduit and vault through the terms of the attached bill of sale.

With regard to the removal of the other facilities at the water treatment plant, Pacific Power estimates the cost of removal of those facilities will be \$37,519. Once the removal is complete the company will reconcile the job and provide the city with either a bill for charges or a refund for the difference of what has already been paid. We have enclosed a summary of the estimate showing how the \$37,519 amount was reached. Before Pacific Power can proceed with the removal of its facilities at the water treatment plant, we request the following items be submitted:

City of Walla Walla
January 7, 2013
Page 2 of 2

1. A check in the amount of \$37,519 for the estimated removal cost.
2. Two signed copies of the Customer Requested Work Agreement.
3. Two Signed copies of the Bill of Sale for the conduit and vault.

We trust that the combination of the facility removal and facility ownership transfer outlined in this letter meets the city's needs and demonstrates Pacific Power's reasonable and proper accommodation under our franchise agreement. We are happy to meet with city representatives to answer questions in the interest of moving this project forward.

Sincerely,



Bill Clemens
Regional Community Manager

Enclosures



Walla Walla Office
650 E Douglas
Walla Walla, Washington 99362

Estimated Cost

Customer		Date	
Name	City of Walla Walla	1/3/2013	
Address	3 N 3rd Ave.	Request #	5710308
City	Walla Walla	WO #	5710308
	State WA	Acct #	42435821 161
	ZIP 99362	Site ID #	590638214
		Employee:	P21946

Qty	Description	Unit Price	TOTAL
1.0	02WORKOSOB - 7 poles, 1410' overhead three phase primary, 10 overhead transformers, 585' underground service, 330' three phase underground primary, and 5 meter locations. @ 413 Mill Creek Rd. Walla Walla, WA		
1.0	Facility removal cost	\$21,677.00	\$21,677.00
1.0	Net book value of facilities	\$23,096.00	\$23,096.00
1.0	Less Salvage	(\$7,254.00)	(\$7,254.00)
TOTAL			\$37,519.00

Office Use Only

*Invoice costs are valid for only 90 days from invoice date!
Please remit payment to address at top of invoice.*

(1/10)

Work Order #: 5710308
Cust. Acct. #: 42435821 161

PACIFIC POWER, a division of PACIFICORP CUSTOMER REQUESTED WORK AGREEMENT

This Customer Requested Work Agreement (this "Agreement"), dated 12-21-2012, is between Pacific Power, a division of PacifiCorp, ("Company") and Walla Walla City, ("Customer"), for work to be performed by Company for Customer at or near 413 Mill Creek Rd. in Walla Walla County, State of Washington.

Description:

Remove 7 poles, 1410' overhead three phase primary, 10 overhead transformers, 585' underground service, 330' three phase underground primary, and 5 meter locations.

Company facilities, that will no longer be used to provide service due to Customer switching from taking service from Company to taking service from another utility, will be removed at Customer's expense, less salvage value in excess of book value, if any. City is to take ownership of Pacific Power conduits.

Third-Party Relocation Costs: This work does not include any third-party relocation costs. Customer shall be solely responsible for obtaining cost estimates from any third-parties attached to the existing facilities, and Customer shall be solely responsible for making all necessary arrangements to transfer third-party facilities to the replacement facilities, or any alternative arrangements to accommodate all such third-parties.

Payment to Company: In consideration of the work to be performed by Company, Customer agrees to pay the estimated costs of \$37,519, in advance. Payment to Company will be adjusted to actual cost after completion of work. If actual cost is less than estimated cost the difference will be refunded to Customer by Company. If actual cost is greater than estimated cost the Company will bill Customer and Customer will pay the additional amount to Company. **Estimated cost is valid for 90 days from the agreement date.**

Any correspondence regarding this work shall be directed to the appropriate party as shown below:

City of Walla Walla
3 N 3rd Ave.
Walla Walla, WA 99362
Phone (509) 527 -4349

Pacific Power
650 E Douglas Ave
Walla Walla, WA 99362
Phone (509) 522-7038

This Agreement, upon execution by both Company and Customer, shall be a binding agreement for work performed by Company to accommodate Customer at the Customer's expense. The provisions of Appendix A General Terms and Conditions are an integral part of this Agreement.

Error! Reference source not found.

By _____
Signature

Title _____

Print name of Signing Officer

Date

PACIFIC POWER, a division of PACIFICORP

By _____
Signature

Title _____

Print name of Signing Manager/Officer

Date

**Appendix A
GENERAL TERMS AND CONDITIONS**

LIABILITY AND INDEMNIFICATION

The Customer shall indemnify, defend and hold harmless the Company to this Agreement and the Company's officers, directors, agents, employees, successors and assigns from any and all claims, demands, suits, losses, costs, and damages of any nature whatsoever, including attorney's fees and other costs of litigation brought or made against or incurred by the Company and resulting from, arising out of, or in any way connected with any act, omission, fault or negligence of the Customer, its employees or any officer, director, or employee or agent of the same and related to the subject matter of this Agreement. The indemnity obligation shall include, but not be limited to, loss of or damage to property, bodily or personal injury to, or the death of any person. The Customer's obligation under this provision of the Agreement shall not extend to liability caused by the sole negligence of the Company.

