

ORIGINAL

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July 13, 2005

FILED
OFFICE OF THE
SECRETARY
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FEDERAL ENERGY
REGULATORY COMMISSION

Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NW
Washington, DC 20426

Re: Restated and Amended Interconnection Agreement, Docket No. ER05-554-001

Dear Secretary Salas:

PacifiCorp submits the attached Amended and Restated Interconnection Agreement between PacifiCorp and Warm Springs Power Enterprises ("Restated Warm Springs Interconnection Agreement") labeled Exhibit A. In addition, PacifiCorp notifies the Commission that it has entered into an Order No. 2003¹ compliant large generator interconnection agreement with Roseburg Forest Products, Inc.

This filing is the result of a filing that PacifiCorp made on February 4, 2005 ("February 4 Filing"). In the February 4 Filing, PacifiCorp filed three late-filed small generator interconnection agreements and one transmission agreement. In particular, PacifiCorp filed: (1) a Generation Interconnection Agreement between PacifiCorp and Roseburg Forest Products, Inc. ("Roseburg IA"); (2) a Generation Interconnection Agreement between PacifiCorp and TDY Industries Inc., a California corporation d/b/a Wah Chang; (3) a Generation Interconnection Agreement between PacifiCorp and Warm Springs Power Enterprises ("Warm Springs IA"); and (4) a Transmission Service Agreement between PacifiCorp and Warm Springs Power Enterprises.

On February 25, 2005, PacifiCorp informed the Commission that through the process of having the February 4 Filing noticed, PacifiCorp was notified by Roseburg that the description of the Roseburg IA was incorrect ("February 25 Filing"). In particular, PacifiCorp stated in the

Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, FERC Stats. & Regs., Regulations Preambles ¶ 31,146 (2003) (Order No. 2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs., Regulations Preambles ¶ 31,160 (2004) (Order No. 2003-A), *order on reh'g*, 109 FERC ¶ 61,287 (Dec. 20, 2004) (Order No. 2003-B).

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February 4 Filing that the "Roseburg Forest Products Powerhouse consists of six (6) steam turbine-generators that deliver 16.6 MW of energy to the Roseburg Forest Products Substation in Oregon." However, Roseburg alerted PacifiCorp that this description was inaccurate. Instead, Roseburg has three behind the meter facilities that each deliver 16.8 MW of energy for a total capability of 50.4 MW. In the February 25 Filing, PacifiCorp sought guidance from the Commission regarding the Roseburg IA since the energy resource in the Roseburg IA exceeds 20 MW (at 50.4 MW), PacifiCorp anticipated that the Commission would reject the as-filed Roseburg IA and direct PacifiCorp to enter into a new interconnection agreement with Roseburg that is Order No. 2003 compliant.²

After the February 25 Filing, PacifiCorp decided to enter into an Order No. 2003 compliant agreement with Roseburg. In addition, PacifiCorp reviewed the Warm Springs IA and determined that it needed to be revised to comply with Order No. 614.³ As a result, on April 28, 2005, PacifiCorp filed a motion with the Commission requesting that the Commission defer action on the February 4 Filing. PacifiCorp indicated that it was in the process of amending both the Roseburg IA and Warm Springs IA.

By this filing, PacifiCorp files the Restated Warm Springs Interconnection Agreement as attached as Exhibit A. In addition and consistent with Order No. 2003, PacifiCorp notifies the Commission that it has entered into an Order No. 2003 compliant interconnection agreement with Roseburg.

If you have any questions, please do not hesitate to contact me directly.

Respectfully submitted,

Amie V. Colby

² See *PacifiCorp*, 109 FERC ¶ 61,001 (2004) (where the Commission rejected a late-filed interconnection agreement and required PacifiCorp to enter into a new interconnection agreement that was compliant with Order No. 2003).

³ See *Boston Edison Company*, 98 FERC ¶ 61,292 (2002).

