

Amended Northern Tier Transmission Group Funding Agreement 2014-2015

This Amended Northern Tier Transmission Group Funding Agreement 2014-2015 (“Funding Agreement”), is by and among the entities signing below and any entity executing the Addendum Joining Additional Party, as provided for herein, each of which hereafter shall be referred to individually as “Party” and collectively as “Northern Tier” or “Parties.”

Recitals

- A. The Parties are the entities responsible for funding the Northern Tier Transmission Group (“Northern Tier”), and the entities signing below are parties to the Northern Tier Transmission Group Funding Agreement 2012-2013;
- B. Northern Tier is an unincorporated association that performs transmission planning pursuant to tariffs accepted by the Federal Energy Regulatory Commission (“FERC”);
- C. This agreement was amended in response to *PacifiCorp et al.*, 147 FERC ¶ 61,057 (April 17, 2014); and
- D. The Parties desire to define their rights and obligations, including the allocation methodology, for funding Northern Tier.

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 Funding Agreement, the Parties hereby agree as follows:

1. **Effective Date.** This Funding Agreement, as amended, shall be effective as of June 13, 2014 (the “Effective Date”). Upon the Effective Date, this Funding Agreement, as amended, shall supersede the funding agreement previously filed with and accepted by the Commission in FERC Docket Nos. ER 14-253-000, ER14-250-000, ER14-251-000, ER14-249-000, and ER14-241-000.

2. **Term.** The term of this Funding Agreement shall be January 1, 2014 through December 31, 2015. The term of this Funding Agreement shall be extended only upon mutual written agreement of all Parties.

3. **Funding Responsibility.**

3.1 **Classification of Party.** Each Party shall be classified as either a “Nominal Funder” or a “Full Funder,” as defined in Section 8. The classification of the undersigned Parties is set forth in Exhibit A which is incorporated herein by this reference. The classification of additional Parties shall be set forth on the Party’s executed Addendum Joining Additional Party.

3.2 Reclassification of a Party. A Party may change its classification only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. The Parties recognize that a reclassification may require a change to the terms set forth and agreed to in this Funding Agreement.

3.3 Obligation of a Party to Fund. Each Party agrees to fund its allocated share of Northern Tier's budget so long as the budget is established, amended and allocated according to Section 5. In addition, each Party agrees to fund and maintain its allocated share of the Minimum Cash Balance as established by Section 6.1.

3.4 Roll-over or Return of Funds. Unless the Parties agree otherwise, as set forth in Section 3.4.4, each Party agrees that unused funds:

3.4.1 Prior Funding Agreement. From the Northern Tier Transmission Group Funding Agreement 2012-2013 shall be rolled over to this Funding Agreement;

3.4.2 Between Budget Cycles. From one budget cycle (defined in Section 5.1) shall be rolled over to the next budget cycle; and

3.4.3 At Termination. At the termination of this Funding Agreement shall be rolled over to the next funding agreement; provided, however, the Parties have agreed to a subsequent funding agreement.

3.4.4 No Roll Over of Funds. Prior to end of the budget cycle the Parties may agree to return unused funds to the Parties rather than roll such funds over to the next budget cycle. Prior to the termination of this Funding Agreement the Parties may agree to return unused funds to the Parties rather than roll such funds over to the next funding agreement. In each such case, unused funds shall be returned to the Parties in the same ratio as the Parties contributed such funds, and funds returned to each Party shall be net of any funds such Party owes pursuant to this Funding Agreement.

4. **Selection of the Finance Agent and Project Manager.**

4.1 Finance Agent. The Parties shall, by mutual agreement of the Parties, select and engage the services of an entity to perform the services required of the Finance Agent in this Funding Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit C. 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 Funding Agreement.

4.2 Project Manager. The Parties shall, by mutual agreement of the Parties, select and engage the services of a Project Manager to perform the services required of the Project Manager in this Funding Agreement. The relationship between the Parties and the Project Manager shall be set forth in a contract developed between the Project Manager and the Parties.

5. **Budgeting, Reporting and Allocations.**

5.1 **Budget Cycle.** The budget cycle of Northern Tier is one calendar year.

5.2 **Establishment of the Budget.** The Parties' goal is to establish by each May 30th a budget for the next calendar year. To accomplish the goal, the Project Manager, in consultation with the Parties, shall prepare:

(a) A draft budget for the upcoming calendar year; and

(b) A detailed forecast of the timing of expenditures contained in the budget.

5.3 **Content of Budget.** 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 and the Project Manager. The Finance Agent costs shall be based on direct costs incurred by the Finance Agent in carrying out its responsibilities pursuant to this Funding Agreement and the Finance Agent Agreement. The Project Manager's costs shall be based on the contract between the Parties and the Project Manager.

