



December 29, 2009

**VIA FEDERAL EXPRESS**

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

**Re: Idaho Power Company  
Second Revised Rate Schedule FERC No. 152**

**Deseret Generation & Transmission Co-operative, Inc.  
Second Revised Rate Schedule FERC No. 25**

**NorthWestern Corporation  
Second Revised Rate Schedule FERC No. 253**

**PacifiCorp  
Second Revised Rate Schedule FERC No. 612**

**Portland General Electric Company  
First Revised Rate Schedule FERC No. 17**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. Section 824d, and Part 35 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (the "Commission"), 18 CFR Part 35, Idaho Power Company ("Idaho Power"), Deseret Generation & Transmission Co-operative, Inc. ("Deseret"), NorthWestern Corporation ("Northwestern"), PacifiCorp ("PacifiCorp"), and Portland General Electric ("Portland General") each submit modifications to the above-captioned rate schedules to reflect amendments to the Second Amended and Restated 2008-2009 Northern Tier Transmission Group Funding Agreement ("2008 Funding Agreement"). The entities referred to above may hereinafter be referred to individually as "Party" or collectively as the "Parties."

**A. BACKGROUND AND DESCRIPTION OF RATE SCHEDULE CHANGES**

Each of the Applicants owns and operates transmission facilities within a portion of the Northwest and Mountain States, and is subject to the Federal Power Act jurisdiction of the Commission. While local, single system planning efforts are performed individually, each of the Applicants has committed, through agreement and by providing funding, to participation in the Northern Tier Transmission Group (“NTTG” or “Northern Tier”). NTTG is, in essence, a trade name for the collaborative efforts of those participating utilities and state representatives to implement NTTG charters and agreements. Through these subregional commitments to the NTTG and in conjunction with each of their respective set of planning commitments embodied in Attachment Ks to their Open Access Transmission Tariff (“OATT”), the Applicants, together with the additional NTTG members as well as stakeholders, carry out an open, transparent, coordinated transmission planning process for service and facilities involving the combined systems within NTTG, and ultimately through participation by the NTTG in the Western Electric Coordination Council (“WECC”) processes, the entire Western Interconnection.

The Applicants are also the signatories to the NTTG Second Amended and Restated 2008-2009 Funding Agreement, which is on file with the Commission and specifies the entities that are funding NTTG activities, the quantity of funding, the allocation of the funding obligation among the funding entities, and the terms and conditions upon which funding is provided. More specifically, in the NTTG Second Amended and Restated 2008-2009 Funding Agreement, the signatories thereto commit funds according to an estimated budget for two years of Northern Tier activities. The agreement also establishes a process for revising the budget and approving budget increases, identifies the process by which funds for NTTG activities are called for and delivered, and specifies how the designated custodian of Northern Tier funds (referred to therein as the Finance Agent) will obtain approval to pay NTTG expenses. On October 8, 2008, the Commission accepted for filing the Second Amended and Restated 2008-2009 Northern Tier Transmission Group Funding Agreement.<sup>1</sup>

The term of the Second Amended and Restated Funding Agreement will expire on December 31, 2009, and the Parties have executed the Northern Tier Transmission Group Funding Agreement 2010-2011 (the “2010-2011 Funding Agreement”) to provide for the continued funding provisions of NTTG activities during calendar years 2010 and 2011.

The pertinent modifications from the 2008-2009 Funding Agreement to the 2010-2011 Funding Agreement are:

- (a) Deletion of several recital provisions that were historical in nature and unnecessary in the 2010-2011 Funding Agreement;

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<sup>1</sup> Deseret Generation and Transmission Co-operative, Inc., Docket No. ER08-1387-000; Idaho Power, Docket No. ER08-1388; NorthWestern Corporation, Docket No. ER08-1389; PacifiCorp, Docket No. ER08-1390; and Portland General, Docket No. ER08-1391 (unpublished letter order).

- (b) Restatement of “Section 3 – Funding” and corresponding “Exhibit A” to more clearly state the Parties’ intent. The structure of the allocation formula utilized in the 2008 Funding Agreement remains the same; however, the components and base contribution amounts have changed consistent with the Parties current agreement;
- (c) Restatement of “Section 4 – Steering Committee” for clarity and to remove redundant provisions that are contained in the NTTG Steering Committee Charter;
- (d) Restatement of “Section 5 – Finance Agent” to more clearly reflect the budget and cost allocation procedure and payment of NTTG expenses;
- (e) Revision of expiration date in “Section 9- Term”;
- (f) Deletion of Steering Committee Charter from documents specified in “Section 18- Integration”; and
- (g) Modification to Exhibit B the “Finance Agent Agreement” as follows:
  - i. Revision of the term to calendar year 2010-2011;
  - ii. Revision of “Section 1 – Term and Termination” to require “written” agreement of the Parties to extend or terminate the Finance Agent Agreement;
  - iii. Revision of “Section 2 – Scope of Services” to allow revised duties of the Finance Agent should the 2010-2011 Funding Agreement be modified;
  - iv. Revision of “Section 3 – Reimbursement” to provide additional clarity on procedure for reimbursement of Finance Agent and to add a dispute resolution reference;
  - v. Revision of “Section 6 – Amendment/Successors” to require a “written” agreement of the Parties in order to amend the Finance Agent Agreement;
  - vi. Revision of “Section 7 – Applicable Law” to designate the laws of the state of New York for interpretation purposes and to designate the County and State of the principal office of the Finance Agent for venue of any dispute arising under the Finance Agent Agreement; and

- vii. Revision of "Section 8 – Entire Agreement" to delete reference to the NTTG Steering Committee Charter.

**B. INFORMATION REQUIRED BY 18 C.F.R. PART 35**

Each of the revised rate schedule sheets submitted in this filing constitutes a rate schedule change other than a rate increase and are submitted in accordance with 18 C.F.R. Section 35.13(a)(2)(iii).

**1. List of Documents Submitted with this Filing.**

In accordance with 18 C.F.R. Section 35.7, this filing consists of an original and six (6) copies of this transmittal letter along with the following documents:

*On behalf of Idaho Power:*

Attachment 1: A clean version of the Second Revised Rate Schedule No.152, reflecting the Northern Tier Transmission Group Funding Agreement, 2010-2011.

Attachment 2: A black-lined version of the Second Amended and Restated 2008-2009 Funding Agreement, as modified in this filing.

*On behalf of Deseret:*

Attachment 3: A clean version of the Second Revised Rate Schedule No. 25, reflecting the Northern Tier Transmission Group Funding Agreement, 2010-2011.

Attachment 4: A black-lined version of the Second Amended and Restated 2008-2009 Funding Agreement, as modified in this filing.

*On behalf of NorthWestern Corporation:*

Attachment 5: A clean version of the Second Revised Rate Schedule No. 253, reflecting the Northern Tier Transmission Group Funding Agreement, 2010-2011.

Attachment 6: A black-lined version of the Second Amended and Restated 2008-2009 Funding Agreement, as modified in this filing.

*On behalf of PacifiCorp:*

Attachment 7: A clean version of the Second Revised Rate Schedule No. 612, reflecting the Northern Tier Transmission Group Funding Agreement, 2010-2011.

Attachment 8: A black-lined version of the Second Amended and Restated 2008-2009 Funding Agreement, as modified in this filing.

On behalf of Portland General:

Attachment 9: A clean version of the First Revised Rate Schedule No. 17, reflecting the Northern Tier Transmission Group Funding Agreement, 2010-2011.

Attachment 10: A black-lined version of the Second Amended and Restated 2008-2009 Funding Agreement, as modified in this filing.

**2. Date on which the Rate Schedules are to Become Effective.**

The rate sheets submitted herein are requested to be made effective January 1, 2010. Good cause exists to grant waiver of the Commission's *Prior Notice* requirements to permit these rate changes to become effective as promptly as possible. Granting an effective date of this filing for each of these submissions will keep in place a funding agreement for NTTG and facilitate compliance by each of the filing Parties with their commitment to the subregional planning processes as required by their respective OATTs.

**3. The Names and Addresses of the Persons to Whom a Copy of this Filing Has Been Mailed.**

Copies of this filing have been served on all members of the NTTG, and the filing has been posted on the NTTG website.

**4. Idaho Power's, Deseret's, NorthWestern's, PacifiCorp's, and Portland General's Brief Description of the Rate Schedule Change and Statement of Reasons for the Rate Schedule Change.**

The changes to the Parties respective rate schedules are set out above in greater detail in Section A, "Background." The primary purpose of the rate schedule changes submitted with this filing are to renew the term of the NTTG Funding Agreement for an additional two (2) years, calendar years 2010 and 2011.

**5. A Showing That All Requisite Agreements Have Been Obtained.**

The signatures of Idaho Power, Deseret, NorthWestern, PacifiCorp, and Portland General to the NTTG Funding Agreement, 2010-2011 and its "Exhibit B," the NTTG Finance Agent Agreement, 2010-2011 are included with this filing and demonstrate that each of the Parties has agreed to the terms of the agreements being filed.

**6. Statement of Test Period Costs Alleged or Judged to Be Illegal, Duplicative, or Unnecessary Costs That Are Demonstrably the Product of Discriminatory Employment Practices.**

None.

**7. Table or Statement Comparing Sales and Services and Revenues from Sales and Services Under the Rate Schedule to be Superseded or Supplemented and Under the Rate Schedule Change.**

Not applicable. As described above, the 2010-2011 Funding Agreement does not contemplate sales or revenue from sales, but rather is a cost-recovery mechanism for each of the jurisdictional member's commitment to the NTTG subregional planning process.

**8. Comparison of each Utility's Rate Schedule to its Other Rates for Similar Wholesale for Resale and Transmission Services.**

Not applicable. No wholesale sales for resale or transmission service is being provided by any of the Parties under the 2010-2011 Funding Agreement.

**9. If Any Specifically Assignable Facilities Have Been or Will Be Installed or Modified in Order to Supply Service Under the Rate Schedule Change submitted by the Parties, an Appropriate Map or Sketch and Single Line Diagram Showing the Additions Changes to be Made.**

Not applicable. No facilities will be installed by any Party pursuant to the rate schedule changes being submitted with this filing.

**10. Waivers.**

To the extent necessary, Idaho Power, Deseret, NorthWestern, PacifiCorp, and Portland General respectfully request a waiver of any of the filing requirements set out in 18 C.F.R. Part 35 of the Commission's regulations that are not otherwise provided or addressed herein.

**C. COMMUNICATIONS AND SERVICE**

Communications concerning this filing should be directed to the following representatives of the filing entities:

Idaho Power Company

David L. Sikes\*  
Manager, Commercial Operation  
& Development  
Idaho Power Company  
1221 West Idaho Street  
Boise, ID 83702  
Telephone: 208-388-2459  
E-mail: [dsikes@idahopower.com](mailto:dsikes@idahopower.com)

James R. Thompson\*  
Attorney  
Idaho Power Company  
1221 West Idaho Street  
Boise, ID 83702  
Telephone: 208-388-2481  
Facsimile: 208-388-6936  
E-mail: [jthompson@idahopower.com](mailto:jthompson@idahopower.com)

Deseret Generation & Transmission

James Tucker\*  
Director of Transmission Service  
Deseret Generation & Transmission  
Co-operative, Inc.  
10714 South Jordan Gateway  
South Jordan, UT 84095  
Telephone: 801-619-6511  
Facsimile: 801-619-6599  
E-mail: [jtucker@deseretgt.com](mailto:jtucker@deseretgt.com)

Craig W. Silverstein\*  
Miller, Balis & O'Neil P.C.  
1015 15th Street, NW  
Twelfth Floor  
Washington, DC 20005  
Telephone: 202-303-3887  
Facsimile: 202-296-0166  
E mail: [csilverstein@mbolaw.com](mailto:csilverstein@mbolaw.com)

NorthWestern Corporation

Michael R. Cashell\*  
Chief Transmission Officer  
NorthWestern Corporation  
40 East Broadway  
Butte, MT 59701  
Telephone: 406-497-4575  
Facsimile: 406-497-2054  
E-mail: [michael.cashell@northwestern.com](mailto:michael.cashell@northwestern.com)

Richard J. Garlish\*  
Attorney  
NorthWestern Corporation  
40 East Broadway  
Butte, MT 59701  
Telephone: 406-497-2210  
Facsimile: 406-497-2054  
E-mail: [richard.garlish@northwestern.com](mailto:richard.garlish@northwestern.com)

PacifiCorp

John Cupparo\*  
Vice President, Transmission  
PacifiCorp  
825 NE Multnomah, Suite 1600  
Portland, OR 97204  
Telephone: 503-813-7017  
Facsimile: 503-813-6893  
E-mail: [john.cupparo@pacificorp.com](mailto:john.cupparo@pacificorp.com)

Ryan Flynn\*  
Attorney  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97204  
Telephone: 503-813-5854  
Facsimile: 503-813-7262  
E-mail: [ryan.flynn@pacificorp.com](mailto:ryan.flynn@pacificorp.com)

Portland General Electric Company

Rob Potter\*  
FERC Analyst  
Portland General Electric Company  
121 SW Salmon Street, 1WTC0408  
Portland, OR 97204  
Telephone: 503-464-88784  
Facsimile: 503-464-2236  
E-mail: [rob.potter@pgn.com](mailto:rob.potter@pgn.com)

Cece L. Coleman\*  
Assistant General Counsel  
Portland General Electric Company  
121 SW Salmon Street, 1WTC1301  
Portland, OR 97204  
Telephone: 503-464-7831  
Facsimile: 503-464-2200  
E-mail: [cece.coleman@pgn.com](mailto:cece.coleman@pgn.com)

\*Designated to receive service in accordance with Section 385.2010 of the Commission's Rules of Practice and procedure, 18 C.F.R. Section 385.2010.

**D. CONCLUSION**

For the reasons set forth above, the filers request that the Commission accept this filing and permit the rate sheets submitted herein to become effective upon the date of filing or such other date as the Commission shall specify.

Respectfully submitted this 29th day December 2009.

IDAHO POWER COMPANY

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

By: /s/ James R. Thompson  
James R. Thompson  
Attorney for Idaho Power Company

By: /s/ Craig W. Silverstein  
Craig W. Silverstein  
Attorney for Deseret Generation &  
Transmission Co-operative, Inc.

NORTHWESTERN CORPORATION

PACIFICORP

By: /s/ Richard J. Garlish  
Richard J. Garlish  
Attorney for NorthWestern  
Corporation

By: /s/ Ryan Flynn  
Ryan Flynn  
Attorney for PacifiCorp

PORTLAND GENERAL ELECTRIC  
COMPANY

By: /s/ Cece L. Coleman  
Cece L. Coleman  
Attorney for Portland General  
Electric Company



The Honorable Kimberly D. Bose

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December 29, 2009

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 29th day of December 2009 I caused the foregoing filing to be submitted to Kimberly D. Bose, Secretary for the Federal Energy Regulatory Commission, and e-mailed copies of this filing to all members of the Northern Tier Transmission Group and the filing has been posted on the NTTG website.

/s/

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Craig W. Silverstein, Attorney

# **ATTACHMENT 1**

**Clean Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**Idaho Power Company  
Second Revised Rate Schedule No. 152**

**Filing Utility:** Idaho Power Company

**Other Utilities**

**Rendering Service:** Deseret Generation & Transmission Co-operative, Inc.  
NorthWestern Corporation  
PacifiCorp  
Portland General Electric Company

**Description:** Clean version of the Second Revised Rate Schedule No. 152, reflecting the Northern Tier Transmission Group Funding Agreement, 2010 – 2011.



## **Northern Tier Transmission Group Funding Agreement 2010-2011**

This Northern Tier Transmission Group Funding Agreement ("Funding Agreement"), is by and among the entities signing below which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

### **Recitals**

- A. The Parties are the funding entities for the Northern Tier Transmission Group and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement.
- B. The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

### **Section 1 – Effective Date:**

1.1 Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.

### **Section 2 - Principles of Development:**

2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as

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<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.



developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committee Charter (Steering Charter).

### **Section 3 - Funding:**

3.1 Each Party agrees to fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed limits provided for in Section 3.6 hereof, or as otherwise mutually agreed upon in writing by the Parties. Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof..

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 Northern Tier's approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

3.5 A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.



3.6 The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a unanimous vote of the Full Funders. Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

3.7 The budget shall be allocated to the following purposes:

- 3.7.1 Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.
- 3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.
- 3.7.3 Project management and administrative resources to support the general administration of Northern Tier.
- 3.7.4 Support of Finance Agent services.
- 3.7.5 Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.
- 3.7.6 Public relations needs.
- 3.7.7 Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.
  - 3.7.7.1 NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.
    - 3.7.7.1.1 Boise, Idaho
    - 3.7.7.1.2 Butte, Montana
    - 3.7.7.1.3 Portland, Oregon
    - 3.7.7.1.4 Salt Lake City, Utah

3.8 Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section 5 hereof.



