

**Carbon County Tax Abatement –
New or Expanding Industry Classification Supplemental Information**

Specific Description of Project

1. A proposed Wind Energy Generating Facility of 240 MW nominal nameplate capacity, located entirely within Carbon County, Montana.
2. Project consists of 114 wind turbine generators (WTG) which have hub heights between 79 and 85 meters and rotor diameters between 109 and 120 meters.
3. New roads will be constructed within the Project area from existing county and private roads to the wind turbines to allow for construction and operation access.
4. Collection system cables will be installed with the Project area to connect the wind turbines
5. A new collection substation and a new interconnection substation will be constructed adjacent to one another to collect the generation from all the WTGs within the Project, and connect the Project to the existing 230 kV transmission line within the Project area.
6. Three permanent meteorological towers will be constructed.
7. An operations and maintenance building will be constructed.
8. Other ancillary facilities to support the wind facility may be constructed on the site.

Proposed schedule of construction and improvements

1. Pre-construction activities - September 2019
2. Commencement of construction - October 2019
3. WTG deliveries and installation - June 2020
4. Transformer receives backfeed power- September 2020
5. Generation Testing - September 2020
6. Commercial Operation - November 2020
7. At the end of the initial 30 year operating period, the project may continue generating or be decommissioned in accordance with the landowner leases.

Supporting Information for Property Tax Abatement Application

1. Property tax estimates in Exhibit 3 indicate that the project will inject approximately \$26.3 million of new property tax revenue into the County during the first 10 years of operation. This additional tax revenue is at risk in the event the tax abatement is not granted.
2. These revenues will add significantly to the property tax base in the County.
3. Wind energy companies are motivated to invest in wind site evaluation in Montana principally due to attractive wind resources within certain areas of the state and the competitive Property Tax Abatement offered.
4. The Montana State Property Tax Abatement applies to many new or expanding industries, including mines, mills, transportation, forestry and mechanical/chemical transformation, as well as wind energy.
5. Many counties in Montana have attractive wind resources suitable for the development of wind energy projects. There are currently operational wind projects within Wheatland,

Meagher, Judith Basin, Teton, Glacier and Toole, Fallon Counties, with numerous others in construction and development across the State.

6. The tax abatement provided for under the New or Expanding Industry Classification 15-24-1402, MCA is a critical component of the economics which make this wind energy Project economically viable, and are consistent with policies within other States seeking to attract investment in rural areas and an increased property tax base.

Potential Impact on property values and visual quality

1. The project has very strong support from the participating landowners, who are multigenerational Montana families, and the lease revenues will support them in their continued operation of the land.

Applications for other property tax benefits

1. The project intends to meet the requirements under MCA 15-6-157 that sets the taxable ratio level at 3% for the Project.

Other commitments and benefits to Carbon County

1. PacifiCorp plans to reach agreement with Carbon County on an Impact Fee and a Road and Bridge Preparation Fee that is estimated to exceed a total of \$5 million dollars paid into the county in addition to the amounts paid in property tax.
2. Agreements on road use and maintenance are currently being finalized with the County to define PacifiCorp's responsibilities and liabilities for county road use.
3. Agreements on weed management will be put in place to define PacifiCorp's responsibilities and working practices in this regard.
4. Construction of the project will create temporary employment opportunities within the local and regional area. MCA 15-6-157 contains commitments with respect to local hiring and wage standards for Montana residents.
5. Operation of the wind project is estimated to create between 8-12 full-time equivalent positions for the 30 year life of the project.

PacifiCorp Incorporation and Ownership Structure

PacifiCorp is an investor owned regulated electric utility with service territory in the states of Utah, Oregon, Wyoming, Washington, Idaho, and California. PacifiCorp is subsidiary of Berkshire Hathaway Energy and its headquarters office is located at 825 NE Multnomah Street, Suite 1800, Portland, OR 97232.

Exhibit 1 - Legal Description of Affected Property

a. **Bowler Flats Ranch, Inc.**

Township 7 South, Range 25 East of the Principal Montana Meridian, in Carbon County, Montana.

Section 31: NE1/4
SE1/4SW1/4
E1/2NW1/4
W1/2SE1/4
NE1/4SE1/4
SE1/4SE1/4

Excepting therefrom the following:

Beginning at the NW corner of the NW1/4SE1/4 of said Section;
Thence South 264 feet;
Thence East 165 feet;
Thence North 264 feet;
Thence West 165 feet to the point of beginning.