5.4 **Budget Approval.** The agreement of the Parties is required to approve a budget. A Party's approval of a budget shall not be unreasonably withheld or delayed.

5.5 **Monthly Financial Reports.** On a monthly basis, the Project Manager shall provide for the Parties a forecast of expenditures for the remainder of the year. On a monthly basis, the Finance Agent shall provide to the Parties a report tracking actual expenditures against the budget, as amended, and notify the Full Funders and Project Manager when the need for additional funds is anticipated.

5.6 **Budget Amendments and Amendment Process.** Whenever it is determined by the Project Manager, the Finance Agent, or a Party that the budget should be amended, the Project Manager in consultation with the Parties shall prepare a budget amendment for consideration. The agreement of the Full Funders is required to amend a budget. A Full Funder's approval of a budget amendment shall not be unreasonably withheld or delayed. A budget amendment is binding only upon Full Funders.

5.7 **Allocations to Parties.**

5.7.1 **Budget and Minimum Cash Balance Allocations.** The budget, budget amendments, and the Minimum Cash Balance shall be calculated annually with the annual calculation allocated among the Parties in accordance with Exhibit B, which is incorporated herein by this reference. The budget, as amended, and the Minimum Cash Balance shall be invoiced by the Finance Agent as provided for in Section 6.

5.7.2 **Allocation Adjustment – new Party.** The allocation of the budget, as amended, and the Minimum Cash Balance shall be adjusted prospectively when a new entity

becomes a Party pursuant to Section 8. The budget, as amended, and the Minimum Cash Balance shall be invoiced by the Finance Agent as provided for in Section 6.

5.7.3 *Allocation Adjustment – Termination or Withdrawal.* The allocation of Northern Tier’s budget, as amended, and the Minimum Cash Balance to the Parties shall be adjusted prospectively immediately following a Party’s termination or withdrawal pursuant to Sections 9.1 or 9.2, respectively. The amount to be allocated shall include any amounts previously applicable to the withdrawing party that are not covered by the payments required by Section 8.1.

6. **Cash Calls**

6.1 **Minimum Cash Balance.** To ensure that sufficient funds are available to pay Northern Tier’s obligations as they become due, the Finance Agent shall establish a minimum cash balance of funds equal to \$150,000, and then maintain such balance throughout the term of this Funding Agreement (the “Minimum Cash Balance”).

6.2 **Cash Calls.** The Finance Agent shall submit cash calls as follows:

6.2.1 *Initial Call – Undersigned Parties.* Upon execution of this Funding Agreement by the undersigned Parties, FERC’s acceptance of the Funding Agreement for filing, and establishment of the Finance Agent, to collect from each undersigned Party 25% of each Party’s allocation of budget, as amended, for the budget cycle, and an amount as may be necessary to maintain each Party’s allocation of the Minimum Cash Balance.

6.2.2 *Initial Call – New Party.* Upon the Effective Date of Executed Addendum by a new Party, to collect from such new Party: (i) an allocated share of the Minimum Cash Balance, and (ii) an allocated share of the budget, as amended, prorated to reflect the remaining period of the current cash call.

Illustration of the concepts described in Section 6.2.2 Initial Call – New Party: the Parties were invoiced a total of \$110,000 in December to cover the first quarter expenses of the following year (January, February and March). A new Full Funder became a Party the next year, with the Effective Date of Executed Addendum being February 15th. The amount of the new Party’s initial cash call equals: (A) the Minimum Cash Balance (i.e., \$150,000) allocated according to Exhibit B, plus (B) \$110,000 allocated according to Exhibit B divided by 90 (the number of days within the cash call period) with the product multiplied by 44 (the remainder of the cash call period - 13 days in February (no leap year) and 31 days in March). The amount of the other Parties’ prior cash call is unchanged. The over collection will have the effect of lowering the next cash call to the benefit of all Parties.

6.2.3 *Regular Calls.* On a quarterly or more frequent basis to (i) maintain the Minimum Cash Balance, and (ii) collect funds necessary to pay budgeted expenses as they become due (“Cash Call Amount”).

6.3 **Contacts.** Each Party shall provide the Finance Agent with the email address of its representative and an alternate that are authorized to receive cash call invoices. Each Party shall also identify a representative authorized to make decisions related to this Funding Agreement.

6.4 Notice of Cash Call. The Finance Agent shall invoice the Parties for cash calls via email or other electric communication.

6.5 Due Date. All amounts billed to the Parties under this Funding 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.