- 3.9 Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

**Section 4 - Representation on Steering Committee:**

4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

**Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 The proposed budget shall include but not be limited to coverage of administrative costs for the budget year, costs for projects approved by the Full Funders; and costs for services provided by the Finance Agent. Finance Agent costs shall be based on direct costs incurred by the Finance Agent in carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

5.4 The Finance Agent shall track actual expenditures against the budget, and notify the Full Funders and Project Manager when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.5 The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall



develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.6 The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.

5.7 The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section 5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section 5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

5.8 Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

5.9 All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

5.10 Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.11 The Finance Agent shall provide no interest on NTTG Funds.

5.12 Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.





5.13 The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections 5.6 and 5.9 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.14 The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.

## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear its full allocated funding share of the Agreement. The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.



6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

### **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.

### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 – Term**

9.1 The term of this Agreement shall be through December 31, 2011.

9.2 The term of this agreement shall be extended only upon mutual written agreement of all Parties. -

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.



### **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.

### **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

### **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

### **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

### **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

### **Section 16 – Amendments**

16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.



**Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

**Section 18 – Integration**

18.1 This Agreement and the Finance Agent Agreement constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by awg)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date 12/28/09

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_

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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By  \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date 12/28/09 \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Gupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date Dec 23, 2009

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

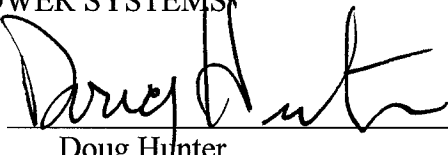
Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By   
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date 12-28-09

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission


By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By   
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date 12-24-2009

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date Dec 28, 2009



## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

BUDGET = Annual budget amount as defined in Section 3, "Funding."

SERVICES = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), (i) and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by \$17,000 per funder

(B) = 7.5% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW

(D3) = (C3) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective WECC submittal for the current year.



Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1), (D2), or (D3) + (E)



## EXHIBIT B

### Finance Agent Agreement



## NORTHERN TIER TRANSMISSION GROUP

### FINANCE AGENT AGREEMENT

#### Calendar Years 2010 – 2011

This Finance Agent Agreement ("Agreement"), is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties").

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, 2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The Finance Agent shall perform those tasks set forth in Section 5 of the Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

3. **Reimbursement.**

a. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative, (Representative) or their delegate, The Full Funders' Steering Committee Representative holding the position of the Steering Committee Utility Co-Chair ("Chairman"), or that Representative's delegate, shall make commercially reasonable efforts to review and approve the Finance Agent's invoice within 10 business days of its receipt. Upon receipt of approval from the Chairman, or the Chairman's delegate, the Finance Agent



shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This Agreement and the Funding Agreement contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.





11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

12. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by CWS)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

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Joe McArthur  
Vice President, Transmission



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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

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POWER SYSTEMS

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Vice President, Transmission

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PORTLAND GENERAL ELECTRIC  
COMPANY

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Vice President, Delivery Engineering  
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By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
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Vice President

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COMPANY

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Vice President, Delivery Engineering  
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Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
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Vice President

By \_\_\_\_\_  
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Chief Transmission Officer

PACIFICORP

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Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

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Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP


UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

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Vice President, Transmission

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Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
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Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
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Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission



## **ATTACHMENT 2**

**Black-lined Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**Idaho Power Company  
Second Revised Rate Schedule No. 152**

**Filing Utility:** Idaho Power Company

**Other Utilities**

**Rendering Service:** Deseret Generation & Transmission Co-operative, Inc.  
NorthWestern Corporation  
PacifiCorp  
Portland General Electric Company

**Description:** Black-lined Version of the Northern Tier Transmission Group  
Funding Agreement, 2010-2011.



**Northern Tier Transmission Group**  
**Funding Agreement**  
**~~Second Amended and Restated 2008-2009 FUNDING AGREEMENT~~**

**2010-2011**

This ~~Second Amended and Restated~~ Northern Tier Transmission Group Funding Agreement ("Agreement"), effective ~~as of the date the Federal Energy Regulatory Commission ("FERC") accepts this~~ Funding Agreement for filing;, is by and among the entities signing below; which ~~shall be revised only by mutual consent of all entities signing below. Hereafter, the entities signing below~~ hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

**Recitals**

- ~~A. A. — The Amended and Restated~~ The Parties are the funding entities for the  
Northern Tier Transmission Group and are Parties to the ~~is being amended in this~~  
Second Amended and Restated Northern Tier Transmission Group Funding  
Agreement ~~in order to add Portland General Electric Company, Inc. as a Full~~  
~~Funder;~~
- ~~B. — The Parties desire to clarify that the Agreement as amended, subsequent~~  
~~amendments to the Agreement, revise the rights and withdraws from the Agreement~~  
~~become effective upon their acceptance for filing by FERC; and to provide some~~  
~~additional minor modification to clarify the Parties intent and to~~  
~~simplify obligations, including the administration of allocation methodology, used~~  
~~by this Agreement to distribute the Agreement; cost responsibility for funds~~  
~~collected hereunder.~~
- ~~B. — The electric transmission grid is indispensable to the western economy;~~
- ~~C. — Each Party is engaged in the purchase or sale of transmission of electric~~  
~~transmission service, and/or owns and operates an electric transmission system that is directly~~  
~~interconnected with one or more of the systems of the other Parties;~~
- ~~D. — The Parties are committed, with the active cooperation of state governments and~~



~~regulatory agencies, and other stakeholders, to improving the operations of the electric transmission grid that both serves and links their service territories;~~

~~E.—The Parties are committed to working with one another, and with affected stakeholders and state officials, both to increase efficient and economical use of the electric transmission grid and to develop the infrastructure needed to deliver existing and new power resources, such as renewable and thermal, to consumers;~~

~~F.—The Parties are focused on action and devoted to a collaborative, step-by-step approach that will deliver results promptly and cost-effectively;~~

~~G.—The Parties are committed to support furtherance of ancillary services markets, regional transmission tariffs, common and joint Open Access Transmission Tariffs, and energy markets, if economically justified and initiated by unanimous agreement of the Northern Tier Transmission Group Steering Committee (Steering Committee) through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007, and as may be revised from time to time through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007 (hereinafter referred to as the “Charter”);~~

~~H.—The Parties are committed to utilize existing regional forums and organizations, to the extent agreed to by those forums and organizations and as practicable to meet Northern Tier needs to facilitate transmission planning and use coordination;~~

~~I. The Parties acknowledge that this Agreement does not relieve any Party of its responsibility to comply with the Federal Energy Regulatory Commission’s (FERC) Standards of Conduct or any other applicable regulatory requirements;~~

~~J. The Parties serve customers within the participating states of Idaho, Montana, Oregon, Wyoming and Utah (Footprint), and may also serve customers in other states as defined by each Party’s service territory or membership territory; and~~

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

**Section 1 —~~Purpose~~**  
**Effective Date:**

~~1.1—The purpose of this Agreement is to provide the framework upon which the Parties are able to promote efficient and coordinated planning, expansion, and use of the multi-state transmission system within their collective service territories.~~



1.1 Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.

## **Section 2 - Principles of Development:**

2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committee Charter ~~-(Steering Charter).~~

## **Section 3 - Funding:**

3.1 Each Party agrees to ~~commit funds,~~ fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed ~~the~~ limits provided for in Section 3.76 hereof, or as otherwise mutually agreed upon in writing by the Parties, ~~to further the projects approved by the Steering Committee through the mechanisms.~~ Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

~~3.1~~ 3.2 In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the Charter pursuant to Section 4.2; or, to withdraw from the Agreement remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof.

~~3.2 The budget for Northern Tier is \$930,300 annually, based upon a calendar year. Funding levels for Agreement terms of less than one calendar year shall be determined by taking the number of remaining calendar days covered by the term of the Agreement divided by the number of calendar days anticipated in the term of the Agreement multiplied by the budget amount.~~

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.



3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC’s Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC’s Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

~~3.4~~ Northern Tier’s ~~costs associated with its~~ approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. ~~Exhibit A may be modified upon mutual agreement of the Parties.~~ The allocation of Northern Tier’s costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed.

~~3.5~~ 3.4 Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the ~~annual budget~~ Annual Budget are necessary by May 30 of the prior year. ~~Whenever the budget is~~ Exhibit A may be modified, upon mutual written agreement of the Parties, provided however, that such modification shall promptly amend the Agreement be subject to incorporate the modified budget. FERC acceptance if required.

~~3.6~~ 3.5 A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.

~~3.7~~ 3.6 The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a ~~separate majority~~ unanimous vote of the Full Funders. Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

~~3.8~~ 3.7 The budget shall be allocated to the following purposes:

~~3.8~~ 3.7.1 Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.



3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.

~~3.8.23.7.3~~ Project management and administrative resources to support the general administration of Northern Tier.

~~3.8.33.7.4~~ Support of Finance Agent services.

~~3.8.43.7.5~~ Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.

~~3.8.53.7.6~~ Public relations needs.

~~3.8.63.7.7~~ Legal support for joint Northern Tier filings and establishing procedures within Northern Tier to meet regulatory and legal requirements.

~~3.8.73.7.7~~ Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.

~~3.8.7.13.7.7.1~~ NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.

- ~~3.8.7.1.13.7.7.1.1~~ Boise, Idaho
- ~~3.8.7.1.23.7.7.1.2~~ Butte, Montana
- ~~3.8.7.1.33.7.7.1.3~~ Portland, Oregon
- ~~3.8.7.1.43.7.7.1.4~~ Salt Lake City, Utah

~~3.93.8~~ Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section ~~5.12~~ hereof.

~~3.103.9~~ Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

**Section 4 - Representation on Steering Committee:**



~~4.1~~ Composition. Each Party shall appoint one person (the "Steering Committee Representative") to participate on the Steering Committee. Each Steering Committee Representative shall serve on the Steering Committee at the pleasure of the Party that appointed such Steering Committee Representative and may be removed or replaced by such Party at any time with written notice to the other Parties. The Parties will identify one of the Steering Committee Representatives to serve as co-Chair on the Steering Committee ("Utility Co-Chair"). If a Party's designated Steering Committee Representative is unable to attend or participate in a Steering Committee meeting, the Steering Committee Representative shall designate an alternate person to represent that Party as its Steering Committee Representative as set forth in Section 4.3(c).

~~4.2~~ Authority. Each Party's Steering Committee Representative shall possess the authority to:

~~4.2.1~~ Bind such Party to funding increases, allocation of Party personnel resources, and policy direction;

~~4.2.2~~ Execute this Agreement and future amendments as necessary to increase funding or the scope of Northern Tier;

~~4.2.3~~ Represent such Party in dispute resolution processes; and

~~4.2.4~~ Negotiate on the behalf of such Party on cost allocation of transmission expansion projects and issues pertaining to transmission planning.

~~4.3~~ Upon resignation or removal of a Steering Committee Representative representing a Party, the associated Party shall provide a similarly empowered Steering Committee Representative within 25 days of the resignation or removal of its departing Steering Committee Representative.

~~4.4~~ The Utility Co-chair shall initiate discussions between the Full Funders' Steering Committee Representatives to discuss budget increases or financing for additional work streams approved by the Steering Committee through the mechanisms set forth in the Charter.

4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

## **Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

Northern Tier Funding Agreement

Page 6/~~4~~ 10

Issued by: ~~Tess Park, Manager, Grid Operations~~  
N. Vern Porter, Vice President - Delivery  
Issued on: ~~August 12, 2008~~ December 29, 2009

Effective on: ~~August 12, 2008~~ January 1, 2010





5.2 The Full Funders shall prepare, with assistance from Prior to the Finance Agent, beginning of each budget year, the Parties shall prepare and approve (i) a budget and for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures against the budget, to contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 The proposed budget shall include (i) but not be limited to coverage of administrative costs, (ii) for the budget year, costs for projects approved by the Full Funders; and (iii) costs for the services provided by the Finance Agent. Finance Agent under this Agreement, which costs shall be based on direct costs incurred by the Finance Agent in the maintenance of the operating account carrying out its responsibilities pursuant to this Agreement and for billing the Finance Agent Agreement.

5.2.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget services year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided hereunder. The annual forecast shall show the costs allocated between the Parties as calculated in accordance with Exhibit A. The Full Funders shall prepare and approve all modifications to the budget by a modification to a budget.

5.3.4 The Finance Agent shall track actual expenditures against the budget, and work with notify the Full Funders to develop a revised budget from time to time and Project Manager when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget shall be modified, the Finance Agent shall seek mutual written agreement of all the Parties within 30 days of such modification needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.4.5 The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.5.6 The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope



of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.

~~5.6~~ 5.7 The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section 5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section 5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

~~5.7~~ 5.8 Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

~~5.8~~ 5.9 All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

~~5.9~~ 5.10 Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

~~5.10~~ 5.11 The Finance Agent shall provide no interest on NTTG Funds.

~~5.11~~ 5.12 Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.

~~5.12~~ 5.13 The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections 5.6 and 5.8 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.



~~5.13~~ 5.14 The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.

## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear ~~its~~ full allocated funding share of ~~costs, as indicated in Section 3.4, the Agreement~~. The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.

6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section  
Northern Tier Funding Agreement Page 9/~~4~~ 10

Issued by: ~~Tess Park, Manager, Grid Operations~~  
N. Vern Porter, Vice President - Delivery  
Issued on: ~~August 12, 2008~~ December 29, 2009

Effective on: ~~August 12, 2008~~ January 1, 2010



2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

### **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.

### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 -- Term**

9.1 9.1 The ~~Term~~ term of this Agreement shall be through December 31, ~~2009~~ 2011.

9.2 9.2 The ~~Term~~ term of this ~~Agreement~~ agreement shall be extended only upon mutual written agreement of all Parties. -

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.



## **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.

## **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

## **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

## **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

## **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the



successors and assigns of the Parties.

### **Section 16 – Amendments**

16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.

### **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

### **Section 18 – Integration**

18.1 This Agreement, ~~and~~ the Finance Agent Agreement, ~~and the Charter~~ constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.

### **Section 19 – Amended and Restated Agreement**

~~19.1 The original agreement was amended on November 26, 2007 and became effective on January 1, 2008. This second amended and restated Agreement supersedes and replaces the original agreement as amended on November 26, 2007.~~



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION & NORTHWESTERN ENERGY  
TRANSMISSION ~~COOPERATIVE~~ CO-OPERATIVE, INC.

By \_\_\_\_\_  
~~Kimball Rasmussen~~ Curt Winterfeld  
Vice President ~~and CEO~~

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
~~Lisa Grow~~  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
~~Stephen Hawke~~  
Joe McArthur  
~~Senior~~ Vice President, Transmission



Date \_\_\_\_\_

Date \_\_\_\_\_





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by awg)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date 12/28/09

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date 12/28/09

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cuspario  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date Dec 23, 2009

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

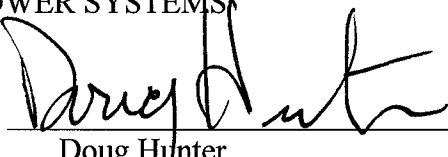
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Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By   
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date 12-28-09

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission


By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By   
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date 12-24-2009

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date Dec 28, 2009



## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

| BUDGET = Annual budget amount ~~of \$930,300~~ as defined in Section 3, "Funding."

| SERVICES = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), ~~and (i)~~ (i) and WECC's current Net Energy to Load Ratio.

| (A) = Each Party multiplied by \$~~13,024~~ 17,000 per funder

| (B) = 7.5% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

| (C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and ~~50~~ 100,000 MW

| (C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over ~~50~~ 100,000 MW

(C) = (C1) + (C2) + (C3)

| (D1) = (C1) divided by (C) multiplied by ~~68.4~~ 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

| (D2) = (C2) divided by (C) multiplied by ~~68.4~~ 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW

| (D3) = (C3) divided by (C) multiplied by ~~68.4~~ 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW



(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective ~~2006~~-WECC submittal for the current year.

Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1), (D2), or (D3) + (E)





|

## EXHIBIT B

|

### Finance Agent Agreement

| Northern Tier Funding Agreement  
Exhibit B

| Issued by: ~~Tess Park, Manager, Grid Operations~~  
N. Vern Porter, Vice President - Delivery  
Issued on: ~~August 12, 2008~~ December 29, 2009

Effective on: ~~August 12, 2008~~ January 1, 2010



~~AMENDED AND RESTATED~~

~~2008 – 2009~~

NORTHERN TIER TRANSMISSION GROUP

FINANCE AGENT AGREEMENT

Calendar Years 2010 – 2011

This ~~Amended and Restated~~ Finance Agent Agreement ("Agreement"), ~~effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing,~~ is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company (~~"Portland General"~~) and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties"). ~~The Parties have appointed Idaho Power Company as the Finance Agent as set forth in Section 5 of the Amended and Restated 2008-2009 Funding Agreement effective January 1, 2008 (hereafter "Funding Agreement", unless stated otherwise).~~

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be ~~through~~ effective January 1, 2010 and shall expire December 31, ~~2009~~ 2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The ~~Idaho Power Company agrees to perform the~~ Finance Agent shall perform those tasks set forth in Section 5 of the ~~Second Amended~~ Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

~~AMENDED AND RESTATED~~

~~2008-2009~~ 2010-2011 FINANCE AGENT AGREEMENT

Page 1/4

Issued by: ~~Tess Park, Manager, Grid Operations~~  
N. Vern Porter, Vice President - Delivery  
Issued on: ~~August 12, 2008~~ December 29, 2009

Effective on: ~~August 12, 2008~~ January 1, 2010



**3. Reimbursement.** ~~Idaho Power~~

a. ~~The Finance Agent~~ shall ~~submit by email an invoice~~ be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent ~~to the Representatives.~~ A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative (Representative) or their delegate, ~~according to the information provided pursuant to Section 5.6 of the Second Amended Funding Agreement, or as updated by email to the Finance Agent.~~ The Full Funders' Steering Committee Representative holding the position of the ~~utility~~ Steering Committee ~~co~~ Utility Co-Chair ("Chairman"), or that ~~representative's~~ Representative's delegate, shall make commercially reasonable efforts to review and approve ~~Idaho Power Company's~~ the Finance Agent's invoice within 10 business days of ~~emailing the invoice~~ its receipt. Upon ~~receipt of~~ approval ~~by from~~ the Chairman, or the Chairman's delegate, ~~Idaho Power Company, acting as the Finance Agent shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.~~

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent will pay may utilize the invoice from the NTTG general funds held by Idaho Power Company. Dispute Resolution provisions of the Funding Agreement.

~~3.~~

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL ~~IDAHO POWER COMPANY~~ THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such

~~AMENDED AND RESTATED~~  
~~2008-2009~~ 2010-2011 FINANCE AGENT AGREEMENT  
Page 2/4

Issued by: ~~Tess Park, Manager, Grid Operations~~  
N. Vern Porter, Vice President - Delivery  
Issued on: ~~August 12, 2008~~ December 29, 2009

Effective on: ~~August 12, 2008~~ January 1, 2010



amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of ~~Idaho~~ New York. Venue for any disputes related to this Agreement shall be unless otherwise agreed by the Parties, in Ada the County, Idaho or the City and State in which the principal offices of Boise, Idaho, the Finance Agent are located.

8. **Entire Agreement.** This ~~instrument~~ Agreement and ~~any exhibits hereto, the Second Amended Funding Agreement, and the Charter (as defined in the Second Amended Funding Agreement)~~ contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

~~12. **Amended and Restated Agreement.** The original agreement was executed November 26, 2007. This amended and restated Agreement supersedes and replaces the original agreement.~~

~~13.~~ **12. Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.



IN WITNESS WHEREOF, ~~each Party executes this Agreement on the last date is~~  
executed and shall be effective as of the last Party to execute this Agreement date provided in  
Section 1 above

DESERET GENERATION & NORTHWESTERN ENERGY  
TRANSMISSION ~~COOPERATIVE~~ CO-OPERATIVE, INC.

By \_\_\_\_\_  
Kimball Rasmussen Curt Winterfeld  
Vice President and CEO  
Officer

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission

Date \_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_  
\_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_  
\_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
Lisa Grow  
N. Vern Porter  
Vice President, Delivery Engineering  
Transmission  
& Operations

By \_\_\_\_\_  
Stephen Hawke  
Joe McArthur  
Senior Vice President

Date \_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_  
\_\_\_\_\_

~~AMENDED AND RESTATED~~  
~~2008-2009~~ 2010-2011 FINANCE AGENT AGREEMENT  
Page 4/4

Issued by: Tess Park, Manager, Grid Operations  
N. Vern Porter, Vice President - Delivery  
Issued on: August 12, 2008 December 29, 2009

Effective on: August 12, 2008 January 1, 2010



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by CWS)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



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TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



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Vice President

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By \_\_\_\_\_  
Doug Hunter  
General Manager

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Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission





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General Manager

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PORTLAND GENERAL ELECTRIC  
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Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



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NORTHWESTERN ENERGY

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By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

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By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

# **ATTACHMENT 3**

**Clean Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**Deseret Generation & Transmission Co-operative, Inc.  
Second Revised Rate Schedule No. 25**

**Filing Utility:** Deseret Generation & Transmission Co-operative, Inc.

**Other Utilities**

**Rendering Service:** Idaho Power Company  
NorthWestern Corporation  
PacifiCorp  
Portland General Electric Company

**Description:** Clean version of the Second Revised Rate Schedule No. 25, reflecting the Northern Tier Transmission Group Funding Agreement, 2010 – 2011.



## **Northern Tier Transmission Group Funding Agreement 2010-2011**

This Northern Tier Transmission Group Funding Agreement ("Funding Agreement"), is by and among the entities signing below which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

### **Recitals**

- A. The Parties are the funding entities for the Northern Tier Transmission Group and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement.
- B. The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

### **Section 1 – Effective Date:**

1.1 Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.

### **Section 2 - Principles of Development:**

2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as

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<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.



developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committee Charter (Steering Charter).

### **Section 3 - Funding:**

3.1 Each Party agrees to fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed limits provided for in Section 3.6 hereof, or as otherwise mutually agreed upon in writing by the Parties. Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof..

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 Northern Tier's approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

3.5 A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.



3.6 The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a unanimous vote of the Full Funders. Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

3.7 The budget shall be allocated to the following purposes:

- 3.7.1 Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.
- 3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.
- 3.7.3 Project management and administrative resources to support the general administration of Northern Tier.
- 3.7.4 Support of Finance Agent services.
- 3.7.5 Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.
- 3.7.6 Public relations needs.
- 3.7.7 Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.
  - 3.7.7.1 NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.
    - 3.7.7.1.1 Boise, Idaho
    - 3.7.7.1.2 Butte, Montana
    - 3.7.7.1.3 Portland, Oregon
    - 3.7.7.1.4 Salt Lake City, Utah

3.8 Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section 5 hereof.





- 3.9 Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

#### **Section 4 - Representation on Steering Committee:**

4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

#### **Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 The proposed budget shall include but not be limited to coverage of administrative costs for the budget year, costs for projects approved by the Full Funders; and costs for services provided by the Finance Agent. Finance Agent costs shall be based on direct costs incurred by the Finance Agent in carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

5.4 The Finance Agent shall track actual expenditures against the budget, and notify the Full Funders and Project Manager when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.5 The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall



develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.6 The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.

5.7 The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section 5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section 5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

5.8 Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

5.9 All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

5.10 Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.11 The Finance Agent shall provide no interest on NTTG Funds.

5.12 Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.



5.13 The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections 5.6 and 5.9 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.14 The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.

## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear its full allocated funding share of the Agreement. The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.



6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

### **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.

### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 – Term**

9.1 The term of this Agreement shall be through December 31, 2011.

9.2 The term of this agreement shall be extended only upon mutual written agreement of all Parties. -

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.



## **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.

## **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

## **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

## **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

## **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

## **Section 16 – Amendments**

16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.



### **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

### **Section 18 – Integration**

18.1 This Agreement and the Finance Agent Agreement constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by cws)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date 12/28/09

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

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Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date 12/28/09

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Gumparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date Dec 23, 2009

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

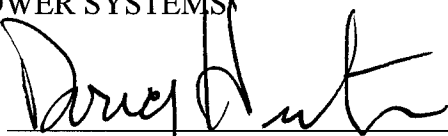
Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By   
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date 12-28-09

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date 12-24-2009

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date Dec 28, 2009



## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

**BUDGET** = Annual budget amount as defined in Section 3, "Funding."

**SERVICES** = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), (i) and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by \$17,000 per funder

(B) = 7.5% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW

(D3) = (C3) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective WECC submittal for the current year.



Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1), (D2), or (D3) + (E)



## EXHIBIT B

### Finance Agent Agreement





## NORTHERN TIER TRANSMISSION GROUP

### FINANCE AGENT AGREEMENT

#### Calendar Years 2010 – 2011

This Finance Agent Agreement ("Agreement"), is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties").

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, 2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The Finance Agent shall perform those tasks set forth in Section 5 of the Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

3. **Reimbursement.**

a. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative, (Representative) or their delegate, The Full Funders' Steering Committee Representative holding the position of the Steering Committee Utility Co-Chair ("Chairman"), or that Representative's delegate, shall make commercially reasonable efforts to review and approve the Finance Agent's invoice within 10 business days of its receipt. Upon receipt of approval from the Chairman, or the Chairman's delegate, the Finance Agent



shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This Agreement and the Funding Agreement contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.



11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

12. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by CWS)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

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Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
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PORTLAND GENERAL ELECTRIC  
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Vice President, Transmission



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Vice President

By Michael R. Cashell  
Michael R. Cashell  
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Vice President, Transmission



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Joe McArthur  
Vice President, Transmission



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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

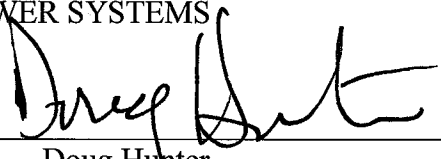
By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

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POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission





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TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

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Curt Winterfeld  
Vice President

By \_\_\_\_\_  
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Chief Transmission Officer

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Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
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IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
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Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



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TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

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Vice President

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Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

# **ATTACHMENT 4**

**Black-lined Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**Deseret Generation & Transmission Co-operative, Inc.  
Second Revised Rate Schedule No. 25**

**Filing Utility:** Deseret Generation & Transmission Co-operative, Inc.

**Other Utilities**

**Rendering Service:** Idaho Power Company  
Northwestern Corporation  
PacifiCorp  
Portland General Electric Company

**Description:** Black-lined Version of the Northern Tier Transmission Group  
Funding Agreement, 2010-2011.



## Northern Tier Transmission Group Funding Agreement 2010-2011

### ~~Second Amended and Restated 2008-2009 FUNDING AGREEMENT~~

This ~~Second Amended and Restated~~ Northern Tier Transmission Group Funding Agreement ("Funding Agreement"), ~~effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing, is by and among the entities signing below, which shall be revised only by mutual consent of all entities signing below. Hereafter, the entities signing below~~ which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

### Recitals

- ~~A. The Amended and Restated~~ The Parties are the funding entities for the Northern Tier Transmission Group ~~Funding Agreement is being amended in this~~ and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement ~~in order to add Portland General Electric Company, Inc. as a Full Funder; to clarify that the Agreement as amended, subsequent amendments to the Agreement, and withdraws from the Agreement become effective upon their acceptance for filing by FERC; and to provide some additional minor modification to clarify the Parties intent and to simplify the administration of the Agreement;~~ ;
- ~~B. The electric transmission grid is indispensable to the western economy;~~
- ~~C. Each Party is engaged in the purchase or sale of transmission of electric transmission service, and/or owns and operates an electric transmission system that is directly interconnected with one or more of the systems of the other Parties;~~
- ~~D. The Parties are committed, with the active cooperation of state governments and regulatory agencies, and other stakeholders, to improving the operations of the electric transmission grid that both serves and links their service territories;~~
- ~~E. The Parties are committed to working with one another, and with affected stakeholders and state officials, both to increase efficient and economical use of the electric transmission grid and to develop the infrastructure needed to deliver existing and new power resources, such as renewable and thermal, to consumers;~~



~~F. The Parties are focused on action and devoted to a collaborative, step by step approach that will deliver results promptly and cost effectively;~~

~~G. The Parties are committed to support furtherance of ancillary services markets, regional transmission tariffs, common and joint Open Access Transmission Tariffs, and energy markets, if economically justified and initiated by unanimous agreement of the Northern Tier Transmission Group Steering Committee (Steering Committee) through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007, and as may be revised from time to time through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007 (hereinafter referred to as the "Charter");~~

~~H. The Parties are committed to utilize existing regional forums and organizations, to the extent agreed to by those forums and organizations and as practicable to meet Northern Tier needs to facilitate transmission planning and use coordination;~~

~~I. The Parties acknowledge that this Agreement does not relieve any Party of its responsibility to comply with the Federal Energy Regulatory Commission's (FERC) Standards of Conduct or any other applicable regulatory requirements;~~

~~J. The Parties serve customers within the participating states of Idaho, Montana, Oregon, Wyoming and Utah (Footprint), and may also serve customers in other states as defined by each Party's service territory or membership territory; and~~

B. The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

**Section 1 -~~Purpose~~**  
**Effective Date:**

1.1 ~~The purpose of this Agreement is to provide the framework upon which the Parties are able to promote efficient and coordinated planning, expansion, and use of the multi-state transmission system within their collective service territories.~~ Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.

**Section 2 - Principles of Development:**



2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committee Charter (Steering Charter).

### **Section 3 - Funding:**

3.1 Each Party agrees to ~~commit funds,~~fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed ~~the~~ limits provided for in Section ~~3.7~~3.6 hereof, or as otherwise mutually agreed upon in writing by the Parties; ~~to further the projects approved by the Steering Committee through the mechanisms set forth in the Charter pursuant to Section 4.2; or, to withdraw from the Agreement pursuant to the terms set forth in Section 6.~~ Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 ~~The budget for Northern Tier is \$930,300 annually, based upon a calendar year. Funding levels for Agreement terms of less than one calendar year shall be determined by taking the number of remaining calendar days covered by the term of the Agreement divided by the number of calendar days anticipated in the term of the Agreement multiplied by the budget amount. In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof..~~

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's

<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.



Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 Northern Tier's ~~costs associated with its budget~~approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. ~~Exhibit A may be modified upon mutual agreement of the Parties.~~ The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

~~3.5 Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the annual budget are necessary by May 30 of the prior year. Whenever the budget is modified, the Parties shall promptly amend the Agreement to incorporate the modified budget.~~

3.5 ~~3.6~~ A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.

3.6 ~~3.7~~ The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a ~~separate majority~~unanimous vote of the Full Funders. Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

3.7 ~~3.8~~ The budget shall be allocated to the following purposes:

3.7.1 ~~3.8.1~~ Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.

3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.





3.7.3 ~~3.8.2~~ Project management and administrative resources to support the general administration of Northern Tier.

3.7.4 ~~3.8.3~~ Support of Finance Agent services.

3.7.5 ~~3.8.4~~ Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.

3.7.6 ~~3.8.5~~ Public relations needs.

~~3.8.6 Legal support for joint Northern Tier filings and establishing procedures within Northern Tier to meet regulatory and legal requirements.~~

3.7.7 ~~3.8.7~~ Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.

3.7.7.1 ~~3.8.7.1~~ NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.

3.7.7.1.1 ~~3.8.7.1.1~~ Boise, Idaho

3.7.7.1.2 ~~3.8.7.1.2~~ Butte, Montana

3.7.7.1.3 ~~3.8.7.1.3~~ Portland, Oregon

3.7.7.1.4 ~~3.8.7.1.4~~ Salt Lake City, Utah

3.8 ~~3.9~~ Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section ~~5.12.5~~ hereof.