Exhibit A

PacifiCorp
FERC Electric Tariff, Volume No. 11
Service Agreement No. 298

Substitute Original Sheet No. 1

**AMENDED AND RESTATED
INTERCONNECTION AGREEMENT**

Between

PACIFICORP

and

WARM SPRINGS POWER ENTERPRISES

This Amended and Restated Interconnection Agreement ("Agreement"), entered into as of the 28th day of June 2005, is between PacifiCorp ("PacifiCorp") and Warm Springs Power Enterprises ("Enterprises"), an enterprise and operating division of the Confederated Tribes of the Warm Springs Reservation of Oregon ("Tribes").

W I T N E S S E T H:

WHEREAS, PacifiCorp and Enterprises desire to improve service reliability to PacifiCorp's Warm Springs substation by providing an additional source of electric power and energy to said substation; and

WHEREAS, PacifiCorp, Enterprises and Tribes ("Parties") on May 19, 1981 entered into a Power Purchase Agreement providing, among other things, for the construction of a 69-kV transmission line to connect Enterprises' Facility with PacifiCorp's transmission system; and

Issued by: Jack Stamper, Regulatory Manager

Issued on: July 13, 2005

Effective on: January 1, 2002

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WHEREAS, PacifiCorp has developed a plan of service for the Warm Springs Second Source Project ("Plan") to provide such an additional source, which Plan includes (1) a new interconnection with Portland General Electric's ("PGE") 230-kV transmission facilities at the point of change of ownership between PGE's Round Butte Substation's 230-kV facilities and PacifiCorp's 230-kV facilities ("PGE Interconnection") at PacifiCorp's reconstructed Cove Substation located adjacent to PGE's Round Butte Substation, (2) construction of a new 69-kV transmission line from the reconstructed Cove Substation to a new interconnection with Tribes' Interconnection Equipment in the vicinity of the Facility; and

WHEREAS, Enterprises desires to implement the Plan as amended by Amendatory Agreement No. 1 dated July 29, 1991, to accommodate the provisions of this Agreement; and

WHEREAS, PacifiCorp and Enterprises entered into the Interconnection Agreement dated May 15, 1992 ("Original Agreement") and Amendment No. 1 to the Original Agreement dated June 27, 1994 which superseded certain terms and conditions of the Original Agreement; and

WHEREAS, It is the intent of the parties to the agreement that the cost of service provisions contained in Section 7, below, be carried forward from the Original Agreement into this

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PacifiCorp
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amended and restated agreement and not be supplanted by costs of service established under FERC Order 888; and

WHEREAS, By letter dated February 4, 2005 under Docket No. ER05-554-000, PacifiCorp filed the Original Agreement and Amendment No. 1 with the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, The FERC now requires FERC jurisdictional agreements to be filed as a complete and up-to-date agreement with all superseded language removed.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION 1: DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1. "Commercial Operation Date" is the date PacifiCorp notifies Enterprises that the Warm Springs Second Source Project Facilities have been energized and placed into service;

1.2. "Facility" is the 19,600 kW turbine-generator at the Pelton Reregulating Dam Hydroelectric Project, together with attendant structures at the dam, fixtures, and transformation and other equipment;

1.3. "Tribes' Interconnection Equipment" is all equipment and facilities owned by Enterprises installed solely to

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interconnect and deliver power from the 69-kV terminals at the Facility to PacifiCorp's facilities at the Warm Springs substation;

1.4. "Warm Springs Second Source Project Facilities" is all equipment and facilities owned by PacifiCorp and required to be installed to deliver power from the PGE Interconnection to the interconnection with the Tribes' Interconnection Equipment. The Warm Springs Second Source Project Facilities include but are not limited to a 69-kV transmission line approximately ten and one half (10.5) miles in length with attendant control and communication devices, a power circuit breaker and associated equipment including meters and relays installed adjacent to the Facility, and the reconstructed Cove 230/69-kV Substation at the PGE Interconnection.

SECTION 2: TERM

Subject to the provisions of Section 12, this Agreement shall be effective on the date first written above. This Agreement shall continue in full force and effect until December 31, 2016 ("Initial Term"). This Agreement shall continue from year to year following the Initial Term until terminated by a two year advanced written notice by either party to the other party.