6.6 Late Payment. Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Funding 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 Funding Agreement according to the terms in Section 9.2.

6.7 Commingling of Funds. The Finance Agent may commingle funds received pursuant to the Funding Agreement (“NTTG Funds”) with its general funds.

6.8 No Interest. The Finance Agent shall provide no interest on NTTG Funds.

7. Disbursement of Funds.

7.1 Payment of Invoices. The Finance Agent shall disburse NTTG Funds only upon email approval of the Full Funders’ Steering Committee representative holding the position of the Steering Committee Utility Co-chair (“Utility Co-chair”), or that representative’s delegate. The Utility Co-chair’s authority is limited to approving disbursements that are consistent with the approved budget, as amended. 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. Furthermore, the Finance Agent’s obligation to pay approved disbursements is limited to the monies actually collected from the Parties pursuant to this Funding Agreement.

7.2 Termination. Upon termination of this Funding Agreement, unused funds shall be distributed as set forth in Section 3.4.3.

8. Funder Classifications/Additional Parties.

8.1 Eligibility to Become a Party. An entity that satisfies the requirements of a Nominal Funder or Full Funder, as those terms are defined below, is eligible to become a Party to this Funding Agreement and the Finance Agent Agreement attached as Exhibit C and incorporated herein by this reference as either a Nominal Funder or a Full Funder.

8.1.1 *Nominal Funder.* An entity that satisfies the following requirements is eligible to become a Nominal Funder. The entity:

- a. Is a non-FERC jurisdictional transmission dependent utility;
- b. Will participate in the Northern Tier planning process; and
- c. Has either electric load, electric generation, or both, which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder.

8.1.2 *Full Funder.* An entity that satisfies the following requirements is eligible to become a Full Funder. The entity:

- a. Owns, controls, or operates a facility used for the transmission of electric energy in interstate commerce which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder to this Funding Agreement; and
- b. Will utilize Northern Tier planning processes or services to meet transmission planning and cost allocation requirements set forth in the FERC's Order 890, Order 1000, or related successor regulations or orders for its transmission facilities located within the Western Interconnection.

8.2 Process of Becoming a Party.

8.2.1 *Submission of Application.* An eligible entity may request to become a Party to this Funding Agreement and the Finance Agent Agreement and thereby become enrolled in NTTG as either a Nominal Funder or a Full Funder by completing the application set forth in Exhibit D to this Funding Agreement, and submitting it to the Project Manager by email to info@nttg.biz.

8.2.2 *Review of Application.* The Project Manager shall, in consultation with the Parties, review a submitted application for completeness, and work with the applicant to complete any omitted information or information questioned by the Parties. An application that is not completed to the satisfaction of the Parties within 30 days of submission may be rejected by the Parties. The applicant is not precluded from submitting another application at a later date. Additionally, the Parties retain the discretion to develop a new funding allocation methodology to accommodate the addition of an applicant that is not able to complete the application to the satisfaction of the Parties.

8.2.3 *Execution of Addendum.* Upon receipt of a completed application, the Project Manager shall forward to the applicant the addendum to this Funding Agreement entitled "Addendum Joining Additional Party," as set forth in Exhibit E, with the applicant's status as a Nominal Funder or Full Funder identified. The executed Addendum Joining Additional Party shall be returned to the Project Manager. An addendum executed pursuant to

the process set forth in this Funding Agreement is incorporated by this reference into this Funding Agreement.

8.2.4 Effective Date of Executed Addendum. An entity executing the Addendum Joining Additional Party as a Nominal Funder shall be recognized as a Party to this Funding Agreement and as a party to the Finance Agent Agreement on the date of the addendum's execution. An entity executing the Addendum Joining Additional Party as a Full Funder shall be recognized as a Party to this Funding Agreement and as a party to the Finance Agent Agreement on the date the requirements of (a) or (b) below are satisfied. Such effective dates are referred to as the "Effective Date of Executed Addendum."

a. If an entity intending to become a Full Funder is a public utility, the date the Commission accepts the filing of an Open Access Transmission Tariff by the entity with regional, interregional and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection.

b. If an entity intending to become a Full Funder is not a public utility, the date the entity adopts and posts on its website an Open Access Transmission Tariff or other agreement(s) providing for comparable transmission service, each including regional, interregional and interconnection-wide planning provisions for its transmission facilities located within the Western Interconnection that are the same as those expressed in Attachment K of the other Full Funders that are public utilities for its transmission facilities located within the Western Interconnection (each referred to as a "**NJ Attachment K**").

8.3 Significance of Executing the Addendum Joining Additional Party. By executing the Addendum Joining Additional Party the entity agrees as set forth in Section 8.3.1 through Section 8.3.4.