3.9 ~~3.10~~ Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

#### **Section 4 - ~~Steering Committee~~ Representation on Steering Committee:**

~~4.1 Composition. Each Party shall appoint one person (the "Steering Committee Representative") to participate on the Steering Committee. Each Steering Committee Representative shall serve on the Steering Committee at the pleasure of the Party that~~



~~appointed such Steering Committee Representative and may be removed or replaced by such Party at any time with written notice to the other Parties. The Parties will identify one of the Steering Committee Representatives to serve as co-Chair on the Steering Committee ("Utility Co-Chair"). If a Party's designated Steering Committee Representative is unable to attend or participate in a Steering Committee meeting, the Steering Committee Representative shall designate an alternate person to represent that Party as its Steering Committee Representative as set forth in Section 4.3(c).—~~

~~4.2 Authority. Each Party's Steering Committee Representative shall possess the authority to:~~

~~4.2.1 Bind such Party to funding increases, allocation of Party personnel resources, and policy direction;~~

~~4.2.2 Execute this Agreement and future amendments as necessary to increase funding or the scope of Northern Tier;~~

~~4.2.3 Represent such Party in dispute resolution processes; and~~

~~4.2.4 Negotiate on the behalf of such Party on cost allocation of transmission expansion projects and issues pertaining to transmission planning.~~

~~4.3 Upon resignation or removal of a Steering Committee Representative representing a Party, the associated Party shall provide a similarly empowered Steering Committee Representative within 25 days of the resignation or removal of its departing Steering Committee Representative.—~~

~~4.4 The Utility Co-chair shall initiate discussions between the Full Funders'~~

~~4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives to discuss budget increases or financing for additional work streams approved by are set forth in the Steering Committee through the mechanisms set forth in the Charter.~~

## **Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures



contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 ~~5.2~~ The ~~Full Funders shall prepare, with assistance from the Finance Agent, a budget and detailed forecast of expenditures against the budget, to include (i) proposed budget shall include but not be limited to coverage of~~ administrative costs for the budget year, ~~(ii) costs for projects approved by the Full Funders;~~ and ~~(iii) costs for the services provided by the Finance Agent under this Agreement, which.~~ Finance Agent costs shall be based on direct costs incurred by the Finance Agent in ~~the maintenance of the operating account and for billing and budget services provided hereunder. The annual forecast shall show the costs allocated between the Parties as calculated in accordance with Exhibit A. The Full Funders shall prepare and approve all modifications to the budget carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.~~

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

5.4 ~~5.3~~ The Finance Agent shall track actual expenditures against the budget, and ~~work with~~ notify the Full Funders ~~to develop a revised budget from time to time and Project Manager~~ when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget ~~shall be modified, the Finance Agent shall seek mutual written agreement of all~~ needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such ~~modification~~ notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.5 ~~5.4~~ The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.6 ~~5.5~~ The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.



5.7 ~~5.6~~ The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section ~~5.5~~5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section ~~5.5~~5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

5.8 ~~5.7~~ Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

5.9 ~~5.8~~ All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

5.10 ~~5.9~~ Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.11 ~~5.10~~ The Finance Agent shall provide no interest on NTTG Funds.

5.12 ~~5.11~~ Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.

5.13 ~~5.12~~ The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections ~~5.5~~5.6 and ~~5.8~~5.9 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.14 ~~5.13~~ The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.



## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear ~~is its~~ full allocated funding share of ~~costs, as indicated in Section 3.4, the Agreement.~~ The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.

6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this



Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

### **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.

### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 - ~~Term~~**

~~9.1~~ 9.1 The ~~Term~~term of this Agreement shall be through December 31, ~~2009~~2011.

~~9.2~~ 9.2 The ~~Term~~term of this ~~Agreement~~agreement shall be extended only upon mutual written agreement of all Parties. =

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.



## **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.

## **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

## **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

## **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

## **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

## **Section 16 – Amendments**





16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.

#### **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

#### **Section 18 – Integration**

18.1 This Agreement, and the Finance Agent Agreement, ~~and the Charter~~ constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.

#### **~~Section 19 – Amended and Restated Agreement~~**

~~19.1 The original agreement was amended on November 26, 2007 and became effective on January 1, 2008. This second amended and restated Agreement supersedes and replaces the original agreement as amended on November 26, 2007.~~





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION ~~COOPERATIVE~~CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
~~Kimball Rasmussen~~Curt Winterfeld  
Vice President~~and CEO~~

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
~~Lisa Grow~~  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
~~Stephen Hawke~~  
Joe McArthur  
~~Senior~~ Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

BUDGET = Annual budget amount ~~of \$930,300~~ as defined in Section 3, "Funding."

SERVICES = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), ~~and~~ (i) and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by \$~~13,024~~ 17,000 per funder

(B) = ~~57.5~~ 57.5% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and ~~50,000~~ 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over ~~50,000~~ 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by ~~68.4~~ 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by ~~68.4~~ 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW



(D3) = (C3) divided by (C) multiplied by ~~68.4~~65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective ~~2006~~ WECC submittal for the current year.

Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1), (D2), or (D3) + (E)



## EXHIBIT B

### Finance Agent Agreement

~~Northern Tier Agreement~~

~~Exhibit B~~ Issued by: James Tucker, Director of Transmission Service Effective on: ~~August 12, 2008~~January 1, 2010  
Issued on: ~~August 12, 2008~~December 29, 2009



~~AMENDED AND RESTATED~~

NORTHERN TIER TRANSMISSION GROUP

~~2008—2009~~ FINANCE AGENT AGREEMENT

Calendar Years 2010 – 2011

This ~~Amended and Restated~~ Finance Agent Agreement ("Agreement"), ~~effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing,~~ is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company (~~"Portland General"~~) and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties"). ~~The Parties have~~

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent ~~as set forth in Section 5 of the Amended and Restated 2008-2009 Funding Agreement effective January 1, 2008 (hereafter "Funding Agreement", unless stated otherwise), and Idaho Power accepts said appointment.~~

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall ~~be through,~~ subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, ~~2009~~2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The ~~Idaho Power Company agrees to perform the~~ Finance Agent shall perform those tasks set forth in Section 5 of the ~~Second Amended~~ Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

~~AMENDED AND RESTATED~~~~2008-2009~~2010-2011 FINANCE AGENT AGREEMENT

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3. Reimbursement.

a. ~~3. Reimbursement.~~ Idaho Power shall submit by email an invoice. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent to the Representatives, or their delegate, according to the information provided pursuant to Section 5.6 of the Second Amended Funding Agreement, or as updated by email to the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative. (Representative) or their delegate. The Full Funders' Steering Committee Representative holding the position of the utility Steering Committee ~~co~~ Utility Co-Chair ("Chairman"), or that representative Representative's delegate, shall make commercially reasonable efforts to review and approve Idaho Power Company the Finance Agent's invoice within 10 business days of emailing the invoice its receipt. Upon receipt of approval by from the Chairman, or the Chairman's delegate, Idaho Power Company, acting as the Finance Agent will pay the invoice from the NTTG shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds held by Idaho Power Company.

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL ~~IDAHO POWER COMPANY~~ THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

~~AMENDED AND RESTATED 2008-2009~~ 2010-2011 FINANCE AGENT AGREEMENT

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6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of ~~Idaho~~New York. Venue for any disputes related to this Agreement shall be ~~in Ada County, Idaho or the City of Boise, Idaho,~~ unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This ~~instrument~~Agreement and ~~any exhibits hereto, the Second Amended Funding Agreement, and the Charter (as defined in the Second Amended Funding Agreement)~~ contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

~~12. **Amended and Restated Agreement.** The original agreement was executed November 26, 2007. This amended and restated Agreement supersedes and replaces the original agreement.~~

~~12.~~ 13. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.

~~AMENDED AND RESTATED 2008-2009~~2010-2011 FINANCE AGENT  
AGREEMENT

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IN WITNESS WHEREOF, ~~each Party executes this Agreement on the last date of the last Party to execute this Agreement.~~ this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION ~~COOPERATIVE~~CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
~~Kimball Rasmussen~~Curt Winterfeld  
Vice President ~~and CEO~~  
Officer

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission

~~Date~~ \_\_\_\_\_  
\_\_\_\_\_

~~Date~~

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

~~Date~~ \_\_\_\_\_  
\_\_\_\_\_

~~Date~~ \_\_\_\_\_  
\_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
~~Lisa Grow~~  
N. Vern Porter  
Vice President, Delivery Engineering  
Transmission  
& Operations

By \_\_\_\_\_  
~~Stephen Hawke~~  
Joe McArthur  
~~Senior~~ Vice President,

~~AMENDED AND RESTATED 2008-2009~~2010-2011 FINANCE AGENT  
AGREEMENT

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Issued by: James Tucker, Director of Transmission Service  
Issued on: ~~August 12, 2008~~December 29, 2009

Effective on: ~~August 12, 2008~~January 1, 2010





Date \_\_\_\_\_

Date \_\_\_\_\_

~~AMENDED AND RESTATED~~2008-20092010-2011 FINANCE AGENT  
AGREEMENT

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Issued by: James Tucker, Director of Transmission Service  
Issued on: ~~August 12, 2008~~December 29, 2009

Effective on: ~~August 12, 2008~~January 1, 2010

# **ATTACHMENT 5**

**Clean Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**NorthWestern Corporation  
Second Revised Rate Schedule No. 253**

**Filing Utility:** NorthWestern Corporation

**Other Utilities**

**Rendering Service:** Idaho Power Company  
Deseret Generation & Transmission Co-operative, Inc.  
PacifiCorp  
Portland General Electric Company

**Description:** Clean version of the Second Revised Rate Schedule No. 253, reflecting the Northern Tier Transmission Group Funding Agreement, 2010 – 2011.



## **Northern Tier Transmission Group Funding Agreement 2010-2011**

This Northern Tier Transmission Group Funding Agreement ("Funding Agreement"), is by and among the entities signing below which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

### **Recitals**

- A. The Parties are the funding entities for the Northern Tier Transmission Group and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement.
- B. The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

### **Section 1 – Effective Date:**

1.1 Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.

### **Section 2 - Principles of Development:**

2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as

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<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.

Issued by: Michael R. Cashell, Chief Transmission Officer  
Issued on: December 29, 2009

Effective on: January 1, 2010



developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committee Charter (Steering Charter).

### **Section 3 - Funding:**

3.1 Each Party agrees to fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed limits provided for in Section 3.6 hereof, or as otherwise mutually agreed upon in writing by the Parties. Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof..

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 Northern Tier's approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

3.5 A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.



3.6 The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a unanimous vote of the Full Funders. Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

3.7 The budget shall be allocated to the following purposes:

- 3.7.1 Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.
- 3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.
- 3.7.3 Project management and administrative resources to support the general administration of Northern Tier.
- 3.7.4 Support of Finance Agent services.
- 3.7.5 Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.
- 3.7.6 Public relations needs.
- 3.7.7 Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.
  - 3.7.7.1 NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.
    - 3.7.7.1.1 Boise, Idaho
    - 3.7.7.1.2 Butte, Montana
    - 3.7.7.1.3 Portland, Oregon
    - 3.7.7.1.4 Salt Lake City, Utah

3.8 Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section 5 hereof.



- 3.9 Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

#### **Section 4 - Representation on Steering Committee:**

4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

#### **Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 The proposed budget shall include but not be limited to coverage of administrative costs for the budget year, costs for projects approved by the Full Funders; and costs for services provided by the Finance Agent. Finance Agent costs shall be based on direct costs incurred by the Finance Agent in carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

5.4 The Finance Agent shall track actual expenditures against the budget, and notify the Full Funders and Project Manager when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.5 The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall



develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.6 The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.

5.7 The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section 5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section 5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

5.8 Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

5.9 All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

5.10 Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.11 The Finance Agent shall provide no interest on NTTG Funds.

5.12 Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.





5.13 The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections 5.6 and 5.9 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.14 The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.

## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear its full allocated funding share of the Agreement. The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.



6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

### **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.

### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 – Term**

9.1 The term of this Agreement shall be through December 31, 2011.

9.2 The term of this agreement shall be extended only upon mutual written agreement of all Parties. -

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.



## **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.

## **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

## **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

## **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

## **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

## **Section 16 – Amendments**

16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.



### **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

### **Section 18 – Integration**

18.1 This Agreement and the Finance Agent Agreement constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

By Curt Winterfeld (by cws)  
Curt Winterfeld  
Vice President

Date 12/28/09

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

PACIFICORP

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

Date \_\_\_\_\_

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

IDAHO POWER COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

Date \_\_\_\_\_

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By  \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date 12/28/09

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Gumparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date Dec 23, 2009

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

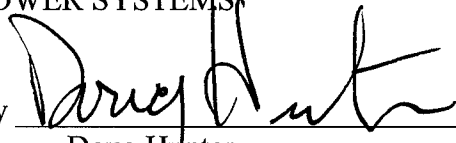
Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By   
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date 12-28-09

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission


By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By   
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date 12-24-2009

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date Dec 28, 2009



## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

**BUDGET** = Annual budget amount as defined in Section 3, "Funding."

**SERVICES** = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), (i) and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by \$17,000 per funder

(B) = 7.5% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW

(D3) = (C3) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective WECC submittal for the current year.



Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1), (D2), or (D3) + (E)



## EXHIBIT B

### Finance Agent Agreement



## NORTHERN TIER TRANSMISSION GROUP

### FINANCE AGENT AGREEMENT

#### Calendar Years 2010 – 2011

This Finance Agent Agreement ("Agreement"), is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties").

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, 2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The Finance Agent shall perform those tasks set forth in Section 5 of the Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

3. **Reimbursement.**

a. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative, (Representative) or their delegate, The Full Funders' Steering Committee Representative holding the position of the Steering Committee Utility Co-Chair ("Chairman"), or that Representative's delegate, shall make commercially reasonable efforts to review and approve the Finance Agent's invoice within 10 business days of its receipt. Upon receipt of approval from the Chairman, or the Chairman's delegate, the Finance Agent



shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This Agreement and the Funding Agreement contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.





11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

12. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by CWS)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

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Vice President, Transmission



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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

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Vice President, Transmission

By \_\_\_\_\_  
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General Manager

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PORTLAND GENERAL ELECTRIC  
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Vice President, Delivery Engineering  
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Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
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Vice President

By \_\_\_\_\_  
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Chief Transmission Officer

PACIFICORP

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General Manager

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PORTLAND GENERAL ELECTRIC  
COMPANY

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Vice President, Delivery Engineering  
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By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

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Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
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By \_\_\_\_\_  
  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

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Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



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TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
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Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

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Vice President, Transmission

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N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

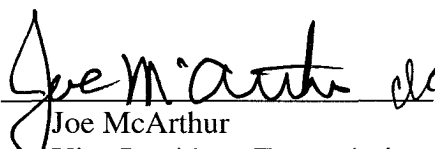
By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By   
Joe McArthur  
Vice President, Transmission



# **ATTACHMENT 6**

**Black-lined Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**NorthWestern Corporation  
Second Revised Rate Schedule No. 253**

**Filing Utility:** NorthWestern Corporation

**Other Utilities**

**Rendering Service:** Deseret Generation & Transmission Co-operative, Inc.  
Idaho Power Company  
PacifiCorp  
Portland General Electric Company

**Description:** Black-lined Version of the Northern Tier Transmission Group  
Funding Agreement, 2010-2011.



## Northern Tier Transmission Group Funding Agreement 2010-2011

### ~~Second Amended and Restated 2008-2009 FUNDING AGREEMENT~~

This ~~Second Amended and Restated~~ Northern Tier Transmission Group Funding Agreement ("Funding Agreement"), ~~effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing, is by and among the entities signing below, which shall be revised only by mutual consent of all entities signing below. Hereafter, the entities signing below~~ which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

### Recitals

- ~~A. The Amended and Restated~~ The Parties are the funding entities for the Northern Tier Transmission Group ~~Funding Agreement is being amended in this~~ and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement ~~in order to add Portland General Electric Company, Inc. as a Full Funder; to clarify that the Agreement as amended, subsequent amendments to the Agreement, and withdraws from the Agreement become effective upon their acceptance for filing by FERC; and to provide some additional minor modification to clarify the Parties intent and to simplify the administration of the Agreement;~~ ;
- ~~B. The electric transmission grid is indispensable to the western economy;~~
- ~~C. Each Party is engaged in the purchase or sale of transmission of electric transmission service, and/or owns and operates an electric transmission system that is directly interconnected with one or more of the systems of the other Parties;~~
- ~~D. The Parties are committed, with the active cooperation of state governments and regulatory agencies, and other stakeholders, to improving the operations of the electric transmission grid that both serves and links their service territories;~~
- ~~E. The Parties are committed to working with one another, and with affected stakeholders and state officials, both to increase efficient and economical use of the electric transmission grid and to develop the infrastructure needed to deliver existing and new power resources, such as renewable and thermal, to consumers;~~



~~F. The Parties are focused on action and devoted to a collaborative, step by step approach that will deliver results promptly and cost effectively;~~

~~G. The Parties are committed to support furtherance of ancillary services markets, regional transmission tariffs, common and joint Open Access Transmission Tariffs, and energy markets, if economically justified and initiated by unanimous agreement of the Northern Tier Transmission Group Steering Committee (Steering Committee) through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007, and as may be revised from time to time through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007 (hereinafter referred to as the "Charter");~~

~~H. The Parties are committed to utilize existing regional forums and organizations, to the extent agreed to by those forums and organizations and as practicable to meet Northern Tier needs to facilitate transmission planning and use coordination;~~

~~I. The Parties acknowledge that this Agreement does not relieve any Party of its responsibility to comply with the Federal Energy Regulatory Commission's (FERC) Standards of Conduct or any other applicable regulatory requirements;~~

~~J. The Parties serve customers within the participating states of Idaho, Montana, Oregon, Wyoming and Utah (Footprint), and may also serve customers in other states as defined by each Party's service territory or membership territory; and~~

B. The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

**Section 1 -~~Purpose~~**  
**Effective Date:**

~~1.1 The purpose of this Agreement is to provide the framework upon which the Parties are able to promote efficient and coordinated planning, expansion, and use of the multi-state transmission system within their collective service territories. Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.~~

**Section 2 - Principles of Development:**



2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committee Charter (Steering Charter).