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SECTION 3: INTERCONNECTION

Enterprises has allowed, and shall continue to do so, PacifiCorp to interconnect the Warm Springs Second Source Project Facilities with the Tribes' Interconnection Equipment.

SECTION 4: NOTICES

All written notices under this Agreement shall be directed as follows and unless specified otherwise herein, shall be considered delivered when deposited in the U.S. Mail, return receipt requested:

To Enterprises: General Manager
Warm Springs Power Enterprises
P.O. Box 960
Warm Springs, Oregon 97761

To PacifiCorp: Vice President, Transmission
PacifiCorp
700 N.E. Multnomah, Suite 550-POP
Portland, Oregon 97232

SECTION 5: DESIGN AND CONSTRUCTION

PacifiCorp at its sole expense shall design, construct, install and own the Warm Springs Second Source Project Facilities. PacifiCorp shall interconnect the Warm Springs Second Source Project Facilities with the Tribes' Interconnection Equipment and the Facility in accordance with

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including adequate and continuing access rights on property of Enterprises to install, operate, maintain, and replace components of the Warm Springs Second Source Project Facilities and all other facilities necessary or useful to this Agreement. Enterprises agrees to cooperate with PacifiCorp to execute such other grants, deeds, or documents as PacifiCorp may require to enable it to record such rights-of-way or easements not already obtained by PacifiCorp.

SECTION 9 NO DEDICATION OF FACILITIES

No undertaking by PacifiCorp under any provision of this Agreement shall constitute the dedication of PacifiCorp's system or any portion thereof to Enterprises or to the public, nor affect the status of PacifiCorp as an independent public utility corporation.

SECTION 10: WAIVER

Any waiver at any time by any party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 11: CHOICE OF LAW

This Agreement shall be construed and interpreted in accordance with the laws of Oregon, excluding any choice of law

Issued by: Jack Stamper, Regulatory Manager
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rules which may direct application of the law of another jurisdiction.

SECTION 12: GOVERNMENTAL AND OTHER APPROVALS

This Agreement is subject to the approval of those regulatory bodies and governmental agencies having jurisdiction over any party or over the subject matter of this Agreement. This Agreement shall not become effective unless it and all provisions thereof, are authorized or permitted by such governmental agencies having jurisdiction without change or condition.

SECTION 13: ASSIGNMENT

No party shall assign this Agreement without the prior written consent of the other parties, which consent shall not unreasonably be withheld.

SECTION 14: MODIFICATION

No modification to this Agreement shall be valid unless it is in writing and signed by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names by their respective officers thereunder duly authorized.

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Substitute Original Sheet No. 9

WARM SPRINGS POWER

PACIFICORP

ENTERPRISES

By: 

By: 

Title: GEN. MANAGER

Title: VP TRANS.

Issued by: Jack Stamper, Regulatory Manager
Issued on: July 13, 2005

Effective on: January 1, 2002

**METHOD OF CALCULATION
OF ANNUAL COST FOR REQUESTING UTILITY'S
USE OF PACIFICORP'S AVAILABLE TRANSMISSION CAPACITY**

The purpose of this Exhibit A is to illustrate the method of calculation of the cost to an electric utility purchasing power and energy generated by Warm Springs Power Enterprises pursuant to Section 7 of this Agreement.

- (a) PacifiCorp's then-depreciated value of the Warm Springs Second Source Project Facilities at the commencement of the term of such services \$\$\$
- (b) PacifiCorp's Use of Facilities Charges for Transmission Plant Based on Imbedded Cost of Capital for the State of Oregon UOF*
- (c) PacifiCorp's annual carrying charge (a)x(b)
- (d) Thermal capacity (winter) of facilities to be employed in providing transmission services MW
- (e) Amount of transmission capacity to be provided MW
- (f) Cost of services to purchasing electric utility $\frac{(c) \times (e)}{(d)}$

CERTIFICATE OF SERVICE

I hereby certify that on July 13, 2005, I provided for service of the foregoing filing upon each person designated on the official service list compiled by the Secretary in this proceeding.



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