WORK COMPLETION

Company agrees to use commercially reasonable efforts to begin performance of the work on the date(s) specified above. In those instances where by reason of unanticipated events or emergencies which cause power outages or threaten the Company's ability to continuously provide electric service as it is required to do by law or by contract, then the Company personnel assigned to perform the work may be withdrawn from the work until such time as the unanticipated event or emergency is concluded. In the event that the Company personnel are removed from the work in response to such an event or emergency, then the time for completion of the work shall be extended by a period of time equal to that period from the time the personnel are removed from the work until they are available to complete the work plus 48 hours.

It is expressly agreed that the Company and those persons employed by the Company in connection with the work described herein are not employees of the Customer.

Company warrants that its work shall be consistent with prudent utility practices. COMPANY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND SIMILAR WARRANTIES. Company's liability for any action arising out of its activities relating to this Agreement shall be limited to repair or replacement of any non-operating or defective portion of the work. Under no circumstances shall Company be liable for economic losses, costs or damages, including but not limited to special, indirect, incidental, punitive, exemplary or consequential damages.

The Customer may, at reasonable times and by written agreement with the Company, request additional work within the general scope of the work as described in this Agreement or request the omission of or variation in the work, provided, however, that the Customer and Company agree to increase or decrease the amount the Customer is to pay the Company and such changes in scope are reasonably acceptable to the Company. Any such change to the scope of the work and the associated adjustment of costs shall be in writing and shall be submitted when obtained as an addendum to this agreement after being signed by both parties.

GENERAL

PAYMENTS: All bills or amounts due hereunder shall be payable to Company on the 25th day following the postmarked date of the bill. In the event that all or a portion of Customer's bill is disputed by Customer, Customer shall pay the total bill and shall designate that portion disputed. If it is later determined that Customer is entitled to a refund of all or any portion of the disputed amount, Company shall refund that portion of the amount of which Customer is found to be entitled. All billing statements shall show the amount due for the work performed.

COLLECTION: Customer shall pay all costs of collection, including court costs and reasonable attorney's fees upon default of customer, in addition to interest at a rate of 1.5 percent per month on any amounts not paid within thirty (30) day of invoice.

ASSIGNMENT: Customer shall not assign this Agreement to any successor without the written consent of Company, which consent shall not be unreasonably withheld. If properly assigned, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the party making the assignment.

State of Washington

County of Walla Walla

Bill of Sale

THIS BILL OF SALE is made as of this 3rd day of January, 20 12, by and between PacifiCorp, an Oregon corporation ("Seller") and City of Walla Walla, ("Buyer").

1. **Conveyance.** For and in consideration of the sum of \$ Value Received U.S. Dollars, paid by Buyer and delivered to Seller, receipt of which is hereby acknowledged, Seller conveys to Buyer the following used electric facilities ("Facilities") located at 413 Mill Creek Rd. in Walla Walla, Washington according to the terms of this Bill of Sale:

60' 4" conduit at FP#134700
45'3- 4" conduits at FP#133601
75' 4" conduit at FP#133602
195' 3" conduit at FP#133500
330' 5" conduit at FP# 131560
30' 4-5" conduit at FP#131580
Concrete Vault at FP#131580

2. **Disclaimer of Warranties.** Buyer acknowledges that Seller makes no representations or warranties, either express or implied, regarding the condition of the Facilities and that the Facilities are conveyed to Buyer strictly "AS IS" and "WHERE IS".

SELLER HEREBY DISCLAIMS AND EXCLUDES HEREFROM, (A) ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, DESIGN, OPERATION, OR QUALITY OF THE MATERIALS OR WORKMANSHIP IN, OR ANY DEFECTS IN, THE FACILITIES, (B) ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, OR (C) ANY EXPRESS OR IMPLIED REPRESENTATION, GUARANTEE, OBLIGATION, LIABILITY OF WARRANTY OF SELLER, EXPRESS OR IMPLIED OF ANY KIND, ARISING BY LAW OR FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.

3. **Limitation of Liability.** In no event shall Seller be liable in connection with the Facilities for special, incidental, or consequential damages, including lost profits, loss of use, or other economic loss, nor shall any liability of the Seller exceed the purchase price of the Facilities.

4. **Indemnity.** Buyer expressly assumes all risk in connection with Buyer's purchase and use of the Facilities. Buyer further agrees to indemnify, protect, and hold harmless Seller and its directors, officers, employees, representatives and agents (collectively, "Seller Indemnified Parties") against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including environmental claims, attorneys' fees and/or litigation expenses, brought or made against or incurred by the Seller Indemnified Parties resulting from, arising out

of, or in any way connected with any act, omissions, fault or negligence of Buyer, its employees, agents, representatives, assignees, invitees, licensees, or contractors, their employees, agents or representatives arising out of or in any way connected to Buyer's purchase, acceptance and/or use of the Facilities.