### **Section 3 - Funding:**

3.1 Each Party agrees to ~~commit funds,~~fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed ~~the~~ limits provided for in Section ~~3.7~~3.6 hereof, or as otherwise mutually agreed upon in writing by the Parties; ~~to further the projects approved by the Steering Committee through the mechanisms set forth in the Charter pursuant to Section 4.2; or, to withdraw from the Agreement pursuant to the terms set forth in Section 6.~~ Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 ~~The budget for Northern Tier is \$930,300 annually, based upon a calendar year. Funding levels for Agreement terms of less than one calendar year shall be determined by taking the number of remaining calendar days covered by the term of the Agreement divided by the number of calendar days anticipated in the term of the Agreement multiplied by the budget amount. In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof..~~

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's

<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.



Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 Northern Tier's ~~costs associated with its budget~~approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. ~~Exhibit A may be modified upon mutual agreement of the Parties.~~ The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

~~3.5 Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the annual budget are necessary by May 30 of the prior year. Whenever the budget is modified, the Parties shall promptly amend the Agreement to incorporate the modified budget.~~

3.5 ~~3.6~~ A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.

3.6 ~~3.7~~ The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a ~~separate majority~~unanimous vote of the Full Funders. Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

3.7 ~~3.8~~ The budget shall be allocated to the following purposes:

3.7.1 ~~3.8.1~~ Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.

3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.



3.7.3 ~~3.8.2~~ Project management and administrative resources to support the general administration of Northern Tier.

3.7.4 ~~3.8.3~~ Support of Finance Agent services.

3.7.5 ~~3.8.4~~ Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.

3.7.6 ~~3.8.5~~ Public relations needs.

~~3.8.6 Legal support for joint Northern Tier filings and establishing procedures within Northern Tier to meet regulatory and legal requirements.~~

3.7.7 ~~3.8.7~~ Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.

3.7.7.1 ~~3.8.7.1~~ NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.

3.7.7.1.1 ~~3.8.7.1.1~~ Boise, Idaho

3.7.7.1.2 ~~3.8.7.1.2~~ Butte, Montana

3.7.7.1.3 ~~3.8.7.1.3~~ Portland, Oregon

3.7.7.1.4 ~~3.8.7.1.4~~ Salt Lake City, Utah

3.8 ~~3.9~~ Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section ~~5.12.5~~ hereof.

3.9 ~~3.10~~ Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

#### **Section 4 - ~~Steering Committee~~ Representation on Steering Committee:**

~~4.1 Composition. Each Party shall appoint one person (the "Steering Committee Representative") to participate on the Steering Committee. Each Steering Committee Representative shall serve on the Steering Committee at the pleasure of the Party that~~



~~appointed such Steering Committee Representative and may be removed or replaced by such Party at any time with written notice to the other Parties. The Parties will identify one of the Steering Committee Representatives to serve as co-Chair on the Steering Committee ("Utility Co-Chair"). If a Party's designated Steering Committee Representative is unable to attend or participate in a Steering Committee meeting, the Steering Committee Representative shall designate an alternate person to represent that Party as its Steering Committee Representative as set forth in Section 4.3(c).—~~

~~4.2 Authority. Each Party's Steering Committee Representative shall possess the authority to:~~

~~4.2.1 Bind such Party to funding increases, allocation of Party personnel resources, and policy direction;~~

~~4.2.2 Execute this Agreement and future amendments as necessary to increase funding or the scope of Northern Tier;~~

~~4.2.3 Represent such Party in dispute resolution processes; and~~

~~4.2.4 Negotiate on the behalf of such Party on cost allocation of transmission expansion projects and issues pertaining to transmission planning.~~

~~4.3 Upon resignation or removal of a Steering Committee Representative representing a Party, the associated Party shall provide a similarly empowered Steering Committee Representative within 25 days of the resignation or removal of its departing Steering Committee Representative.—~~

~~4.4 The Utility Co-chair shall initiate discussions between the Full Funders'~~

~~4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives to discuss budget increases or financing for additional work streams approved by are set forth in the Steering Committee through the mechanisms set forth in the Charter.~~

## **Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures





contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 ~~5.2~~ The ~~Full Funders shall prepare, with assistance from the Finance Agent, a budget and detailed forecast of expenditures against the budget, to include (i) proposed budget shall include but not be limited to coverage of~~ administrative costs for the budget year, ~~(ii) costs for projects approved by the Full Funders;~~ and ~~(iii) costs for the services provided by the Finance Agent under this Agreement, which.~~ Finance Agent costs shall be based on direct costs incurred by the Finance Agent in ~~the maintenance of the operating account and for billing and budget services provided hereunder. The annual forecast shall show the costs allocated between the Parties as calculated in accordance with Exhibit A. The Full Funders shall prepare and approve all modifications to the budget carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.~~

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

5.4 ~~5.3~~ The Finance Agent shall track actual expenditures against the budget, and ~~work with~~ notify the Full Funders ~~to develop a revised budget from time to time and Project Manager~~ when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget ~~shall be modified, the Finance Agent shall seek mutual written agreement of all~~ needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such ~~modification~~ notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.5 ~~5.4~~ The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.6 ~~5.5~~ The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.



5.7 ~~5.6~~ The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section ~~5.5~~5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section ~~5.5~~5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

5.8 ~~5.7~~ Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

5.9 ~~5.8~~ All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

5.10 ~~5.9~~ Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.11 ~~5.10~~ The Finance Agent shall provide no interest on NTTG Funds.

5.12 ~~5.11~~ Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.

5.13 ~~5.12~~ The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections ~~5.5~~5.6 and ~~5.8~~5.9 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.14 ~~5.13~~ The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.



## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear ~~is its~~ full allocated funding share of ~~costs, as indicated in Section 3.4, the Agreement.~~ The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.

6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this



Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

### **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.

### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 - ~~Term~~**

~~9.1~~ 9.1 The ~~Term~~term of this Agreement shall be through December 31, ~~2009~~2011.

~~9.2~~ 9.2 The ~~Term~~term of this ~~Agreement~~agreement shall be extended only upon mutual written agreement of all Parties. =

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.



### **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.

### **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

### **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

### **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

### **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

### **Section 16 – Amendments**



16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.

#### **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

#### **Section 18 – Integration**

18.1 This Agreement, ~~and~~ [and](#) the Finance Agent Agreement, ~~and the Charter~~ constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.

#### **~~Section 19 – Amended and Restated Agreement~~**

~~19.1 The original agreement was amended on November 26, 2007 and became effective on January 1, 2008. This second amended and restated Agreement supersedes and replaces the original agreement as amended on November 26, 2007.~~



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION ~~COOPERATIVE~~CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
~~Kimball Rasmussen~~Curt Winterfeld  
Vice President~~and CEO~~

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
~~Lisa Grow~~  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
~~Stephen Hawke~~  
Joe McArthur  
~~Senior~~ Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

BUDGET = Annual budget amount ~~of \$930,300~~ as defined in Section 3, "Funding."

SERVICES = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), ~~and~~ (i) and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by \$~~13,024~~ 17,000 per funder

(B) = ~~57.5~~ 57.5% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and ~~50,000~~ 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over ~~50,000~~ 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by ~~68.4~~ 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by ~~68.4~~ 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW





(D3) = (C3) divided by (C) multiplied by ~~68.4~~65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective ~~2006~~-WECC submittal for the current year.

Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1), (D2), or (D3) + (E)



## EXHIBIT B

### Finance Agent Agreement

~~Northern Tier Agreement~~

~~Exhibit B~~ Issued by: Michael R. Cashell, Chief Transmission Officer Effective on: ~~August 12, 2008~~[January 1, 2010](#)  
Issued on: ~~August 12, 2008~~[December 29, 2009](#)



~~AMENDED AND RESTATED~~

NORTHERN TIER TRANSMISSION GROUP

~~2008—2009~~ FINANCE AGENT AGREEMENT

Calendar Years 2010 – 2011

This ~~Amended and Restated~~ Finance Agent Agreement ("Agreement"), ~~effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing,~~ is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company (~~"Portland General"~~) and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties"). ~~The Parties have~~

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent ~~as set forth in Section 5 of the Amended and Restated 2008-2009 Funding Agreement effective January 1, 2008 (hereafter "Funding Agreement", unless stated otherwise),~~ and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall ~~be through,~~ subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, ~~2009~~2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The ~~Idaho Power Company agrees to perform the~~ Finance Agent shall perform those tasks set forth in Section 5 of the ~~Second Amended~~ Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

~~AMENDED AND RESTATED~~~~2008-2009~~2010-2011 FINANCE AGENT AGREEMENT

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3. Reimbursement.

a. ~~3. Reimbursement.~~ Idaho Power shall submit by email an invoice. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent to the Representatives, or their delegate, according to the information provided pursuant to Section 5.6 of the Second Amended Funding Agreement, or as updated by email to the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative. (Representative) or their delegate. The Full Funders' Steering Committee Representative holding the position of the utility Steering Committee ~~co~~Utility Co-Chair ("Chairman"), or that representative Representative's delegate, shall make commercially reasonable efforts to review and approve Idaho Power Company the Finance Agent's invoice within 10 business days of emailing the invoice its receipt. Upon receipt of approval by from the Chairman, or the Chairman's delegate, Idaho Power Company, acting as the Finance Agent will pay the invoice from the NTTG shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds held by Idaho Power Company.

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL ~~IDAHO POWER COMPANY~~ THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

~~AMENDED AND RESTATED 2008-2009~~ 2010-2011 FINANCE AGENT  
AGREEMENT

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6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of ~~Idaho~~New York. Venue for any disputes related to this Agreement shall be ~~in Ada County, Idaho or the City of Boise, Idaho.~~ unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This ~~instrument~~Agreement and ~~any exhibits hereto, the Second Amended Funding Agreement, and the Charter (as defined in the Second Amended Funding Agreement)~~ contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

~~12. **Amended and Restated Agreement.** The original agreement was executed November 26, 2007. This amended and restated Agreement supersedes and replaces the original agreement.~~

~~12.~~ 13. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.

~~AMENDED AND RESTATED 2008-2009~~2010-2011 FINANCE AGENT  
AGREEMENT

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Issued by: Michael R. Cashell, Chief Transmission Officer  
Issued on: ~~August 12, 2008~~December 29, 2009

Effective on: ~~August 12, 2008~~January 1, 2010



IN WITNESS WHEREOF, ~~each Party executes this Agreement on the last date of the last Party to execute this Agreement.~~ this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION & NORTHWESTERN ENERGY  
TRANSMISSION ~~COOPERATIVE~~CO-OPERATIVE, INC.

By \_\_\_\_\_  
~~Kimball Rasmussen~~Curt Winterfeld  
Vice President ~~and CEO~~  
Officer

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission

~~Date~~ \_\_\_\_\_  
\_\_\_\_\_

~~Date~~ \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

~~Date~~ \_\_\_\_\_  
\_\_\_\_\_

~~Date~~ \_\_\_\_\_  
\_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
~~Lisa Grow~~  
N. Vern Porter  
Vice President, Delivery Engineering  
Transmission  
& Operations

By \_\_\_\_\_  
~~Stephen Hawke~~  
Joe McArthur  
~~Senior~~ Vice President, \_\_\_\_\_

~~AMENDED AND RESTATED~~~~2008-2009~~2010-2011 FINANCE AGENT  
AGREEMENT

Page 20/22

Issued by: Michael R. Cashell, Chief Transmission Officer  
Issued on: ~~August 12, 2008~~December 29, 2009

Effective on: ~~August 12, 2008~~January 1, 2010



Date \_\_\_\_\_

Date \_\_\_\_\_

~~AMENDED AND RESTATED~~2008-20092010-2011 FINANCE AGENT  
AGREEMENT

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Issued by: Michael R. Cashell, Chief Transmission Officer  
Issued on: ~~August 12, 2008~~December 29, 2009

Effective on: ~~August 12, 2008~~January 1, 2010

# **ATTACHMENT 7**

**Clean Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**PacifiCorp  
Second Revised Rate Schedule No. 612**



**Filing Utility:** PacifiCorp

**Other Utilities**

**Rendering Service:** Idaho Power Company  
Deseret Generation & Transmission Co-operative, Inc.  
NorthWestern Corporation  
Portland General Electric Company

**Description:** Clean version of the Second Revised Rate Schedule No. 612, reflecting the Northern Tier Transmission Group Funding Agreement, 2010 – 2011.

# **Northern Tier Transmission Group Funding Agreement 2010-2011**

This Northern Tier Transmission Group Funding Agreement ("Funding Agreement"), is by and among the entities signing below which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

## **Recitals**

- A. The Parties are the funding entities for the Northern Tier Transmission Group and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement.
- B. The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

## **Section 1 – Effective Date:**

1.1 Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.

## **Section 2 - Principles of Development:**

2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as

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<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.

developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committee Charter (Steering Charter).

### **Section 3 - Funding:**

3.1 Each Party agrees to fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed limits provided for in Section 3.6 hereof, or as otherwise mutually agreed upon in writing by the Parties. Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof..

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 Northern Tier's approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

3.5 A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.

3.6 The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a unanimous vote of the Full Funders. Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

3.7 The budget shall be allocated to the following purposes:

3.7.1 Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.

3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.

3.7.3 Project management and administrative resources to support the general administration of Northern Tier.

3.7.4 Support of Finance Agent services.

3.7.5 Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.

3.7.6 Public relations needs.

3.7.7 Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.

3.7.7.1 NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.

3.7.7.1.1 Boise, Idaho

3.7.7.1.2 Butte, Montana

3.7.7.1.3 Portland, Oregon

3.7.7.1.4 Salt Lake City, Utah

3.8 Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section 5 hereof.

- 3.9 Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

#### **Section 4 - Representation on Steering Committee:**

4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

#### **Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 The proposed budget shall include but not be limited to coverage of administrative costs for the budget year, costs for projects approved by the Full Funders; and costs for services provided by the Finance Agent. Finance Agent costs shall be based on direct costs incurred by the Finance Agent in carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

5.4 The Finance Agent shall track actual expenditures against the budget, and notify the Full Funders and Project Manager when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.5 The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall

develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.6 The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.

5.7 The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section 5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section 5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

5.8 Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

5.9 All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

5.10 Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.11 The Finance Agent shall provide no interest on NTTG Funds.

5.12 Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.

5.13 The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections 5.6 and 5.9 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.14 The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.

## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 **Process of Joining.** Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear its full allocated funding share of the Agreement. The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 **Withdrawal.** Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.

6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

### **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.

### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 – Term**

9.1 The term of this Agreement shall be through December 31, 2011.

9.2 The term of this agreement shall be extended only upon mutual written agreement of all Parties. -

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.



## **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.

## **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

## **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

## **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

## **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

## **Section 16 – Amendments**

16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.

### **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

### **Section 18 – Integration**

18.1 This Agreement and the Finance Agent Agreement constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

By Curt Winterfeld (by awg)  
Curt Winterfeld  
Vice President

Date 12/28/09

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

PACIFICORP

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

Date \_\_\_\_\_

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

IDAHO POWER COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

Date \_\_\_\_\_

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Gupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date Dec 23, 2009

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

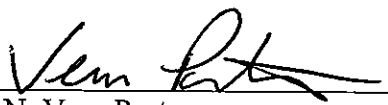
By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By   
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date 12-24-2009

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date 12/28/09

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

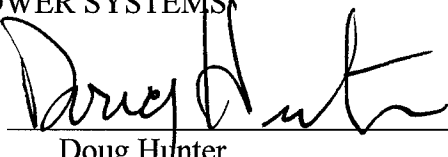
Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By   
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date 12-28-09

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date Dec 28, 2009

## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

**BUDGET** = Annual budget amount as defined in Section 3, "Funding."

**SERVICES** = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), (i) and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by \$17,000 per funder

(B) = 7.5% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW

(D3) = (C3) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective WECC submittal for the current year.



Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1), (D2), or (D3) + (E)

# EXHIBIT B

## Finance Agent Agreement

## NORTHERN TIER TRANSMISSION GROUP

### FINANCE AGENT AGREEMENT

#### Calendar Years 2010 – 2011

This Finance Agent Agreement ("Agreement"), is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties").

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, 2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The Finance Agent shall perform those tasks set forth in Section 5 of the Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

3. **Reimbursement.**

a. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative, (Representative) or their delegate, The Full Funders' Steering Committee Representative holding the position of the Steering Committee Utility Co-Chair ("Chairman"), or that Representative's delegate, shall make commercially reasonable efforts to review and approve the Finance Agent's invoice within 10 business days of its receipt. Upon receipt of approval from the Chairman, or the Chairman's delegate, the Finance Agent

shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This Agreement and the Funding Agreement contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

12. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission





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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by CWS)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
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Vice President, Delivery Engineering  
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Joe McArthur  
Vice President, Transmission



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Vice President

By \_\_\_\_\_  
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John Cupparo  
Vice President, Transmission

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Doug Hunter  
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Joe McArthur  
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Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

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General Manager

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TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
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Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
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PORTLAND GENERAL ELECTRIC  
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Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

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Vice President

By \_\_\_\_\_  
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DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

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Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

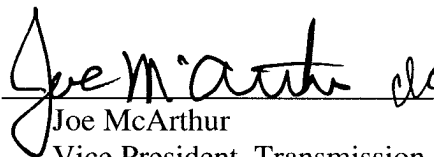
By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By   
Joe McArthur  
Vice President, Transmission

# **ATTACHMENT 8**

**Black-lined Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**PacifiCorp  
Second Revised Rate Schedule No. 612**

**Filing Utility:** PacifiCorp

**Other Utilities**

**Rendering Service:** Deseret Generation & Transmission Co-operative, Inc.  
Idaho Power Company  
NorthWestern Corporation  
Portland General Electric Company

**Description:** Black-lined Version of the Northern Tier Transmission Group  
Funding Agreement, 2010-2011.



# Northern Tier Transmission Group Funding Agreement 2010-2011

## ~~Second Amended and Restated 2008-2009 FUNDING AGREEMENT~~

This ~~Second Amended and Restated~~ Northern Tier Transmission Group Funding Agreement ("Funding Agreement"); ~~effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing, is by and among the entities signing below, which shall be revised only by mutual consent of all entities signing below. Hereafter, the entities signing below~~ which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

### Recitals

- ~~A. — The Amended and Restated~~ The Parties are the funding entities for the Northern Tier Transmission Group ~~Funding Agreement is being amended in this~~ and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement ~~in order to add Portland General Electric Company, Inc. as a Full Funder; to clarify that the Agreement as amended, subsequent amendments to the Agreement, and withdraws from the Agreement become effective upon their acceptance for filing by FERC; and to provide some additional minor modification to clarify the Parties intent and to simplify the administration of the Agreement;~~ ;
- ~~B. — The electric transmission grid is indispensable to the western economy;~~
- ~~C. — Each Party is engaged in the purchase or sale of transmission of electric transmission service, and/or owns and operates an electric transmission system that is directly interconnected with one or more of the systems of the other Parties;~~
- ~~D. — The Parties are committed, with the active cooperation of state governments and regulatory agencies, and other stakeholders, to improving the operations of the electric transmission grid that both serves and links their service territories;~~
- ~~E. — The Parties are committed to working with one another, and with affected stakeholders and state officials, both to increase efficient and economical use of the electric transmission grid and to develop the infrastructure needed to deliver existing and new power resources, such as renewable and thermal, to consumers;~~
- ~~F. — The Parties are focused on action and devoted to a collaborative, step by step approach that will deliver results promptly and cost effectively;~~
- ~~G. — The Parties are committed to support furtherance of ancillary services markets, regional transmission tariffs, common and joint Open Access Transmission Tariffs, and energy markets, if economically justified and initiated by unanimous agreement of the Northern Tier Transmission Group Steering Committee (Steering Committee) through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007, and as may be revised from time to time through the mechanisms~~

~~set forth in the approved Steering Committee Charter on June 29, 2007 (hereinafter referred to as the "Charter");~~

~~H. The Parties are committed to utilize existing regional forums and organizations, to the extent agreed to by those forums and organizations and as practicable to meet Northern Tier needs to facilitate transmission planning and use coordination;~~

~~I. The Parties acknowledge that this Agreement does not relieve any Party of its responsibility to comply with the Federal Energy Regulatory Commission's (FERC) Standards of Conduct or any other applicable regulatory requirements;~~

~~J. The Parties serve customers within the participating states of Idaho, Montana, Oregon, Wyoming and Utah (Footprint), and may also serve customers in other states as defined by each Party's service territory or membership territory; and~~

B. The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

**Section 1** ~~**Purpose**~~ **Effective**  
**Date:**

~~1.1 The purpose of this Agreement is to provide the framework upon which the Parties are able to promote efficient and coordinated planning, expansion, and use of the multi-state transmission system within their collective service territories. Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.~~

**Section 2 - Principles of Development:**

2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as

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<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.

developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committee Charter (Steering Charter).

### **Section 3 - Funding:**

3.1 Each Party agrees to ~~commit funds~~, fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed ~~the~~ limits provided for in Section ~~3.73.6~~ hereof, or as otherwise mutually agreed upon in writing by the Parties, ~~to further the projects approved by the Steering Committee through the mechanisms set forth in the Charter pursuant to Section 4.2; or, to withdraw from the Agreement pursuant to the terms set forth in Section 6.~~ Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 ~~The budget for Northern Tier is \$930,300 annually, based upon a calendar year. Funding levels for Agreement terms of less than one calendar year shall be determined by taking the number of remaining calendar days covered by the term of the Agreement divided by the number of calendar days anticipated in the term of the Agreement multiplied by the budget amount. In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof.~~

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

- 3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.
- 3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 Northern Tier's ~~costs associated with its budget~~ approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. ~~Exhibit A may be modified upon mutual agreement of the Parties.~~ The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

~~3.5 Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the annual budget are necessary by May 30 of the prior year. Whenever the budget is modified, the Parties shall promptly amend the Agreement to incorporate the modified budget.~~

3.5 ~~3.6~~ A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.

3.6 ~~3.7~~ The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a ~~separate majority~~ unanimous vote of the Full Funders. Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

3.7 ~~3.8~~ The budget shall be allocated to the following purposes:

3.7.1 ~~3.8.1~~ Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.

3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.

3.7.3 ~~3.8.2~~ Project management and administrative resources to support the general administration of Northern Tier.

3.7.4 ~~3.8.3~~ Support of Finance Agent services.

3.7.5 ~~3.8.4~~ Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.

3.7.6 ~~3.8.5~~ Public relations needs.

~~3.8.6 — Legal support for joint Northern Tier filings and establishing procedures within Northern Tier to meet regulatory and legal requirements.~~

3.7.7 ~~3.8.7~~ Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.

3.7.7.1 ~~3.8.7.1~~ NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.

<u>3.7.7.1.1</u>	<del>3.8.7.1.1</del> Boise, Idaho
<u>3.7.7.1.2</u>	<del>3.8.7.1.2</del> Butte, Montana
<u>3.7.7.1.3</u>	<del>3.8.7.1.3</del> Portland, Oregon
<u>3.7.7.1.4</u>	<del>3.8.7.1.4</del> Salt Lake City, Utah

3.8 ~~3.9~~ Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section ~~5.12.5~~ hereof.

- 3.9 ~~3.10~~ Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

**Section 4 - ~~Steering Committee~~:Representation on Steering Committee:**

~~4.1—Composition. Each Party shall appoint one person (the “Steering Committee Representative”) to participate on the Steering Committee. Each Steering Committee Representative shall serve on the Steering Committee at the pleasure of the Party that appointed such Steering Committee Representative and may be removed or replaced by such Party at any time with written notice to the other Parties. The Parties will identify one of the Steering Committee Representatives to serve as co-Chair on the Steering Committee (“Utility Co-Chair”). If a Party's designated Steering Committee Representative is unable to attend or participate in a Steering Committee meeting, the Steering Committee Representative shall designate an alternate person to represent that Party as its Steering Committee Representative as set forth in Section 4.3(c).~~

~~4.2—Authority. Each Party's Steering Committee Representative shall possess the authority to:~~

~~4.2.1—Bind such Party to funding increases, allocation of Party personnel resources, and policy direction;~~

~~4.2.2—Execute this Agreement and future amendments as necessary to increase funding or the scope of Northern Tier;~~

~~4.2.3—Represent such Party in dispute resolution processes; and~~

~~4.2.4—Negotiate on the behalf of such Party on cost allocation of transmission expansion projects and issues pertaining to transmission planning.~~

~~4.3—Upon resignation or removal of a Steering Committee Representative representing a Party, the associated Party shall provide a similarly empowered Steering Committee Representative within 25 days of the resignation or removal of its departing Steering Committee Representative.~~

~~4.4—The Utility Co chair shall initiate discussions between the Full Funders'~~

4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives to discuss budget increases or financing for additional work streams approved by are set forth in the Steering Committee ~~through the mechanisms set forth in the~~ Charter.

## **Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 ~~5.2~~ The Full Funders shall prepare, with assistance from the Finance Agent, a budget and detailed forecast of expenditures against the budget, to include (i) proposed budget shall include but not be limited to coverage of administrative costs for the budget year, (ii) costs for projects approved by the Full Funders; and (iii) costs for the services provided by the Finance Agent under this Agreement, which. Finance Agent costs shall be based on direct costs incurred by the Finance Agent in the maintenance of the operating account and for billing and budget services provided hereunder. The annual forecast shall show the costs allocated between the Parties as calculated in accordance with Exhibit A. The Full Funders shall prepare and approve all modifications to the budget carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

5.4 ~~5.3~~ The Finance Agent shall track actual expenditures against the budget, and work with notify the Full Funders to develop a revised budget from time to time and Project Manager when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget shall be modified, the Finance Agent shall seek mutual written agreement of all needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such modification notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.5 ~~5.4~~ The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement (“NTTG Funds”) with its general funds. Finance Agent shall

develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.6 ~~5.5~~ The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.

5.7 ~~5.6~~ The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section ~~5.5~~, 5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section ~~5.5~~, 5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

5.8 ~~5.7~~ Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

5.9 ~~5.8~~ All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

5.10 ~~5.9~~ Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.11 ~~5.10~~ The Finance Agent shall provide no interest on NTTG Funds.

5.12 ~~5.11~~ Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.



5.13 ~~5.12~~ The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections ~~5.5.6~~ and ~~5.8.5.9~~ of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.14 ~~5.13~~ The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.

## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear ~~its~~ full allocated funding share of ~~costs, as indicated in Section 3.4, the Agreement.~~ The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.



6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

### **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.

### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 - Term**

~~9.1~~ 9.1 The ~~Term~~term of this Agreement shall be through December 31, ~~2009~~2011.

~~9.2~~ 9.2 The ~~Term~~term of this ~~Agreement~~agreement shall be extended only upon mutual written agreement of all Parties. -

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.

## **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.

## **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

## **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

## **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

## **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

## **Section 16 – Amendments**

16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.

### **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

### **Section 18 – Integration**

18.1 This Agreement, and the Finance Agent Agreement, ~~and the Charter~~ constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.

### **Section 19 – Amended and Restated Agreement**

~~19.1 The original agreement was amended on November 26, 2007 and became effective on January 1, 2008. This second amended and restated Agreement supersedes and replaces the original agreement as amended on November 26, 2007.~~



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION ~~COOPERATIVE~~ CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
~~Kimball Rasmussen~~ Curt Winterfeld  
Vice President ~~and CEO~~

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
~~Lisa Grow~~  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
~~Stephen Hawke~~  
Joe McArthur  
~~Senior~~ Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

By Curt Winterfeld (by awg)  
Curt Winterfeld  
Vice President

Date 12/28/09

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

PACIFICORP

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

Date \_\_\_\_\_

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

IDAHO POWER COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

Date \_\_\_\_\_

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Gupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date Dec 23, 2009

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

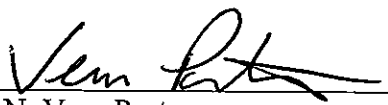
By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By   
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date 12-24-2009

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date 12/28/09

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

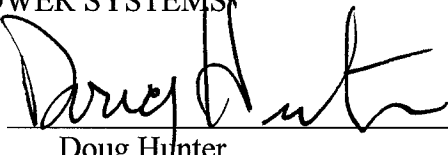
Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By   
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date 12-28-09

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date Dec 28, 2009

## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

BUDGET = Annual budget amount ~~of \$930,300~~ as defined in Section 3, "Funding."

SERVICES = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), ~~and (i)~~ and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by \$~~13,024~~ 17,000 per funder

(B) = ~~57.5~~ 68.465.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and ~~50,000~~ 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over ~~50,000~~ 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by ~~68.4~~ 68.465.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by ~~68.4~~ 68.465.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW

(D3) = (C3) divided by (C) multiplied by ~~68.4~~ 68.465.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective ~~2006~~-WECC submittal for the current year.



Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1), (D2), or (D3) + (E)

Issued by: Kenneth T. Houston-Director, Transmission Services

Issued on: ~~December 29, 2009~~

~~August 12, 2008~~

Effective on: ~~January 1, 2010~~

~~August 12, 2008~~

Northern Tier [Funding](#) Agreement

Exhibit A

## EXHIBIT B

### Finance Agent Agreement

Issued by: Kenneth T. Houston-Director, Transmission Services

Issued on: December 29, 2009

~~August 12, 2008~~

Northern Tier [Funding](#)

Effective on: January 1, 2010

~~August 12, 2008~~

## **AMENDED AND RESTATED**

### **NORTHERN TIER TRANSMISSION GROUP**

### **~~2008—2009~~ FINANCE AGENT AGREEMENT**

#### **Calendar Years 2010 – 2011**

This ~~Amended and Restated~~ Finance Agent Agreement ("Agreement"), ~~effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing,~~ is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company (~~"Portland General"~~) and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties"). ~~The Parties have~~

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent ~~as set forth in Section 5 of the Amended and Restated 2008-2009 Funding Agreement effective January 1, 2008 (hereafter "Funding Agreement", unless stated otherwise), and Idaho Power accepts said appointment.~~

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall ~~be through,~~ subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, ~~2009~~2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The ~~Idaho Power Company agrees to perform the~~ Finance Agent shall perform those tasks set forth in Section 5 of the ~~Second Amended~~ Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

#### **3. Reimbursement.**

~~a. 3. Reimbursement.~~ Idaho Power shall submit by email an invoice. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent ~~to the Representatives, or their delegate, according to the information provided pursuant to Section 5.6 of the Second Amended Funding Agreement, or as updated by email to the Finance Agent.~~ A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative, (Representative) or their delegate. The Full Funders' Steering Committee Representative holding the position of the ~~utility~~ Steering Committee ~~co~~ Utility Co-Chair ("Chairman"), or that ~~representative~~ Representative's delegate, shall make commercially reasonable efforts to review and approve ~~Idaho Power Company~~ the Finance Agent's invoice within 10 business days of ~~emailing the invoice~~ its receipt. Upon receipt of approval ~~by from~~ the Chairman, or the Chairman's delegate, ~~Idaho Power Company, acting as the Finance Agent will pay the invoice from the NTTG~~

shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds ~~held by Idaho Power Company.~~

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL ~~IDAHO POWER COMPANY~~THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of ~~Idaho~~New York. Venue for any disputes related to this Agreement shall be ~~in Ada County, Idaho or the City of Boise, Idaho.~~unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This ~~instrument~~Agreement and ~~any exhibits hereto, the Second Amended Funding Agreement, and the Charter (as defined in the Second Amended Funding Agreement)~~ contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

~~12. **Amended and Restated Agreement.** The original agreement was executed November 26, 2007. This amended and restated Agreement supersedes and replaces the original agreement.~~

~~12.~~ **13. Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.



IN WITNESS WHEREOF, ~~each Party executes this Agreement on the last date of the last Party to execute this Agreement.~~ this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION & NORTHWESTERN ENERGY  
TRANSMISSION ~~COOPERATIVE~~ CO-OPERATIVE, INC.