Section 32: W1/2NW1/4
SE1/4NW1/4
NE1/4
NE1/4SE1/4
N1/2SW1/4
NW1/4SE1/4
S1/2SW1/4
SW1/4SE1/4

Section 33: W1/2NW1/4

Township 8 South, Range 24 East of the Principal Montana Meridian, in Carbon County, Montana.

Section 1: Lots 1, 2, 3 and 4
S1/2N1/2
S1/2

Section 12: E1/2

Township 8 South, Range 25 East of the Principal Montana Meridian, in Carbon County, Montana.

Section 4: SW1/4NW1/4

Section 5: Lot 4
S1/2N1/2
S1/2

Section 6: Lots 1, 2, 3, 4, 5, 6 and 7
S1/2NE1/4
SE1/4NW1/4
E1/2SW1/4
SE1/4

Excepting therefrom Bowler Flats Subdivision, Plat No. 2042

Section 7: Lots 1, 2, 3 and 4
E1/2NE1/4
NW1/4NE1/4
E1/2NW1/4
E1/2SW1/4
SE1/4
SW1/4NE1/4

Section 9: NW1/4

Section 18: Lot 1
N1/2NE1/4
NE1/4NW1/4

Township 7 South, Range 24 East of the Principal Montana Meridian, in Carbon County, Montana.

Section 1: Lots 1, 2, 3, 4, 5, 6 and 7
SW1/4NE1/4
S1/2NW1/4

N1/2SW1/4
SE1/4SW1/4
W1/2SE1/4

Section 12: Lots 1, 2, 3 and 4
W1/2E1/2

Section 13: Lots 1 and 2
S1/2NW1/4SE1/4
SW1/4SE1/4
E1/2SW1/4
NW1/4NE1/4

Section 24: Lots 1 and 2
W1/2NE1/4
NW1/4

Section 25: Lots 1, 2, 3 and 4
W1/2NE1/4
W1/2
W1/2SE1/4

Section 26: E1/2
SW1/4
NW1/4

Township 7 South, Range 25 East of the Principal Montana Meridian, in Carbon County,
Montana.

Section 6: Lot 9
SE1/4SW1/4
SW1/4SE1/4

Section 7: Lots 2, 3, 5, 6, 7 and 8
W1/2E1/2
E1/2W1/2

Section 18: Lots 1 and 4
W1/2NE1/4

Section 18: Lots 2, 3, 5, 6 and 8
E1/2NW1/4
NE1/4SW1/4
W1/2SE1/4

Section 19: Lots 1, 2, 3, 4, 5 and 6
W1/2NE1/4
E1/2NW1/4
E1/2SW1/4
SE1/4

Section 20: Lots 2, 3 and 4
SW1/4NE1/4
S1/2NW1/4
SW1/4
W1/2SE1/4

Section 30: Lots 1, 2, 3 and 4
NW1/4NE1/4
E1/2NW1/4
SE1/4SW1/4
SW1/4NE1/4
S1/2SE1/4
NW1/4SE1/4
SE1/4NE1/4
NE1/4SE1/4
NE1/4SW1/4

Township 7 South, Range 25 East of the Principal Montana Meridian, in Carbon County, Montana.

Section 29: SW1/4NE1/4
SE1/4SW1/4
W1/2SE1/4
S1/2NW1/4
N1/2SW1/4
SW1/4SW1/4

Township 8 South, Range 25 East of the Principal Montana Meridian, in Carbon County, Montana.

Section 8: N1/2
SW1/4
NW1/4SE1/4

b. Brett Crosby and Desiree Crosby

Township 8 South, Range 25 East, of the Principal Montana Meridian, in Carbon County, Montana:

Section 27: SW1/4
N1/2NW1/4
SE1/4NW1/4

Section 28: SE1/4NW1/4
SW1/4NE1/4
NW1/4SE1/4
NE1/4SW1/4

Section 33: N1/2NE1/4
SE1/4NE1/4
N1/2NW1/4

Section 34: NW1/4NW1/4

c. Crosby Ranch Trust, LLC

Township 9 South, Range 25 East, of the Principal Montana Meridian, in Carbon County, Montana.

Section 17: SW1/4

Section 18: SE1/4

Township 8 South, Range 25 East, of the Principal Montana Meridian, in Carbon County, Montana.