8.3.1 Prior Committee Decisions. Agrees to be bound by the decisions that have been made by the Steering Committee, the Planning Committee, the Cost Allocation Committee, and such other committees as exist, up to and including the date of enrollment.

8.3.2 Dispute Resolution. Agrees to resolve disputes related to local, regional, and interconnection wide planning according to the dispute resolution process set forth in Attachment K of the Full Funder's OATTs, from the date of enrollment and throughout the period of enrollment.

8.3.3 OATT.

a. A Nominal Funder agrees not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement.

b. A Full Funder that is a public utility agrees

1) To implement the provisions of its Open Access Transmission Tariff providing for comparable transmission service including Attachment K; and

2) To modify its Open Access Transmission Tariff, Funding Agreement, and Finance Agent Agreement consistent with FERC orders.

c. A Full Funder that is not a public utility agrees:

1) To implement the provisions of its NJ Attachment K;

2) To modify its NJ Attachment K, Funding Agreement, and Finance Agent Agreement, consistent with FERC orders, except that a non-public utility Full Funder need not file its NJ Attachment K, Funding Agreement, and Finance Agent Agreement;

3) Not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement; and

4) Not to include a provision in its NJ Attachment K that conflicts with a provision in the Open Access Transmission Tariff including Attachment Ks of a Full Funder that is a public utility.

8.3.4 *Fund a Share of Northern Tier*. Agrees to fund a share of Northern Tier as set forth in this Funding Agreement.

9. **Termination, Withdrawal and Reinstatement**

9.1 Termination

9.1.1 *Terminating Party*. Any Party found by the Steering Committee to have violated an applicable requirement of Section 8.3 shall be deemed a Terminating Party (“Terminating Party”).

9.1.2 *Termination Date*. Promptly following the date a Party is deemed a Terminating Party by the Steering Committee, such Terminating Party, if a public utility Full Funder, shall file with the Commission an Attachment K in place of the Attachment K specified in Section 8.2.4, and if a non-public utility Full Funder, shall revoke and remove from its website the NJ Attachment K. A Terminating Party shall no longer be considered a Party: (a) on the date FERC accepts such substitute Attachment K filing in the case of a public utility Full Funder, (b) on the date the NJ Attachment K is revoked and removed from its website in the case of a non-public utility Full Funder, or (c) on the date of the Steering Committee’s determination in the case of a Nominal Funder (the “Termination Date”).

9.2 Withdrawal.

9.2.1 Notice. Subject to the approval of the FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Funding Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission.

9.2.2 Withdrawal Date. Any Party that withdraws from this Funding Agreement shall be deemed a Withdrawing Party (“Withdrawing Party”). A Withdrawing Party that is a public utility Full Funder shall promptly submit for filing with the FERC an Attachment K in place of the Attachment K specified in Section 8.2.4. A Withdrawing Party that is a non-public utility Full Funder shall promptly revoke and remove from its website the NJ Attachment K. A Withdrawing Party shall no longer be considered a Party: (a) on the date FERC accepts such substitute Attachment K filing in the case of a public utility Full Funder, (b) on the date the NJ Attachment K is revoked and removed from its website in the case of a non-public utility Full Funder, or (c) on the date of the notice of withdrawal in the case of a Nominal Funder (the “Withdrawal Date”).

9.3 Withdrawal Obligation. On the Termination Date or Withdrawal Date, the Terminating Party or the Withdrawing Party shall pay an amount equal to one-half of its allocated share of the budget, as amended, and an amount as may be necessary to maintain the Party’s share of the Minimum Cash Balance for the remainder of the year that has not yet been billed by the Finance Agent (the “Withdrawal Obligation”). In addition, the Terminating Party or the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the Terminating Date or Withdrawal Date.

9.4 Reinstatement. Following the Termination Date or Withdrawal Date, if a Terminating Party or a Withdrawing Party desires to again become a party to this Funding Agreement, such Terminating Party or Withdrawing Party shall follow the procedures set forth in Section 8 to re-join this Funding Agreement. Upon reinstatement as a party, such Terminating Party or Withdrawing Party shall not receive a credit for funds paid pursuant to the Withdrawal Obligation.

10. Administration.

10.1 Support of Northern Tier. 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 Northern Tier Steering Committee through the mechanisms set forth in the Northern Tier Steering Committee Charter.

10.2 Representation on Steering Committee. Each Party shall appoint one (1) representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

10.3 Voting Standard. Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Funding

Agreement. Nonetheless, the approval standards otherwise set forth in this Funding Agreement shall control.