By \_\_\_\_\_  
~~Kimball Rasmussen~~ Curt Winterfeld  
Vice President ~~and CEO~~  
Officer

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
~~Lisa Grow~~  
N. Vern Porter  
Vice President, Delivery Engineering  
Transmission  
& Operations

By \_\_\_\_\_  
~~Stephen Hawke~~  
Joe McArthur  
~~Senior~~ Vice President,

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by CHS)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP


UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By   
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

# **ATTACHMENT 9**

**Clean Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**Portland General Electric Company  
First Revised Rate Schedule No. 17**



**Filing Utility:** Portland General Electric Company

**Other Utilities**

**Rendering Service:** Idaho Power Company  
Deseret Generation & Transmission Co-operative, Inc.  
NorthWestern Corporation  
PacifiCorp

**Description:** Clean version of the First Revised Rate Schedule No. 17, reflecting the Northern Tier Transmission Group Funding Agreement, 2010 – 2011.



## **Northern Tier Transmission Group**

### **FUNDING AGREEMENT 2010-2011**

This Northern Tier Transmission Group Funding Agreement ("Funding Agreement"), is by and among the entities which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

#### **Recitals**

- A. The Parties are the funding entities for the Northern Tier Transmission Group and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement.
- B. The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.



NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

**Section 1 – Effective Date:**

1.1 Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010.

**Section 2 - Principles of Development:**

2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committing Charter (Steering Charter).

**Section 3 - Funding:**

3.1 Each Party agrees to fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed limits provided for in Section 3.6 hereof,

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<sup>1</sup> The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.



or as otherwise mutually agreed upon in writing by the Parties. Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof.

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 Northern Tier's approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

3.5 A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.

3.6 The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a unanimous vote of the Full Funders.



Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

- 3.7 The budget shall be allocated to the following purposes:
  - 3.7.1 Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.
  - 3.7.2 Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.
  - 3.7.3 Project management and administrative resources to support the general administration of Northern Tier.
  - 3.7.4 Support of Finance Agent services.
  - 3.7.5 Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.
  - 3.7.6 Public relations needs.
  - 3.7.7 Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.
    - 3.7.7.1 NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.
      - 3.7.7.1.1 Boise, Idaho
      - 3.7.7.1.2 Butte, Montana
      - 3.7.7.1.3 Portland, Oregon
      - 3.7.7.1.4 Salt Lake City, Utah
- 3.8 Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section 5 hereof.
- 3.9 Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation



calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

**Section 4 –Representation on Steering Committee:**

4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

**Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance



Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 The proposed budget shall include but not be limited to coverage of administrative costs for the budget year, costs for projects approved by the Full Funders: and costs for services provided by the Finance Agent. Finance Agents costs shall be based on direct costs incurred by the Finance Agent in carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

5.4 The Finance Agent shall track actual expenditures against the budget, and notify the Full Funders and Project Manager when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.

5.5 The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

5.6 The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.

5.7 The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section 5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section 5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.

5.8 Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

5.9 All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.



5.10 Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.11 The Finance Agent shall provide no interest on NTTG Funds.

5.12 Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.

5.13 The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections 5.6 and 5.9 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.14 The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.

#### **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number of remaining calendar days in the year in which it joins divided by 365. All





other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear its full allocated funding share of the Agreement. The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.

6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

## **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.



### **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

### **Section 9 - Term**

9.1 The term of this Agreement shall be through December 31, 2011.

9.2 The term of this agreement shall be extended only upon mutual written agreement of all Parties.

### **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.

### **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.



## **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

## **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

## **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

## **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

## **Section 16 – Amendments**

16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.

## **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

## **Section 18 – Integration**

18.1 This Agreement and the Finance Agent Agreement constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By Curt Winterfeld (by cws)  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date 12/28/09

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John G. Gumparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date Dec 23, 2009

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date 12-24-2009

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By Michael R. Cashell  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date 12/28/09

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

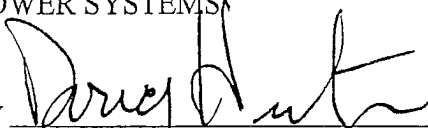
Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By   
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date 12-28-09

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date \_\_\_\_\_



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

Date \_\_\_\_\_

Date Dec 28, 2009



## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

BUDGET = Annual budget amount as defined in Section 3, "Funding."

SERVICES = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), (i) and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by \$17,000 per funder

(B) = 7.5% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW

(D3) = (C3) divided by (C) multiplied by 65.9% of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective WECC submittal for the current year.



Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1),  
(D2), or (D3) + (E)



## EXHIBIT B

### Finance Agent Agreement

Northern Tier Funding Agreement  
Exhibit B

Issued by J Jeffrey Dudley, Vice President and General Counsel  
Issued on December 29, 2009

Effective on January 1, 2010

**NORTHERN TIER TRANSMISSION GROUP  
FINANCE AGENT AGREEMENT  
Calendar Years 2010-2011**

This Finance Agent Agreement ("Agreement"), is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties").

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, 2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.
2. **Scope of Services.** The Finance Agent shall perform those tasks set forth in Section 5 of the Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.
3. **Reimbursement.**
  - a. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative (Representative) or their delegate. The Full Funders' Steering Committee Representative holding the position of the Steering Committee Utility Co-Chair ("Chairman"), or that Representative's delegate, shall make commercially reasonable efforts to review and approve the Finance Agent's invoice within 10 business days of its receipt. Upon receipt of approval from the Chairman, or the Chairman's delegate, the Finance Agent shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.
  - b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.
4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.
5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL,

EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This Agreement and the Funding Agreement contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

12. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.



IN WITNESS WHEREOF, this Agreement is executed and shall be effective as of the date provided in Section 1 above.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering

By \_\_\_\_\_  
Joe McArthur  
Vice President, Transmission





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Curt Winterfeld  
Vice President

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TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

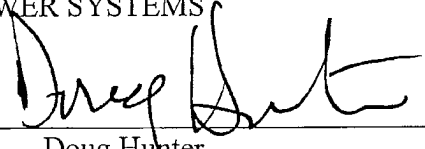
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By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

By Joe McArthur  
Joe McArthur  
Vice President, Transmission

# **ATTACHMENT 10**

**Black-lined Version of the Northern Tier Transmission Group Funding  
Agreement, 2010-2011**

**Portland General Electric Company  
First Revised Rate Schedule No. 17**

**Filing Utility:** Portland General Electric Company

**Other Utilities**

**Rendering Service:** Deseret Generation & Transmission Co-operative, Inc.  
Idaho Power Company  
NorthWestern Corporation  
PacifiCorp

**Description:** Black-lined Version of the Northern Tier Transmission Group  
Funding Agreement, 2010-2011.





## Northern Tier Transmission Group

### ~~Second Amended and Restated 2008-2009 FUNDING AGREEMENT~~

### FUNDING AGREEMENT

2010-2011

This ~~Second Amended and Restated~~ Northern Tier Transmission Group Funding Agreement ("Funding Agreement"), ~~effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing, is by and among the entities signing below, which shall be revised only by mutual consent of all entities signing below. Hereafter, the entities signing below~~ which hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

#### Recitals

- A. ~~The Amended and Restated~~ The Parties are the funding entities for the Northern Tier Transmission Group Funding Agreement is being amended in this and are Parties to the Second Amended and Restated Northern Tier Transmission Group Funding Agreement in order to add Portland General Electric Company, Inc. as a Full Funder; to clarify that the Agreement as amended, subsequent amendments to the Agreement, and withdraws from the Agreement become effective upon their acceptance for filing by FERC; and to provide some additional minor modification to clarify the Parties intent and to simplify the administration of the Agreement;
- ~~B.~~ The Parties desire to revise the rights and obligations, including the allocation methodology, used by this Agreement to distribute the cost responsibility for funds collected hereunder.
- B. ~~The electric transmission grid is indispensable to the western economy;~~
- C. ~~Each Party is engaged in the purchase or sale of transmission of electric transmission service, and/or owns and operates an electric transmission system that is directly interconnected with one or more of the systems of the other Parties;~~
- D. ~~The Parties are committed, with the active cooperation of state governments~~



and regulatory agencies, and other stakeholders, to improving the operations of the electric transmission grid that both serves and links their service territories;

E. ~~The Parties are committed to working with one another, and with affected stakeholders and state officials, both to increase efficient and economical use of the electric transmission grid and to develop the infrastructure needed to deliver existing and new power resources, such as renewable and thermal, to consumers;~~

F. ~~The Parties are focused on action and devoted to a collaborative, step-by-step approach that will deliver results promptly and cost effectively;~~

G. ~~The Parties are committed to support furtherance of ancillary services markets, regional transmission tariffs, common and joint Open Access Transmission Tariffs, and energy markets, if economically justified and initiated by unanimous~~



~~agreement of the Northern Tier Transmission Group Steering Committee (Steering Committee) through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007, and as may be revised from time to time through the mechanisms set forth in the approved Steering Committee Charter on June 29, 2007 (hereinafter referred to as the "Charter");~~

~~H. The Parties are committed to utilize existing regional forums and organizations, to the extent agreed to by those forums and organizations and as practicable to meet Northern Tier needs to facilitate transmission planning and use coordination;~~

~~I. The Parties acknowledge that this Agreement does not relieve any Party of its responsibility to comply with the Federal Energy Regulatory Commission's (FERC) Standards of Conduct or any other applicable regulatory requirements;~~

~~J. The Parties serve customers within the participating states of Idaho, Montana, Oregon, Wyoming and Utah (Footprint), and may also serve customers in other states as defined by each Party's service territory or membership territory; and~~

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Agreement, the Parties hereby agree as follows:

#### Section 1 —

##### **Purpose Effective Date:**

~~1.1- Subject to acceptance for filing by the Federal Energy Regulatory Commission (FERC), the Effective Date of this Agreement shall be January 1, 2010. The purpose of this Agreement is to provide the framework upon which the Parties are able to promote efficient and coordinated planning, expansion, and use of the multi-state transmission system within their collective service territories.~~

#### **Section 2 - Principles of Development:**

2.1 An entity that is engaged in the purchase or sale of electric transmission service in interstate commerce anywhere within the Footprint<sup>1</sup> is eligible to enter into and

<sup>1</sup> ~~The NTTG footprint is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.~~



be a Party to this Agreement.

2.2 Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Agreement.

2.3 To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as developed and approved by the NTTG Steering Committee through the mechanisms set forth in the NTTG Steering Committing Charter (Steering Charter).

### **Section 3 - Funding:**

3.1 Each Party agrees to ~~commit funds,~~ fund its allocated share of expenses required to support initiatives authorized by the Steering Committee. A Parties' allocation shall be subject to the not to exceed ~~the~~ limits provided for in Section 3.76 hereof,



or as otherwise mutually agreed upon in writing by the Parties, ~~to further the projects approved by the Steering Committee through the mechanisms set forth in the Charter pursuant to Section 4.2; or, to withdraw from the Agreement pursuant to the terms set forth in Section 6.~~ Funding shall be provided pursuant to procedures set forth in Section 5 hereof and the Finance Agent Agreement, Exhibit B attached.

3.2 The budget for Northern Tier is \$930,300 annually, based upon a calendar year. ~~Funding levels for Agreement terms of less than one calendar year shall be determined by taking the number of remaining calendar days covered by the term of the Agreement divided by the number of calendar days anticipated in the term of the Agreement multiplied by the budget amount.~~ In the event a new entity executes this Agreement partially through a budget year, such new funding entity's allocation of expenses for the remainder of the budget year shall be pursuant to the terms set forth in Section 6.1 hereof.

3.3 For purposes of funding, Parties shall be considered either "Nominal Funders" or "Full Funders", as defined below and set forth in Exhibit A of this Agreement.

3.3.1 Nominal Funders – Non FERC jurisdictional transmission providers or customers that do not utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890.

3.3.2 Full Funders – Transmission providers that utilize NTTG planning processes or services to meet the requirements set forth in FERC's Order 890 and, if required, that have an Open Access Transmission Tariff on file with FERC.

3.4 ~~Northern Tier's costs associated with its budget approved budget and additional incremental costs approved by Full Funders to support initiatives authorized by the Steering Committee shall be allocated among the Parties in accordance with Exhibit A. Exhibit A may be modified upon mutual agreement of the Parties.~~ The allocation of Northern Tier's costs are adjusted in accordance with Exhibit A when (i) a Party joins or withdraws from NTTG pursuant to Section 6, (ii) an existing Party modifies its funding level, or (iii) budget modifications are approved. Consent of the Parties shall not be unreasonably withheld or delayed. Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the Annual Budget are necessary by May 30 of the prior year. Exhibit A may be modified upon mutual written agreement of the Parties, provided however, that such modification shall be subject to FERC acceptance if required.

3.5 ~~Full Funders may amend the budget at any time by mutual written agreement. At a minimum, the Parties shall determine if any changes in the annual budget are necessary by May 30 of the prior year. Whenever the budget is modified, the Parties shall promptly amend the Agreement to incorporate the modified budget.~~



3.63.5 A Party may change its funding designation set forth in Exhibit A only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. Parties recognize that a revision of funding designation may require a change of the terms set forth and agreed to in this Agreement.

3.73.6 The budget, including additional funding to support incremental initiatives approved by the Steering Committee through the mechanisms set forth in the Steering Charter, shall only be increased by a ~~separate majority~~ unanimous vote of the Full Funders.



3.7 Notwithstanding any other provision hereof, in no event shall the funding obligation of any Nominal Funder exceed the amount set forth in Exhibit A hereof, unless otherwise agreed in writing duly executed by the authorized representative of such Nominal Funder.

~~3.8.3.7~~ The budget shall be allocated to the following purposes:

~~3.8.13.7.1~~ Project management and support for initiatives proposed by the Transmission Use, Cost Allocation and Transmission Planning committees, as approved by the Steering Committee through the mechanisms set forth in the Steering Charter.

~~3.7.2~~ Resources dedicated to the facilitation of the Joint Initiative or other proposals, as approved by the Steering Committee.

~~3.8.23.7.3~~ Project management and administrative resources to support the general administration of Northern Tier.

~~3.8.33.7.4~~ Support of Finance Agent services.

~~3.8.43.7.5~~ Resources dedicated to facilitation of Northern Tier as a viable regional planning entity within the Western Electricity Coordinating Council (WECC) region.

~~3.8.53.7.6~~ Public relations needs.

~~3.8.6~~ Legal support for joint Northern Tier filings and establishing procedures within Northern Tier to meet regulatory and legal requirements.

~~3.8.73.7.7~~ Meeting facilities and associated support cost for public stakeholder meetings, Joint Initiative meetings, NTTG Committee meetings or other meetings conducted in support of proposals approved by the Steering Committee.

~~3.8.7.13.7.7.1~~ NTTG in-person public stakeholder meetings funded through this provision shall be rotated on an equal basis between the locations below.

~~3.8.7.1.13.7.7.1.1~~ Boise, Idaho

~~3.8.7.1.23.7.7.1.2~~ Butte, Montana

~~3.8.7.1.33.7.7.1.3~~ Portland, Oregon

~~3.8.7.1.43.7.7.1.4~~ Salt Lake City, Utah

~~3.9.3.8~~ Expenditures of the Northern Tier funds shall only be approved and paid pursuant to the terms of Section 5.12 hereof.



3.103.9 Upon execution of this Agreement by all Parties, FERC's acceptance of the Agreement for filing, and establishment of the Finance Agent as set forth in Section 5.1, each Party shall submit the greater of (i) 25% of each Party's annual funding obligation





- 3.10 calculated in accordance with Exhibit A, or (ii) the minimum amount needed to fulfill the requirements in Section 5.5 into the appropriate operating account as specified in Section 5.

#### Section 4 - Steering Committee Representation on Steering Committee:

~~4.1 Composition. Each Party shall appoint one person (the "Steering Committee Representative") to participate on the Steering Committee. Each Steering Committee Representative shall serve on the Steering Committee at the pleasure of the Party that appointed such Steering Committee Representative and may be removed or replaced by such Party at any time with written notice to the other Parties. The Parties will identify one of the Steering Committee Representatives to serve as co-Chair on the Steering Committee ("Utility Co-Chair"). If a Party's designated Steering Committee Representative is unable to attend or participate in a Steering Committee meeting, the Steering Committee Representative shall designate an alternate person to represent that Party as its Steering Committee Representative as set forth in Section 4.3(c).~~

~~4.2 Authority. Each Party's Steering Committee Representative shall possess the authority to:~~

~~4.2.1 Bind such Party to funding increases, allocation of Party personnel resources, and policy direction;~~

~~4.2.2 Execute this Agreement and future amendments as necessary to increase funding or the scope of Northern Tier;~~

~~4.2.3 Represent such Party in dispute resolution processes; and~~

~~4.2.4 Negotiate on the behalf of such Party on cost allocation of transmission expansion projects and issues pertaining to transmission planning.~~

~~4.3 Upon resignation or removal of a Steering Committee Representative representing a Party, the associated Party shall provide a similarly empowered Steering Committee Representative within 25 days of the resignation or removal of its departing Steering Committee Representative.~~

~~4.4 The Utility Co-chair shall initiate discussions between the Full Funders' Steering Committee Representatives to discuss budget increases or financing for additional work streams approved by the Steering Committee through the mechanisms set forth in the Charter.~~

4.1 Each Funding Member under this Funding Agreement shall be entitled to appoint one Representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.