Additionally, Buyer shall assume sole and exclusive responsibility and legal liability for the design, location, repair, replacement, construction, installation and maintenance of the Facilities transferred to it by Seller. The assumption of this responsibility by Buyer includes the obligations to indemnify and hold harmless Seller from any claim, demand, action or suit brought by third parties arising out of, or related to Seller's ownership, replacement, design, maintenance, location, inspection, construction, repair, sale or exchange of the facilities transferred to Buyer. The obligation to indemnify and hold harmless the Seller specifically includes any claims, actions or suits which might arise because of Seller's own negligence.

5. **Future Use.** Facilities shall not be used for the installation of electrical facilities by another utility service provider.

IN WITNESS THEREOF, the parties have executed and Buyer accepts this Bill of Sale as of the date set forth above.

Seller
PacifiCorp

By _____

Name _____

Title _____

Buyer

By _____

Name _____

Title _____

12/14/2012

Property Valuation
Pacific Power - Distribution Facilities
Proposed Removal of Facilities
Requested by: Justin Samp
Material List

For: Accumulated Depreciation for Columbia Rural Electric Association, City of W2, 413 Mill Cr Rd, Walla Walla, WA

Location No. 240000
RCMS Order No. 5710308

FERC Account	Asset Class	Vintage	SAP PRU	Facility Point	Quantity	Unit	Original Unit Cost	Installed Orig Cost	End Year 2012	
									Accum Depreciation	NBV
364	36401	1972	POL01	2107036 133602	1	ea	247.50	247.50	(143.44)	104.06
364	36401	1986	POL01	2107036 133500	1	ea	986.79	986.79	(401.87)	584.92
364	36401	1989	POL01	2107036 133501	1	ea	873.31	873.31	(315.57)	557.74
364	36401	1989	POL01	2107036 133600	1	ea	873.31	873.31	(315.57)	557.74
364	36401	1991	POL01	2107036 134700	1	ea	1,270.80	1,270.80	(422.95)	847.85
364	36401	1991	POL01	2107036 134800	1	ea	722.15	722.15	(185.07)	537.08
364	36401	2002	POL01	2107036 133601	1	ea	1,937.44	1,937.44	(325.62)	1,611.81
365	36506	1989	OHC06	2107036 133563	720	ft	2.44	1,766.87	(535.99)	1,220.88
365	36506	1989	OHC06	2107036 133563	2160	ft	2.44	5,270.62	(1,607.97)	3,662.64
365	36506	1989	OHC06	2107036 133600	2070	ft	2.44	5,051.01	(1,540.97)	3,510.03
366	36614	1972	CON14	2107036 133601	690	ft	2.44	1,683.67	(513.66)	1,170.01
366	36614	1987	CON14	2107036 133602	15	ea	3.22	48.29	(41.43)	6.85
366	36614	1981	CON14	2107036 133600	9	ea	3.22	28.98	(17.60)	11.38
366	36614	1988	CON14	2107036 134700	8	ea	3.22	25.75	(13.43)	12.32
366	36614	1988	CON14	2107036 133500	21	ea	4.79	100.49	(40.83)	59.65
366	36614	1988	CON14	2107036 131580	3	ea	3.23	9.68	(3.47)	6.21
366	36617	2008	VMH17	2107036 131580	32	ea	3.23	103.30	(37.04)	66.26
368	36829	1996	TPM29	2107036 133500	1	ea	3710.60	3,710.60	(801.33)	3,109.27
368	36830	1972	TPM30	2107036 133601	1	ea	489.33	469.33	(166.38)	303.94
368	36830	1987	TPM30	2107036 133602	3	ea	621.40	1,864.19	(1,385.88)	478.30
368	36830	1991	TPM30	2107036 134700	3	ea	1,135.08	3,405.24	(1,773.73)	1,631.51
368	36838	1997	TPD38	2107036 131580	3	ea	1,137.79	3,413.38	(1,531.07)	1,882.31
369	36923	1998	UGC23	2107036 133500	1	ea	5,346.02	5,346.02	(1,776.84)	3,569.17
369	36923	1998	UGC23	2107036 133601	1	svc	135.07	135.07	(40.23)	94.83
369	36923	1998	UGC23	2107036 131580	1	svc	135.59	135.59	(35.54)	100.04
369	36924	2002	UGC24	2107036 133601	1	svc	134.98	134.98	(25.68)	109.30
370	37054	1994	UGC24	2107036 134700	1	svc	135.78	135.78	(45.25)	90.53
370	37054	1989	ITC54	2107036 133601	3	ea	63.71	191.13	(66.81)	104.32
370	37054	1999	ITC54	2107036 133602	1	ea	63.71	63.71	(28.94)	34.77
370	37054	1999	ITC54	2107036 134700	3	ea	63.71	191.13	(66.81)	104.32
370	37056	1972	OMT56	2107036 131580	3	ea	63.71	191.13	(66.81)	104.32
370	37056	1984	OMT56	2107036 133601	1	ea	37.92	37.92	(34.91)	3.00
370	37056	2005	OMT56	2107036 133500	1	ea	123.94	123.94	(98.17)	24.77
370	37056	2005	OMT56	2107036 134700	1	ea	45.32	45.32	(11.93)	33.39
370	37056	2005	OMT56	2107036 131580	1	ea	45.32	45.32	(11.93)	33.39

LESS
CONDUIT
* JUNK

Total
40,639.69 (14,271.35) 26,368.34

\$ 23,096



January 25, 2013

Jeff Thomas
Walla Walla Country Club
1390 Country Club Rd.
Walla Walla, WA 99362

Dear Mr. Thomas;

This letter is in response to the Walla Walla Country Club's request for Pacific Power to remove facilities from the Walla Walla Country Club.