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

10.5 No Joint Action. This Funding Agreement shall not be interpreted or construed to create a joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

10.6 Legal Rights. Nothing in this Funding 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 12 of this Funding Agreement.

10.7 Rotation of In-Person Meetings. Northern Tier's in-person regional stakeholder meetings funded with NTTG Funds shall be rotated on an equal basis between the following locations by the Project Manager:

- (a) Boise, Idaho;
- (b) Butte or Bozeman, Montana;
- (c) Portland, Oregon; and
- (d) Salt Lake City, Utah.

11. **Ownership of Products**. All information, data, reports, results, or other products funded through mechanisms set forth in this Funding Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, however, that 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 Funding Agreement.

12. **Dispute Resolution**. Parties agree to use the following dispute resolution process for all disputes related to this Funding Agreement:

Step 1 – An executive representative from each 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, the Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the Parties.

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

14. **Waiver.** A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Funding 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.

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

16. **Binding Effect.** This Funding Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

17. **Amendments.** This Funding Agreement shall not be modified, amended, or changed in any respect except by a written document signed by all Parties; provided, however, that such modification, amendment, or change shall be subject to FERC acceptance, if required, before it becomes effective.

18. **No Third Party Beneficiary.** This Funding 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.

19. **Integration.** This Funding 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.

20. **Applicable Law and Venue.** No Party shall be considered the drafter of this Funding Agreement for purposes of interpreting this Funding Agreement. This Funding Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Funding 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.

21. **Execution in Counterparts.** This Funding 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. Delivery of an executed signature page of this Funding Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

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

DESERET GENERATION &
TRANSMISSION CO-OPERATIVE, INC.

/s/ Curt Winterfeld

By _____
Curt Winterfeld
Vice President

Date 06/13/2014

PACIFICORP

/s/ Rick Vail

By _____
Rick Vail
Vice President, Transmission

Date 06/13/2014

IDAHO POWER COMPANY

/s/ N. Vern Porter

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

Date 06/13/2014

NORTHWESTERN ENERGY

/s/ Michael R. Cashell

By _____
Michael R. Cashell
Vice President - Transmission

Date 06/13/2014

UTAH ASSOCIATED MUNICIPAL
POWER SYSTEMS

/s/ Marshall Empey

By _____
Marshall Empey
Chief Operations Manager

Date 06/13/2014

PORTLAND GENERAL ELECTRIC
COMPANY

/s/ Frank Afranji

By _____
Frank Afranji
Director, Transmission/Reliability

Date 06/13/2014

EXHIBIT A

CLASSIFICATION OF SIGNATORIES

Full Funders

DESERET GENERATION & TRANSMISSION CO-OPERATIVE, INC.

IDAHO POWER COMPANY

NORTHWESTERN ENERGY

PACIFICORP

PORTLAND GENERAL ELECTRIC COMPANY

Nominal Funders

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

Exhibit B Allocation of Funding

Allocation Formulas ¹	
Funder Class Allocation	Formula
Nominal Funder	= A
Full Funder with Services <17,500 MW	= A + B + D1 + E
Full Funder with Services ≥17,500 and ≤50,000 MW	= A + B + D2 + E
Full Funder with Services >50,000 MW	= A + B + D3 + E

Calculations			
Variable	Formula	Amount	Variable
<i>G</i>	= Annual amount of amended budget and Minimum Cash Balance	= \$_____	<i>G</i>
<i>A</i>	= Fixed amount	= \$17,000	<i>A</i>
<i>B</i>	$B = \frac{1}{P} \times 0.075(G - A1)$	= \$_____	<i>B</i>
<i>P</i>	= Total Number of Parties	= _____	<i>P</i>
<i>A1</i>	= <i>A</i> x <i>P</i>	= \$_____	<i>A1</i>
<i>D1</i>	$D1 = \frac{C1}{C} \times \frac{0.659}{F1} \times (G - A1)$	= \$_____	<i>D1</i>
<i>D2</i>	$D2 = \frac{C2}{C} \times \frac{0.659}{F4} \times (G - A1)$	= \$_____	<i>D2</i>
<i>D3</i>	$D3 = \frac{C3}{C} \times \frac{0.659}{F5} \times (G - A1)$	= \$_____	<i>D3</i>
<i>C1</i>	= <i>F1</i> x 0.05	= _____	<i>C1</i>
<i>C2</i>	= <i>F2</i> x 0.25	= _____	<i>C2</i>
<i>C3</i>	= <i>F3</i> x 0.50	= _____	<i>C3</i>
<i>C</i>	= <i>C1</i> + <i>C2</i> + <i>C3</i>	= _____	<i>C</i>
<i>F1</i>	= Number of Full Funders with Services ² <17,500 MW	= _____	<i>F1</i>
<i>F2</i>	= Number of Full Funders with Services ≥17,500 and ≤100,000 MW	= _____	<i>F2</i>
<i>F3</i>	= Number of Full Funders with Services >100,000 MW	= _____	<i>F3</i>
<i>F4</i>	= Number of Full Funders with Services ≥17,500 and ≤50,000 MW	= _____	<i>F4</i>
<i>F5</i>	= Number of Full Funders with Services >50,000 MW	= _____	<i>F5</i>
<i>E</i>	$E = 0.266 \times \frac{W}{W1} \times (G - A1)$	= \$_____	<i>E</i>
<i>W</i>	= Party's Net Energy for Load from Exhibit F (0 if not listed)	= _____	<i>W</i>
<i>W1</i>	= The sum of the Net Energy for Load (<i>W</i>) for all parties	= _____	<i>W1</i>