**Section 5 – Finance Agent:**

5.1 The Parties shall appoint a Finance Agent to perform the services set forth in this Section 5 of the Agreement. The relationship between the Parties and the Finance



~~5.1~~ Agent is set forth in the Finance Agent Agreement which is attached as Exhibit B.

5.2 Prior to the beginning of each budget year, the Parties shall prepare and approve (i) a budget for the upcoming budget year; (ii) a detailed forecast of the timing of expenditures contained in the budget; and (iii) the allocation of funding for the budget among the Parties in accordance with Exhibit A.

5.2.1 The Full Funders shall prepare, with assistance from the Finance Agent, a budget and detailed forecast of expenditures against the budget, to include (i) administrative costs, (ii) The proposed budget shall include but not be limited to coverage of administrative costs for the budget year, costs for projects approved by the Full Funders; and (iii) costs for the services provided by the Finance Agent under this Agreement, which Finance Agents costs shall be based on direct costs incurred by the Finance Agent in the maintenance of the operating account and for billing and budget services provided hereunder. The annual forecast shall show the costs allocated between the Parties as calculated in accordance with Exhibit A. The Full Funders shall prepare and approve all modifications to the budget carrying out its responsibilities pursuant to this Agreement and the Finance Agent Agreement.

5.3 Approval of all Parties, including both Nominal Funders and Full Funders under this Agreement, shall be required to approve allocation of funding responsibility for a budget year. Modification of the budget to provide for funding responsibility may be done by Full Funders if necessary. However, Nominal Funders shall not be required to fund any increased cost provided by a modification to a budget.

~~5.3.4~~ 5.4 The Finance Agent shall track actual expenditures against the budget, and ~~work with~~ notify the Full Funders ~~to develop a revised budget from time to time and Project Manager~~ when the need for additional funds, not reflected in the budget, becomes known. Whenever it is determined that the budget shall be modified, ~~the Finance Agent shall seek mutual written agreement of all needs to be modified to fund new program initiatives or any other requirements of the Parties, the Full Funders shall, in cooperation with the Project Manager, develop and approve within 30 days of such modification notification, the appropriate revisions to the budget. Such revisions shall be binding only upon the Full Funders of the Agreement.~~

~~5.4.5~~ 5.5 The Finance Agent shall commingle funds provided pursuant to the Funding Agreement and this agreement ("NTTG Funds") with its general funds. Finance Agent shall develop financial documents that track NTTG Funds received from the Parties and the expenditure of those funds in addition to the tracking of expenses against the budget.

~~5.5.6~~ 5.6 The Finance Agent shall establish a minimum cash balance for NTTG Funds based on the budget and the expected timing of expenditures, so that there shall be sufficient funds to pay for invoices approved by the Utility Co-chair, or their delegate. If the Finance Agent determines that the existing budget amounts that are billed quarterly to the Parties are insufficient either (i) a notification shall be sent to the Parties of the need to either reduce scope of services or increase the budget, or (ii) a cash call beyond the quarterly billing amounts outlined in Section 5.6 shall be sent out by the Finance Agent to the Parties.

~~5.6.7~~ 5.7 The Finance Agent shall submit cash calls to the Parties to establish the cash reserves required by Section 5.6, and shall submit an invoice for its costs and expenses as set forth in the Finance Agent Agreement on a quarterly basis, or on a more frequent basis as outlined in Section 5.6, according to the cost allocations of the budget calculated pursuant to Section 3.4.



~~5.75.8~~ Each Party shall provide the Finance Agent with the e-mail address of its representative authorized to receive invoices and the name and e-mail address of a second person authorized by the Party to receive invoices, which shall be sent by the Finance Agent pursuant to this Agreement via e-mail or other electronic communications.

~~5.85.9~~ All amounts billed to the Parties under this Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.



5.95.10

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failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Agreement according to the terms in Section 6.

5.105.11 The Finance Agent shall provide no interest on NTTG Funds.

5.115.12

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Upon dissolution of this Agreement, either by mutual written agreement or failure to renew this Agreement at the termination date, the remaining funds not needed to fulfill existing obligations and commitments shall be repaid to all Parties pro rata based upon their contribution percentages.

5.125.13 The Finance Agent shall disburse NTTG Funds only upon email approval from the Utility Co-chair, or that representative's delegate. Furthermore, the Finance Agent's obligation to pay approved disbursements is limited to the monies actually collected from funding calls to the Parties made pursuant to Sections 5.56 and 5.89 of the Agreement. The Finance Agent's obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent's general funds.

5.135.14 The Finance Agent shall be bonded to a level mutually acceptable by all Parties if the Finance Agent service is not provided by a Party to this Agreement.

## **Section 6 – Additional Parties/Withdrawal and Reinstatement of a Party**

6.1 Process of Joining. Entities that meet the requirements of Section 2.1 may become Parties upon mutual consent of all existing Parties by executing the Agreement and providing each Party an original of the signature page; provided, however, the Agreement as amended shall not become effective until the Agreement is accepted for filing by FERC with conditions acceptable to all signatories to the Agreement. By executing the Agreement the entity accepts the decisions of the Steering Committee as approved through the mechanisms set forth in the Steering Charter. A joining Party shall be responsible prospectively for its share of costs based upon the approved budget according to the formula referenced in Section 3.4 and set forth in Exhibit A; provided, however, in the event an additional Party is added in the middle of a budget cycle (e.g., a calendar year), the allocation of the associated costs for their respective share, as indicated in Section 3.4, shall be reduced pro rata in the partial year based on the number



6.1 Other Parties' respective shares shall be adjusted accordingly. In any following budget period, the additional Party shall bear ~~its~~ its full allocated funding share of costs, as indicated in Section 3.4 the Agreement. The allocation of costs shall commence as of the date the joining Party executes the Agreement but shall not be invoiced until the amended Agreement is accepted for filing by FERC.

6.2 Withdrawal. Subject to the approval of FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission. Any Party that withdraws from this Agreement shall be deemed a Withdrawing Party ("Withdrawing Party"), and shall no longer be considered a Party. Upon providing written notice of its withdrawal, the Withdrawing Party shall pay an amount equal to one-half of the amount of budgeted costs and expenses not yet billed by the Finance Agent (Withdrawal Obligation), based on the then current budget. In addition, the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the time of withdrawal, including participation in initiatives previously participated in by Withdrawing Party until the next deliverable date outlined in the respective project charters approved by the Steering Committee through the mechanisms set forth in the Steering Charter. Notwithstanding the foregoing, in no event shall a Withdrawing Party be obligated to make any payment in excess of the annual funding obligation for such Withdrawing Party. If the quantity of remaining funds from the Withdrawing Party under the control of the Finance Agent is above the amount needed to fulfill the Withdrawal Obligation, the Finance Agent shall refund the remaining funds to the Withdrawing Party within 30 days of the notice of withdrawal.

6.3 Reinstatement. If a Withdrawing Party, which meets the requirements of Section 2.1, fully withdraws and desires at a later time to again become a Party to this Agreement, such Withdrawing Party shall follow the procedures set forth in Section 6.1 to re-join this Agreement. Parties being reinstated shall not receive a credit for funds forfeited pursuant to Section 6.2.

## **Section 7 - Administration:**

7.1 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

7.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

7.3 Legal Rights. Nothing in this Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 11 of this Agreement.



## **Section 8 - Counterparts**

8.1 This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one document. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

## **Section 9 - Term**

9.1 The ~~Term~~ term of this Agreement shall be through December 31, 200911.

9.2 The ~~Term~~ term of this Agreement shall be extended only upon mutual written agreement of all Parties.

## **Section 10 – Ownership of Products**

10.1 All information, data, reports, results, or other products funded through mechanisms set forth in this Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Agreement.

## **Section 11 – Dispute Resolution**

11.1 Parties agree to use the following dispute resolution process for disputes under the provisions of this Agreement, other than any disputes arising as to any Withdrawing Party's rights and/or obligations pursuant to Section 6.2:

Step 1 – An executive representative from each disputing Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any party to the Utility Co-chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, disputing Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the disputing Parties.



## **Section 12 – Headings**

12.1 The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

## **Section 13 – Waiver**

13.1 A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

## **Section 14 – Severability**

14.1 If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

## **Section 15 – Binding Effect**

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

## **Section 16 – Amendments**

16.1 This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all Parties.

## **Section 17 – No Third Party Beneficiary**

17.1 This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

## **Section 18 – Integration**

18.1 This Agreement, and the Finance Agent Agreement, ~~and the Charter~~ constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.

## **Section 19 – Amended and Restated Agreement**

~~19.1 The original agreement was amended on November 26, 2007 and became effective on January 1, 2008. This second amended and restated Agreement supersedes and replaces the original agreement as amended on November 26, 2007.~~





IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
~~Kimball Rasmussen~~ Curt Winterfeld  
Cashell  
Vice President and CEO

By \_\_\_\_\_  
Michael R.  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
~~Lisa Grow~~ N. Vern Porter  
~~Hawke~~ Joe McArthur  
\_\_\_\_\_  
Vice President, Delivery Engineering  
Transmission  
& Operations

By \_\_\_\_\_  
Stephen  
\_\_\_\_\_  
Senior Vice President,

Date \_\_\_\_\_

Date \_\_\_\_\_



## EXHIBIT A

### Allocation of Funding

Northern Tier's costs associated with its budget shall be allocated among the Parties according to the following formulas:

BUDGET = Annual budget amount of ~~\$930,300~~ as defined in Section 3, "Funding."

SERVICES = Total transmission services measured in total annual MW provided as outlined in each Parties' respective 2006 FERC Form 1 columns (e), (f), (g), (h), ~~and~~ (i) and WECC's current Net Energy to Load Ratio.

(A) = Each Party multiplied by ~~\$13,024~~ 17,000 per funder

(B) = ~~57.5%~~ of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders

(C1) = 0.05 multiplied by the total number of Full Funders with SERVICES under 17,500 MW

(C2) = 0.25 multiplied by the total number of Full Funders with SERVICES between 17,500 MW and ~~50,000~~ 100,000 MW

(C3) = 0.50 multiplied by the total number of Full Funders with SERVICES over ~~50,000~~ 100,000 MW

(C) = (C1) + (C2) + (C3)

(D1) = (C1) divided by (C) multiplied by ~~68.465.9%~~ of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES under 17,500 MW

(D2) = (C2) divided by (C) multiplied by ~~68.465.9%~~ of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES between 17,500 MW and 50,000 MW

(D3) = (C3) divided by (C) multiplied by ~~68.465.9%~~ of the remaining BUDGET not allocated in (A) divided by the total number of Full Funders with SERVICES over 50,000 MW

(E) = 26.6% multiplied by the remaining BUDGET not allocated in (A) multiplied by pro-rata share of the net energy to load of each Full Funder which operates a control area as defined in their respective 2006-WECC submittal for the current year.



Nominal Funders allocation = (A)

Full Funders allocation = (A) + (B) + the respective SERVICES class of (D1),  
(D2), or (D3) + (E)



## EXHIBIT B

### Finance Agent Agreement

Northern Tier Funding Agreement  
Exhibit B

Issued by J Jeffrey Dudley, Vice President and General Counsel  
1, 2010  
Issued on ~~August 12, 2008~~ December 29, 2009

Effective on ~~August 12, 2008~~ January

**NORTHERN TIER TRANSMISSION GROUP**  
**AMENDED AND RESTATED**

**2008—2009 FINANCE AGENT AGREEMENT**  
**Calendar Years 2010-2011**

This Amended and Restated Finance Agent Agreement ("Agreement"), effective as of the date the Federal Energy Regulatory Commission ("FERC") accepts this Agreement for filing, is by and among Deseret Generation & Transmission Co-operative, Idaho Power Company, Northwestern Energy, PacifiCorp, Portland General Electric Company ("Portland General") and Utah Associated Municipal Power Systems (hereinafter individually referred to as "Utility" or "Party" and collectively as "Northern Tier" or "Parties"). The Parties have appointed Idaho Power Company as the Finance Agent as set forth in Section 5 of the Amended and Restated 2008-2009 Funding Agreement effective January 1, 2008 (hereafter "Funding Agreement", unless stated otherwise).

WHEREAS, the Northern Tier Transmission Group Funding Agreement 2010-2011 ("Funding Agreement") directs the Parties to appoint a Finance Agent to perform the functions set forth in Section 5 of the Funding Agreement; and

WHEREAS, the Parties Steering Committee Representatives have duly appointed Idaho Power Company (Idaho Power) as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** The term of this Agreement shall be through December 31, 2009 subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2010 and shall expire December 31, 2011 ("Term"). The Term of this Agreement may be extended only upon mutual written agreement of the Parties. This Agreement shall terminate automatically upon any of the following events: (a) expiration of this Agreement's Term, (b) mutual written agreement of the Parties, or (c) either Northern Tier or Idaho Power Company giving the other not less than thirty (30) days written notice of termination.

2. **Scope of Services.** The Idaho Power Company agrees to perform the Finance Agent shall perform those tasks set forth in Section 5 of the Second Amended Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Agreement.

3. **Reimbursement.**

a. Idaho Power shall submit by email an invoice. The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent to the Representatives, or their delegate, according to the information provided pursuant to Section 5.6 of the Second Amended Funding Agreement, or as updated by email to the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative (Representative) or their delegate. The Full Funders' Steering Committee Representative holding the position of the utility Steering Committee Utility eCo-Chair ("Chairman"), or that Representative's delegate, shall make commercially reasonable efforts to review and approve Idaho Power Company's the Finance Agent's invoice within 10 business days of emailing the invoice its receipt. Upon receipt of approval by from the Chairman, or the Chairman's delegate, Idaho Power Company, acting as the Finance Agent will pay the invoice from the NTTG general funds held by Idaho Power Company. the Finance Agent shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.

b. The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Chairman or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Agreement to enter into any Agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

~~4.~~

5. **Limit of Liability.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL ~~IDAHO POWER COMPANY~~ THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL,

EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS AGREEMENT'S TERMS AND CONDITIONS.

6. **Amendment/Successors.** This Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

7. **Applicable Law.** No Party shall be considered the drafter of this Agreement for purposes of interpreting this Agreement. This Agreement shall be construed in accordance with laws of the State of ~~Idaho~~ New York. Venue for any disputes related to this Agreement shall be in ~~Ada County, Idaho or the City of Boise, Idaho,~~ unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

8. **Entire Agreement.** This ~~instrument Agreement and any exhibits hereto, the Second Amended Funding Agreement, and the Charter (as defined in the Second Amended Funding Agreement)~~ contain the entire agreement of the Parties.

9. **Severability.** If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

10. **No Third Party Beneficiary.** This Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

11. **Headings.** The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

~~12. **Amended and Restated Agreement.** The original agreement was executed November 26, 2007. This amended and restated Agreement supersedes and replaces the original agreement.~~

~~13.~~ 12. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.



IN WITNESS WHEREOF, each Party executes this Agreement on the last date of the last Party to execute this Agreement is executed and shall be effective as of the date provided in Section 1 above.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

By \_\_\_\_\_  
Kimball Rasmussen Curt Winterfeld  
Vice President and CEO

By \_\_\_\_\_  
Michael R. Cashell  
Chief Transmission Officer

Date \_\_\_\_\_

Date \_\_\_\_\_

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

By \_\_\_\_\_  
John Cupparo  
Vice President, Transmission

By \_\_\_\_\_  
Doug Hunter  
General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

By \_\_\_\_\_  
Lisa Grow N. Vern Porter  
McArthur  
Vice President, Delivery Engineering

By \_\_\_\_\_  
Stephen Hawke Joc  
\_\_\_\_\_  
Senior Vice President,  
Transmission & Operations

Date \_\_\_\_\_

Date \_\_\_\_\_

~~—AMENDED AND RESTATED~~  
~~—2008~~ 10-2009 11 FINANCE AGENT AGREEMENT

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Issued by J Jeffrey Dudley, Vice President and General Counsel \_\_\_\_\_  
January 1, 2010

Effective on August 12, 2008

Issued on ~~August 12, 2008~~ December 29, 2009