While it is unfortunate, we respect the Country Club's decision to move to another provider. At the same time, we must minimize cost impacts on our business, manage safety and liability issues, and ensure that any investments we have made in capital and operating costs are recovered on behalf of our Washington customers. In order to minimize costs for remaining customers we must charge the Country Club for the removal of Pacific Power's facilities.

Enclosed please find a final cost estimate for the permanent removal of the electric facilities installed for the purpose of providing electric service to the Walla Walla Country Club. The attached cost estimate includes \$66,718 for removal of conduit and vaults. Because of the Country Club's concerns about property damage and permanent repair, Pacific offers to sell the Country Club conduit and vaults for the same \$66,718. Please note, a portion of these conduits were installed in December 2007 at a cost of \$38,388 to Pacific's rate payers.

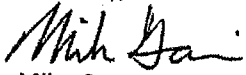
With regard to the removal of Pacific Power's other facilities at the Walla Walla Country Club, Pacific Power estimates the removal cost will be \$37,458. Once the removal is complete the company will reconcile the job costs against the final estimate and provide the Country Club with either a bill for charges or an invoice or refund for the difference between the reconciled costs and what has already been paid.

Before Pacific Power can proceed with the permanent removal of its facilities at the Country Club, we request the following items be submitted:

1. A check in the amount of \$104,176 for the estimated removal cost.
2. Two signed copies of the Customer Requested Work Agreement.
3. Two signed copies of the Bill of Sale for the conduits and vaults, if the Country Club decides to take ownership.

We trust that the combination of the facility removal or facility ownership transfer outlined in this letter meets the Country Club's needs.

Sincerely,



Mike Gavin
Distribution Manager

Enclosures



Return To: **Pacific Power**
 Walla Walla Operations Center
 650 E. Douglas Ave.
 Walla Walla, WA 99362

Removal Estimate

Name:	Jeff Thomas	Date:	1/25/2013
Street:	Walla Walla Country Club	W.O.:	5647296
City:	1309 Country Club Rd	Employee:	MG
Customer Acct.#	Walla Walla	State:	WA
	43785561 002	Zip:	99362

Qty	Unit	Description	Unit Price	TOTAL
		Cost info statement based on estimated costs for removal of company facilities at 1309 Country Club Rd, Walla Walla, WA. Customer request to convert to Columbia REA		
1		Removal of Wires, Transformers and Metering	\$19,085.00	\$19,373.00
1		Net Book Value of Facilities to be removed	\$19,877.00	\$19,877.00
1		Salvage	(\$1,801.00)	(\$1,792.00)
1		Removal or Sale of Conduits and Vaults	\$66,718.00	\$66,718.00
ESTIMATE VALID FOR 90 DAYS				
TOTAL				\$104,176.00

Office Use Only

(1/10)

Work Order #: 5847296
Cust. Acct. #:43785561-002

PACIFIC POWER, a division of PACIFICORP CUSTOMER REQUESTED WORK AGREEMENT

This Customer Requested Work Agreement (this "Agreement"), dated January 25, 2013, is between Pacific Power, a division of PacifiCorp, ("Company") and WALLA WALLA COUNTRY CLUB, ("Customer"), for work to be performed by Company for Customer at or near 1390 Country Club Rd, Walla Walla, WA in Walla Walla County, State of Washington

Description:

Remove Company facility

Company facilities, that will no longer be used to provide service due to Customer switching from taking service from Company to taking service from another utility, will be removed at Customer's expense, less salvage value in excess of book value, if any.

Third-Party Relocation Costs: This work does not include any third-party relocation costs. Customer shall be solely responsible for obtaining cost estimates from any third-parties attached to the existing facilities, and Customer shall be solely responsible for making all necessary arrangements to transfer third-party facilities to the replacement facilities, or any alternative arrangements to accommodate all such third-parties.

Payment to Company: In consideration of the work to be performed by Company, Customer agrees to pay the estimated costs of \$104,176.00, in advance. Payment to Company will be adjusted to actual cost after completion of work. If actual cost is less than estimated cost the difference will be refunded to Customer by Company. If actual cost is greater than estimated cost the Company will bill Customer and Customer will pay the additional amount to Company. Estimated cost is valid for 90 days from the agreement date.

Any correspondence regarding this work shall be directed to the appropriate party as shown below:

Walla Walla Country Club
Jeff Thomas
1390 Country Club Rd
Walla Walla, WA 99362
Phone (509) 525-1780
Cellular ()
Fax ()

Pacific Power
Mike Gavin
650 Douglas
Walla Walla, WA 99362
Phone (509) 522-7008
Cellular ()
Fax ()

This Agreement, upon execution by both Company and Customer, shall be a binding agreement for work performed by Company to accommodate Customer at the Customer's expense. The provisions of Appendix A General Terms and Conditions are an integral part of this Agreement.