¹All amounts are to be collected in cash call increments.

²**Services** is the Party's total transmission services measured in total annual MW plus *W*. Total transmission services is calculated based upon the Party's 2011 FERC Form 1, page 400, columns (e), (f), (g), (h), (i). If the Party is not required to submit the 2011 FERC Form 1 to FERC, then the Parties shall establish the Party's total transmission services based upon the information required by the columns specified for the 2011 FERC Form 1.

EXHIBIT C

Amended Northern Tier Transmission Group Finance Agent Agreement 2014-2015

This Amended Northern Tier Transmission Group Finance Agent Agreement ("Finance Agreement") is by and among the entities signing below and any entity executing the Addendum Joining Additional Party, as provided for herein, each of which is hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

Recitals

- A. The Northern Tier Transmission Group Funding Agreement 2014-2015 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in the Funding Agreement;
- B. This agreement was amended in response to *PacifiCorp et al.*, 147 FERC ¶ 61,057 (April 17, 2014); and
- C. 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. **Effective Date.** This Finance Agreement, as amended, shall be effective as of June 13, 2014 (the "Effective Date"). Upon the Effective Date, this Funding Agreement, as amended, shall supersede the funding agreement previously filed with and accepted by the Commission in FERC Docket Nos. ER 14-253-000, ER14-250-000, ER14-251-000, ER14-249-000, and ER14-241-000.

2. **Term and Termination.** The term of this Finance Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2014 and shall expire December 31, 2015 ("Term"). The Term of this Finance Agreement may be extended only upon mutual written agreement of the Parties. This Finance Agreement shall terminate automatically upon any of the following events: (a) expiration of this Finance Agreement's Term, (b) mutual written agreement of the Parties, or (c) either the Full Funders' Steering Committee Representative holding the position of the Steering Committee Utility Co-chair ("Utility Co-chair") or Idaho Power Company giving the other not less than thirty (30) days written notice of termination. A Party shall automatically cease being a Party to this Agreement on the Termination Date or the Withdrawal Date, as those terms are defined in the Funding Agreement.

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

4. **Reimbursement.**

4.1 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 Representative, 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 Utility Co-Chair of the Steering Committee, or the Utility Co-Chair's delegate, the Finance Agent shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.

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

5. **Relationship of the Parties.** This Finance 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 Finance 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.

6. **Limit of Liability.**

6.1 NOTWITHSTANDING ANY OTHER PROVISION IN THIS FINANCE 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 FINANCE AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS FINANCE AGREEMENT'S TERMS AND CONDITIONS.

6.2 Each Party, except the Party acting as Finance Agent, (the "Indemnifying Party") shall indemnify, hold harmless and, at the Finance Agent's request, defend (with counsel satisfactory to the Finance Agent) the Finance Agent and its successors, assigns, officers, directors, employees and agents (collectively, the "Indemnified Parties") from and against all liabilities, actions, claims, losses, costs, damages, penalties and expenses (including without limitation reasonable legal fees) of any kind or nature whatsoever which may at any time be brought against or incurred or suffered by the Indemnified Parties or any one or more of them relating to this Finance Agreement, except to the extent related to the Finance Agent's Willful Action. Willful Action means an action taken or not taken by a Party that is knowingly or intentionally taken or not taken with the intent that injury or damage would result or with a

reckless disregard for the result. Willful Action does not include any act or failure to act that is involuntary, accidental, or negligent.

7. **Additional Parties.** An entity that is a party to the Northern Tier Transmission Group Funding Agreement may become a Party to this Finance Agreement by executing the addendum to the Funding Agreement entitled “Addendum Joining Additional Party,” as set forth in Exhibit C to the Funding Agreement and providing each Party an original of the signature page. The addendum shall be attached to and incorporated by this reference in this Finance Agreement.