WALLA WALLA COUNTRY CLUB

By _____
Signature
Title _____
Print name of Signing Officer _____
Date _____

PACIFIC POWER, a division of PACIFICORP

By _____
Signature
Title _____
Print name of Signing Manager/Officer _____
Date _____

**Appendix A
GENERAL TERMS AND CONDITIONS**

LIABILITY AND INDEMNIFICATION

The Customer shall indemnify, defend and hold harmless the Company to this Agreement and the Company's officers, directors, agents, employees, successors and assigns from any and all claims, demands, suits, losses, costs, and damages of any nature whatsoever, including attorney's fees and other costs of litigation brought or made against or incurred by the Company and resulting from, arising out of, or in any way connected with any act, omission, fault or negligence of the Customer, its employees or any officer, director, or employee or agent of the same and related to the subject matter of this Agreement. The indemnity obligation shall include, but not be limited to, loss of or damage to property, bodily or personal injury to, or the death of any person. The Customer's obligation under this provision of the Agreement shall not extend to liability caused by the sole negligence of the Company.

WORK COMPLETION

Company agrees to use commercially reasonable efforts to begin performance of the work on the date(s) specified above. In those instances where by reason of unanticipated events or emergencies which cause power outages or threaten the Company's ability to continuously provide electric service as it is required to do by law or by contract, then the Company personnel assigned to perform the work may be withdrawn from the work until such time as the unanticipated event or emergency is concluded. In the event that the Company personnel are removed from the work in response to such an event or emergency, then the time for completion of the work shall be extended by a period of time equal to that period from the time the personnel are removed from the work until they are available to complete the work plus 48 hours.

It is expressly agreed that the Company and those persons employed by the Company in connection with the work described herein are not employed by or employees of the Customer.

Company warrants that its work shall be consistent with prudent utility practices. COMPANY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND SIMILAR WARRANTIES. Company's liability for any action arising out of its activities relating to this Agreement shall be limited to repair or replacement of any non-operating or defective portion of the work. Under no circumstances shall Company be liable for economic losses, costs or damages, including but not limited to special, indirect, incidental, punitive, exemplary or consequential damages.

The Customer may, at reasonable times and by written agreement with the Company, request additional work within the general scope of the work as described in this Agreement or request the omission of or variation in the work, provided, however, that the Customer and Company agree to increase or decrease the amount the Customer is to pay the Company and such changes in scope are reasonably acceptable to the Company. Any such change to the scope of the work and the associated adjustment of costs shall be in writing and shall be submitted when obtained as an addendum to this agreement after being signed by both parties.

GENERAL

PAYMENTS: All bills or amounts due hereunder shall be payable to Company on the 25th day following the postmarked date of the bill. In the event that all or a portion of Customer's bill is disputed by Customer, Customer shall pay the total bill and shall designate that portion disputed. If it is later determined that Customer is entitled to a refund of all or any portion of the disputed amount, Company shall refund that portion of the amount of which Customer is found to be entitled. All billing statements shall show the amount due for the work performed.

COLLECTION: Customer shall pay all costs of collection, including court costs and reasonable attorney's fees upon default of customer, in addition to interest at a rate of 1.5 percent per month on any amounts not paid within thirty (30) day of invoice.

ASSIGNMENT: Customer shall not assign this Agreement to any successor without the written consent of Company, which consent shall not be unreasonably withheld. If properly assigned, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the party making the assignment.

State of Washington

County of Walla Walla

Bill of Sale

THIS BILL OF SALE is made as of this 25th day of January 2013, by and between PacifiCorp, an Oregon corporation ("Seller") and WALLA WALLA COUNTRY CLUB, ("Buyer").

1. **Conveyance.** For and in consideration of the sum of \$ 66,718 U.S. Dollars, paid by Buyer and delivered to Seller, receipt of which is hereby acknowledged, Seller conveys to Buyer the following used electric facilities ("Facilities") located at 1390 Country Club Rd. in Walla Walla, Washington according to the terms of this Bill of Sale:

- Plaza Pump – 60' 3" conduit from pole to meter location
- Wayne Ln – 20' conduit/wire from padmount transformer to meter location
- East Pump – 520' 4" conduit, concrete vault and multiple conduits to meter location
- Tennis Court – 70' 4" conduit from pole to meter location
- Club House – 270' of 4" conduit, concrete vault and multiple conduits into building
- West Pump – 640' of 4" conduit, concrete vault and service conduit to meter location

2. **Disclaimer of Warranties.** Buyer acknowledges that Seller makes no representations or warranties, either express or implied, regarding the condition of the Facilities and that the Facilities are conveyed to Buyer strictly "AS IS" and "WHERE IS".

SELLER HEREBY DISCLAIMS AND EXCLUDES HEREFROM, (A) ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, DESIGN, OPERATION, OR QUALITY OF THE MATERIALS OR WORKMANSHIP IN, OR ANY DEFECTS IN, THE FACILITIES, (B) ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, OR (C) ANY EXPRESS OR IMPLIED REPRESENTATION, GUARANTEE, OBLIGATION, LIABILITY OF WARRANTY OF SELLER, EXPRESS OR IMPLIED OF ANY KIND, ARISING BY LAW OR FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.

3. **Limitation of Liability.** In no event shall Seller be liable in connection with the Facilities for special, incidental, or consequential damages, including lost profits, loss of use, or other economic loss, nor shall any liability of the Seller exceed the purchase price of the Facilities.

4. **Indemnity.** Buyer expressly assumes all risk in connection with Buyer's purchase and use of the Facilities. Buyer further agrees to indemnify, protect, and hold harmless Seller and its directors, officers, employees, representatives and agents (collectively, "Seller Indemnified Parties") against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including environmental claims, attorneys' fees and/or litigation expenses, brought or made against or incurred by the Seller Indemnified Parties resulting from, arising out of, or in any way connected with any act, omissions, fault or negligence of Buyer, its employees,

agents, representatives, assignees, invitees, licensees, or contractors, their employees, agents or representatives arising out of or in any way connected to Buyer's purchase, acceptance and/or use of the Facilities.

Additionally, Buyer shall assume sole and exclusive responsibility and legal liability for the design, location, repair, replacement, construction, installation and maintenance of the Facilities transferred to it by Seller. The assumption of this responsibility by Buyer includes the obligations to indemnify and hold harmless Seller from any claim, demand, action or suit brought by third parties arising out of, or related to Seller's ownership, replacement, design, maintenance, location, inspection, construction, repair, sale or exchange of the facilities transferred to Buyer. The obligation to indemnify and hold harmless the Seller specifically includes any claims, actions or suits which might arise because of Seller's own negligence.

IN WITNESS THEREOF, the parties have executed and Buyer accepts this Bill of Sale as of the date set forth above.

Seller
PacifiCorp

By _____

Name _____

Title _____

Buyer

By _____

Name _____

Title _____

12/2012

Property Valuation
Pacific Power - Distribution Facilities
Proposed Removal of Facilities
Requested by: Dan Thomsen
Material List

Location No. 240000

Asset Description	FERC Account	Asset Class	Vintage	SAP PRU	Facility Point	Quantity	Unit	Original Unit Cost	Installed Orig Cost	Accum Depreciation	NBV
POLE, WOOD, 40 FT, CLASS 3, DIST	364	36401	2007	POL01	2107036	1	ea	2954.68	2,954.68	(263.74)	2,690.93
CONDUCTOR, ACSR, #4, 71NSTR	365	36506	1975	OHC08	2107036	360	fl	0.85	306.32	(142.96)	163.37
CONDUIT, PVC, 4" SCH 40, 10L (530")	366	36614	1974	CON14	2107036	53	ea	3.22	170.61	(142.26)	28.34
CONDUIT, PVC, 3" SCH 40, 10L (330")	366	36614	1996	CON14	2107036	8	ea	4.78	38.26	(15.55)	22.71
CONDUIT, PVC, 3" SCH 40, 10L (653")	366	36614	1997	CON14	2107036	33	ea	3.49	115.27	(44.10)	71.17
CONDUIT, PVC, 3" SCH 40, 10L (60")	366	36614	2001	CON14	2107036	65	ea	9.87	641.42	(183.19)	458.23
CONDUIT, PVC, 3" SCH 40, 10L (60")	366	36614	2005	CON14	2107036	6	ea	17.55	105.29	(19.68)	85.62
PADVAULT, 5X7, XFMR, 3PH, 4-25KV	366	36617	2006	VMH17	2107036	2	ea	16.63	33.26	(5.39)	27.87
PADVAULT, 5X7, XFMR, 3PH, 4-25KV	366	36617	2006	VMH17	2107036	1	ea	3710.58	3,710.58	(601.33)	3,109.25
PADVAULT, 5X7, XFMR, 3PH, 4-25KV	366	36617	2008	VMH17	2107036	1	ea	3710.58	3,710.58	(601.33)	3,109.25
CABLE, UG, 15KV, #2 AL, SOL	367	36723	1988	UGC23	2107036	1	ea	3710.58	3,710.58	(601.33)	3,109.25
CABLE, UG, 15KV, #2 AL, SOL	367	36723	1997	UGC23	2107036	550	fl	0.48	262.41	(222.32)	40.09
VCABLE, UG, 600V, 1/0, AL, 3PLX	367	36723	2001	UGC23	2107036	350	fl	1.25	437.15	(721.32)	288.02
XFMR, PAD, 3PH, 300, 7.2, 480	368	36837	2005	UGC23	2107036	670	fl	4.24	2,837.45	(149.13)	2,688.32
XFMR, PAD, 3PH, 75, 7.2, 480	368	36838	2001	TPD37	2107036	115	fl	9.47	1,088.94	(149.13)	939.81
XFMR, PAD, 3PH, 225, 7.2, 208	368	36838	1997	TPD37	2107036	1	ea	3911.99	3,911.99	(979.71)	2,932.28
CABLE, OVHD, #2, AL, 3PLX, CLAM (100')	369	36906	1975	OHC06	2107036	1	ea	3911.99	3,911.99	(979.71)	2,932.28
CABLE, UG, 600V, 1/0, AL, 3PLX (20')	369	36906	1975	OHC06	2107036	1	ea	5346.02	5,346.02	(1,776.84)	3,569.17
CABLE, UG, 600V, 4/0, AL, 3PLX (100')	369	36923	1988	UGC23	2107036	1	ea	78.64	78.64	(48.79)	29.85
CABLE, UG, 600V, 350, AL, 3PLX (25')	369	36923	1992	UGC23	2107036	1	ea	78.99	78.99	(23.63)	55.36
METER, WHM, FM2S, 240V, CL200	370	37054	1989	ITC54	2107036	1	ea	139.18	139.18	(102.73)	36.45
METER, WHM, FM2S, 240V, CL200	370	37054	1989	ITC54	2107036	1	ea	135.56	135.56	(49.94)	85.63
METER, WHM, FM8/9S, CL 20, 120-480V	370	37056	1997	UGC23	2107036	1	ea	135.10	135.10	(37.83)	97.27
METER, WHM, FM16S, 120-480V, CL200	370	37056	2001	UGC23	2107036	1	ea	134.70	134.70	(28.06)	106.64
METER, WHM, FM16S, 120-480V, CL200	370	37056	2007	UGC23	2107036	1	ea	135.05	135.05	(13.48)	121.56
POLE, WOOD, 30 FT, CLASS 5, DIST	373	37301	1988	POL01	2107036	2	ea	63.74	127.47	(57.90)	69.58
CABLE, OVHD, #6, AL, 2PLI X	373	37306	2006	ITC54	2107036	3	ea	84.87	254.60	(86.84)	104.37
LUM, HPS, ST, 100W, 120V, FL GL	373	37360	1988	LUM60	2107036	125	fl	0.28	35.20	(26.97)	8.23
						1	ea	133.52	133.52	(112.71)	20.81