8. **Amendment/Successors.** This Finance 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 Finance 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 Finance 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.

9. **Applicable Law and Venue.** No Party shall be considered the drafter of this Finance Agreement for purposes of interpreting this Finance Agreement. This Finance Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Finance 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.

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

11. **No Third Party Beneficiary.** This Finance 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.

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

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

14. **Execution in Counterparts.** This Finance 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. Delivery of an executed signature page of this Finance Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

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

DESERET GENERATION &
TRANSMISSION CO-OPERATIVE, INC.

/s/ Curt Winterfeld

By _____
Curt Winterfeld
Vice President

Date 06/13/2014

NORTHWESTERN ENERGY

/s/ Michael R. Cashell

By _____
Michael R. Cashell
Vice President - Transmission

Date 06/13/2014

PACIFICORP

/s/ Rick Vail

By _____
Rick Vail
Vice President, Transmission

Date 06/13/2014

UTAH ASSOCIATED MUNICIPAL
POWER SYSTEMS

/s/ Marshall Empey

By _____
Marshall Empey
Chief Operations Manager

Date 06/13/2014

IDAHO POWER COMPANY

/s/ N. Vern Porter

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

Date 06/13/2014

PORTLAND GENERAL ELECTRIC
COMPANY

/s/ Frank Afranji

By _____
Frank Afranji
Director, Transmission/Reliability

Date 06/13/2014

Exhibit D

Application Requesting Funding Status

The undersigned (“applicant”) requests to become a Party to the Northern Tier Transmission Group Funding Agreement 2014-2015 and the Northern Tier Finance Agent Agreement 2014-2015. In support of such request, the applicant submits the following information:

1. Identify whether applicant seeks to become a Nominal Funder or a Full Funder.

2. Identify and provide contact information for the applicant’s representative to the following committees:

- (a) Steering Committee:

Name: _____

Title: _____

Address: _____

Phone: _____

Email: _____

- (b) Planning Committee:

Name: _____

Title: _____

Address: _____

Phone: _____

Email: _____

- (c) Cost Allocation Committee:

Name: _____

Title: _____

Address: _____

Phone: _____

Email: _____

3. Identify and provide contact information for the applicant’s financial representative:

Name: _____

Title: _____

Address: _____

Phone: _____

Email: _____

4. Identify and provide contact information for the applicant's representative to the NTTG Funder Committee:

Name: _____

Title: _____

Address: _____

Phone: _____

Email: _____

Complete the following if seeking to become a Nominal Funder:

5. Identify the applicant's load, generation, or both, which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder. _____

Complete the following if seeking to become a Full Funder:

6. Identify the facility(ies) used for the transmission of electric energy in interstate commerce which is (are) interconnected with an existing Full Funder or which is (are) located within the balancing authority area of an existing Full Funder that the applicant owns, controls, or operates. _____
7. Identify the applicant's total transmission services within the Western Interconnection measured in total annual MW as outlined on applicant's 2011 FERC Form 1, page 400, columns (e), (f), (g), (h), (i) - _____ MW. If the applicant is not required to submit the 2011 FERC Form 1 to FERC, then the applicant shall nonetheless calculate its total transmission services based upon the columns specified above of the form - _____ MW. Please attach supporting documentation.
8. Identify WECC's Net Energy to Load Ratio for applicant's transmission facilities within the Western Interconnection - _____ MW. Refer to Exhibit F of the Funding Agreement. Please attach any additional supporting documentation.
9. Does the applicant operate an electric balancing authority area within the Western Interconnection? Circle one: yes or no.
10. If the applicant is a public utility, the date the applicant intends to submit an Open Access Transmission Tariff ("OATT") to the Federal Energy Regulatory Commission with regional, interregional and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection. ___ day of _____, 20__.
11. If the applicant is not a public utility, the date the applicant intends to adopt and post on its website submit an reciprocity OATT or other agreement(s) providing for comparable transmission service, each including regional, interregional and interconnection-wide planning provisions of Attachment K that are the same as the

other Full Funders for its transmission facilities located within the Western Interconnection. ___ day of _____, 20____.

IN WITNESS WHEREOF, the undersigned executes this Application Requesting Funding Status.

By _____

Date: _____

(Print Signature)

(Title)

(Name of Company)

(Street Address)

(City, State, Zip Code)

Email: _____

Phone: _____

Fax: _____

EXHIBIT E

Addendum Joining Additional Party

The undersigned joins as a party the Northern Tier Transmission Group Funding Agreement 2014-2015 and the Northern Tier Finance Agent Agreement 2014-2015 (the "Agreements") and agrees to all the terms and conditions as set forth in the Agreements. The undersigned shall receive all notices provided pursuant to the Agreements. This Addendum Joining Additional Party is incorporated by this reference into the Agreements. This Addendum and the Agreements sets forth the entire agreement between the parties on the subject matter of the Agreements, and supersedes all prior agreements of the parties with respect to its subject matter. The undersigned joins the Agreements as a _____ Funder.
(Nominal or Full)

IN WITNESS WHEREOF, the undersigned executes this Addendum Joining Additional Party on the date set forth below.

By _____

Date: _____

(Print Signature)

(Title)

(Name of Company)

(Street Address)

(City, State, Zip Code)

Email: _____

Phone: _____

Fax: _____

EXHIBIT F

WECC 2011 Balancing Authority Area NEL and 2013 Assessments

WECC

2011 Balancing Authority Area NEL and 2013 Assessments

Balancing Authority	Net Energy for Load	Percent of Total NEL (%)	WECC Assessment	NERC Assessment	WIRAB Assessment
Alberta Electric System Operator	58,737,634	6.8566%	\$2,201,651	\$466,437	\$36,662
Arizona Public Service Company	32,148,109	3.7527%	\$1,549,891	\$342,822	\$20,065
Avista Corporation	12,614,204	1.4725%	\$608,141	\$134,516	\$7,873
Bonneville Power Administration	54,888,094	6.4072%	\$2,646,205	\$585,319	\$34,259
British Columbia Hydro	60,568,272	7.0703%	\$3,167,462	\$683,972	\$37,804
Comision Federal de Electricidad	11,041,442	1.2889%	\$577,420	\$124,686	\$6,892
PUD No. 1 of Chelan County	3,782,502	0.4415%	\$182,358	\$40,336	\$2,361
California Independent System Operator	229,559,674	26.7972%	\$11,067,279	\$2,447,993	\$143,282
PUD No. 1 of Douglas County	1,435,488	0.1676%	\$69,206	\$15,308	\$896
El Paso Electric Company	8,342,238	0.9738%	\$402,187	\$88,961	\$5,207
PUD. No. 2 of Grant County	4,150,711	0.4845%	\$200,110	\$44,263	\$2,591
Imperial Irrigation District	3,598,464	0.4201%	\$173,485	\$38,374	\$2,246
Idaho Power Company	16,653,214	1.9440%	\$802,866	\$177,588	\$10,394
Los Angeles Department of Water and Power	28,863,039	3.3693%	\$1,391,513	\$307,792	\$18,015
Nevada Power Company	24,432,933	2.8521%	\$1,177,934	\$260,550	\$15,250
PacifiCorp Eastern Balancing Area	47,858,167	5.5866%	\$2,307,285	\$510,353	\$29,871
PacifiCorp Western Balancing Authority	20,883,821	2.4378%	\$1,006,828	\$222,702	\$13,035
Portland General Electric Company	20,611,284	2.4060%	\$993,689	\$219,796	\$12,865
Public Service Company of New Mexico	15,257,277	1.7810%	\$735,567	\$162,702	\$9,523
Public Service Company of Colorado	42,291,121	4.9368%	\$2,038,893	\$450,987	\$26,396
Puget Sound Energy	25,168,550	2.9380%	\$1,213,399	\$268,394	\$15,709
Seattle Department of Lighting	10,188,883	1.1894%	\$491,215	\$108,653	\$6,360
Balancing Authority of Northern California	17,452,751	2.0373%	\$841,412	\$186,114	\$10,893
Sierra Pacific Power Company	11,425,347	1.3337%	\$550,826	\$121,838	\$7,131
Salt River Project	30,360,138	3.5440%	\$1,463,690	\$323,756	\$18,950
Tucson Electric Power Company	13,594,185	1.5869%	\$655,388	\$144,967	\$8,485
Turlock Irrigation District	2,499,228	0.2917%	\$120,490	\$26,651	\$1,560
NorthWestern Energy	10,747,661	1.2546%	\$518,154	\$114,612	\$6,708
Tacoma Power	5,074,707	0.5924%	\$244,656	\$54,116	\$3,167
Western Area Power Administration - Colorad	23,240,509	2.7129%	\$1,120,446	\$247,834	\$14,506
Western Area Power Administration, Lower Co	8,576,929	1.0012%	\$413,501	\$91,463	\$5,353
Western Area Power Administration - Upper G	609,796	0.0712%	\$29,399	\$6,503	\$381
Total	856,656,372	100.0000%	\$40,962,547	\$9,020,357	\$534,692

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