LESS COST PROVIDED -6881

\$19,877

35,343.62 (8,585.39) 26,758.23



May 3, 2013

Ronald Tilley
Kaylee Investments LLC
1701 Plaza Way
Walla Walla, WA 99362

Dear Mr. Tilley;

This letter is in response to Kaylee Investments request for Pacific Power to remove facilities from Quail Run Retirement.

While it is unfortunate, we respect the Kaylee Investments decision to move to another provider. At the same time, we must minimize cost impacts on our business, manage safety and liability issues, and ensure that any investments we have made in capital and operating costs are recovered on behalf of our Washington customers. In order to minimize costs for remaining customers we must charge Kaylee Investments for the removal of Pacific Power's facilities.

Enclosed please find a final cost estimate for the permanent removal of the electric facilities installed for the purpose of providing electric service to Quail Run Retirement. The attached cost estimate includes \$24,878 for removal of conduit and vaults. Because of Kaylee Investments concerns about property damage and permanent repair, Pacific offers to sell Kaylee Investments conduit and vaults for the same \$24,878.

With regard to the removal of Pacific Power's other facilities at Quail Run Retirement, Pacific Power estimates the removal cost will be \$6,492. Once the removal is complete the company will reconcile the job costs against the final estimate and provide Kaylee Investments with either a bill for charges or an invoice or refund for the difference between the reconciled costs and what has already been paid.

Before Pacific Power can proceed with the permanent removal of its facilities at Quail Run, we request the following items be submitted:

1. A check in the amount of \$31,370 for the estimated removal cost.
2. Two signed copies of the Customer Requested Work Agreement.
3. Two signed copies of the Bill of Sale for the conduits and vaults, if Kaylee Investments decides to take ownership of vaults and conduit.

We trust that the combination of the facility removal or facility ownership transfer outlined in this letter meets the Kaylee Investment's needs.

Sincerely,

A handwritten signature in black ink that reads "Mike Gavin".

Mike Gavin
Distribution Manager
509-522-7008
Enclosures

State of Washington

County of Walla Walla

Bill of Sale

THIS BILL OF SALE is made as of this 3rd day of May 2013, by and between PacifiCorp, an Oregon corporation ("Seller") and Kaylee Investments LLC, ("Buyer").

1. **Conveyance.** For and in consideration of the sum of \$ 24,878 U.S. Dollars, paid by Buyer and delivered to Seller, receipt of which is hereby acknowledged, Seller conveys to Buyer the following used electric facilities ("Facilities") located at 1701 Plaza Way in Walla Walla, Washington according to the terms of this Bill of Sale:

260' of 3" conduit from pole to transformer
Concrete Transformer pad
70' of 5 - 3" conduits from transformer to building.

2. **Disclaimer of Warranties.** Buyer acknowledges that Seller makes no representations or warranties, either express or implied, regarding the condition of the Facilities and that the Facilities are conveyed to Buyer strictly "AS IS" and "WHERE IS".

SELLER HEREBY DISCLAIMS AND EXCLUDES HEREFROM, (A) ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, DESIGN, OPERATION, OR QUALITY OF THE MATERIALS OR WORKMANSHIP IN, OR ANY DEFECTS IN, THE FACILITIES, (B) ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, OR (C) ANY EXPRESS OR IMPLIED REPRESENTATION, GUARANTEE, OBLIGATION, LIABILITY OF WARRANTY OF SELLER, EXPRESS OR IMPLIED OF ANY KIND, ARISING BY LAW OR FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.

3. **Limitation of Liability.** In no event shall Seller be liable in connection with the Facilities for special, incidental, or consequential damages, including lost profits, loss of use, or other economic loss, nor shall any liability of the Seller exceed the purchase price of the Facilities.

4. **Indemnity.** Buyer expressly assumes all risk in connection with Buyer's purchase and use of the Facilities. Buyer further agrees to indemnify, protect, and hold harmless Seller and its directors, officers, employees, representatives and agents (collectively, "Seller Indemnified Parties") against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including environmental claims, attorneys' fees and/or litigation expenses, brought or made against or incurred by the Seller Indemnified Parties resulting from, arising out of, or in any way connected with any act, omissions, fault or negligence of Buyer, its employees, agents, representatives, assignees, invitees, licensees, or contractors, their employees, agents or representatives arising out of or in any way connected to Buyer's purchase, acceptance and/or use of the Facilities.

Additionally, Buyer shall assume sole and exclusive responsibility and legal liability for the design, location, repair, replacement, construction, installation and maintenance of the Facilities transferred to it by Seller. The assumption of this responsibility by Buyer includes the obligations to indemnify and hold harmless Seller from any claim, demand, action or suit brought by third parties arising out of, or related to Seller's ownership, replacement, design, maintenance, location, inspection, construction, repair, sale or exchange of the facilities transferred to Buyer. The obligation to indemnify and hold harmless the Seller specifically includes any claims, actions or suits which might arise because of Seller's own negligence.

IN WITNESS THEREOF, the parties have executed and Buyer accepts this Bill of Sale as of the date set forth above.

Seller
PacifiCorp

By _____

Name _____

Title _____

Buyer

By _____

Name _____

Title _____



Return To: **Pacific Power**
 Walla Walla Operations Center
 650 E. Douglas Ave.
 Walla Walla, WA 99362

Removal Estimate

Name: Ronald Tilley
Kaylee Investments LLC
 Street: 1701 Plaza Way
 City: Walla Walla State: WA Zip: 99362
 Customer Acct.# 24006695 001

Date: 5/3/2013
 W.O.: 5721673
 Employee: MG

Qty	Unit	Description	Unit Price	TOTAL
		Cost info statement based on estimated costs for removal of company facilities at 1701 Plaza Way, Walla Walla, WA. Customer request to convert to Columbia REA		
1		Removal of Wires, Transformers and Metering	\$5,536.00	\$5,536.00
1		Net Book Value of Facilities to be removed	\$1,949.00	\$1,949.00
1		Salvage	(\$993.00)	(\$993.00)
1		Removal or Sale of Conduits and Vaults	\$24,878.00	\$24,878.00
		ESTIMATE VALID FOR 90 DAYS		
			TOTAL	\$31,370.00

Office Use Only



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Please Reply To:

Michelle R. Mishoe, Legal Counsel
Suite 1800
Direct Dial (503) 813-5977
Fax (503) 813-7252
Email: michelle.mishoe@pacificorp.com

May 31, 2013

Thomas Baffney
Reese, Baffney, Frol & Grossman, P.S.
216 South Palouse Street
Walla Walla, Washington 99362-3025

Re: Walla Walla Country Club

Dear Mr. Baffney,

Pacific Power is in receipt of your letters dated May 3, 2013, and May 23, 2013 explaining the Walla Walla Country Club's (Country Club) position regarding treatment of underground conduit and vaults at issue concerning the Country Club's request to disconnect from Pacific Power's service in order to be served by the Columbia Rural Electric Association (CREA). Pacific Power understands the Country Club's position to either a) provide replacement conduit and vaults or b) pay the value of such conduit and vaults, estimated by the Country Club to be worth \$7,760. The Country Club is not disputing the costs of removing Pacific Power's above-ground facilities, which are estimated to be \$37,458.

Pacific Power reiterates its statements from its letter dated March 18, 2013. As indicated, the conduit and vaults are a part of the line extension constructed for Pacific Power to provide electric service to the Country Club. Pacific Power owns, operates and maintains line extensions, and must maintain them even if not used for providing electric service.

When a customer requests removal of facilities, Pacific Power's tariffs, approved by the Washington Utilities and Transportation Commission, govern such removal and provide the method of calculating the removal costs. Pacific Power's Washington Tariff Rule 6, Section I (Rule 6) describes permanent disconnection and removal of facilities. To accommodate your request to avoid disruption to the Country Club's grounds and activities, Pacific Power has offered to sell the conduit and vault to the Country Club at the estimated costs of removing the facilities. Pacific Power received bids from outside contractors for the costs to remove Pacific Power's underground facilities. Pacific Power selected the lowest bid as the estimate for removal. Pacific Power makes this offer in order to allow the Country Club to transition its electric service to CREA, while protecting Pacific Power's other customers from paying these costs. Pacific Power stands firm on its offer to sell the vault and conduit to the Country Club for \$66,718.

Sincerely,

Michelle Mishoe
Legal Counsel
Pacific Power