Section 23: SW1/4

Section 26: NW1/4

Section 21: NW1/4

Section 22: SW1/4

Section 27: SW1/4NW1/4

Section 28: N1/2NE1/4
SE1/4NE1/4
N1/2NW1/4
SW1/4NW1/4

Excepting from said SE1/4NE1/4, that part conveyed to School District No. 3 of Carbon County, Montana by Warranty Deed recorded October 6, 1902, in Book 3 of Deeds, Page 281 and more particularly described as follows:

Beginning at the Northwest corner of the SE1/4NE1/4 of Section 28, Township 8 South, Range 25 East, running East 360 feet; thence South 360 feet; thence West 360 feet; thence North 360 feet to the point of beginning.

Section 29: NE1/4NE1/4

d. Tami L. Holdsworth

PARCEL A:

Warren Township Lot 14:

The West 40.0 feet of that part of the NW1/4NW1/4 of Section 15, Township 9 South, Range 25 East of the Principal Meridian, Carbon County, Montana, according to the United States Government Township Plat thereof, described as follows:

Commencing at the Northwest corner of Section 15, thence East along the North line thereof 975 feet;

Thence South and parallel with the West line of said Section, 30 feet to the true point of beginning;

Thence South and parallel with the West line of said Section, 140 feet;

Thence East and parallel with the North line of said Section, 80 feet;

Thence North and parallel with the West line of said Section, 140 feet;

Thence West and parallel with the North line of said Section, 80 feet to the true point of beginning.

PARCEL B:

That part of the NW1/4 of Section 15, Township 9 South, Range 25 East, of the Principal Montana Meridian, in Carbon County, Montana, described as Lot 15 Amended, of Certificate of Survey No. 2237 RB on file in the office of the Clerk and Recorder of said County, under Document #368972.

PARCEL C:

That part of the NW1/4 of Section 15, Township 9 South, Range 25 East, of the Principal Montana Meridian, in Carbon County, Montana, described as Tract 2, of Certificate of Survey No. 2237 RB on file in the office of the Clerk and Recorder of said County, under Document #368972.

e. Montana Limestone Company

That part of the NW1/4 of Section 15, Township 9 South, Range 25 East, of the Principal Montana Meridian, in Carbon County, Montana, described as Tract 1 2nd Amended, of Certificate of Survey No. 2237 RB in file of the Clerk and Recorder of said County, under Document #368972.

f. Linda M. Olsen and Peter E. Olsen, co-trustees of the Linda M. and Peter E. Olsen Family Trust, existing pursuant to a Trust Agreement dated November 9, 2018

Township 8 South, Range 25 East of the Principal Montana Meridian, in Carbon County, Montana.

Section 21: NE1/4
SE1/4

g. Melisa Jill Wheeler and Sherri Harrell Tipton

Township 8 South, Range 25 East, of the Principal Montana Meridian, in Carbon County, Montana.

Section 28: SE4SW4
NE4SE4
S2SE4

h. Betty Jean Zier, as personal representative for David D. Zier, and Betty Jean Zier

Township 7 South, Range 24 East, of the Principal Montana Meridian, in Carbon County, Montana.

Section 24: SW1/4
Lots 3 and 4
W1/2SE1/4

i. Paul Loyning and Jean Loyning

Township 8 South, Range 25 East of the Principal Montana Meridian, in Carbon County, Montana.

Section 8: E1/2SE1/4

Section 9: SW1/4
SE1/4

Section 17: All

Section 18: SE1/4NE1/4

NE1/4SE1/4

Section 20: E1/2SW1/4
W1/2SE1/4
NW1/4NE1/4
E1/2NE1/4
E1/2SE1/4
NE1/4NW1/4

Section 21: SW1/4

Section 29: W1/2NE1/4
SE1/4NE1/4
NE1/4NW1/4
S1/2
S1/2NW1/4
NW1/4NW1/4

Section 32: SW1/4NW1/4
SW1/4
N1/2NE1/4
SW1/4NE1/4
E1/2NW1/4

Section 33: SW1/4NE1/4
NW1/4SE1/4
S1/2NW1/4
SW1/4

Township 9 South, Range 25 East, of the Principal Montana Meridian, in Carbon County, Montana.

Section 4: NE1/4NW1/4
E1/2, less one acre of land heretofore conveyed for school purposes, Book 22 of Deeds, Page 245.

Section 9: E1/2E1/2, and those tracts of land in E1/2W1/2 and W1/2E1/2 lying North of the center line of the Montana State Highway.
Excepting therefrom all portions of U.S. Highway No. 310 existing over And across the subject real property.
Further excepting a strip of land 300 feet wide, it being 150 feet wide on

each side of the center line of the railroad of Chicago, Burlington & Quincy as the same is now located over, across and upon the SE1/4SE1/4 of Section 9, Township 9 South, Range 25 East, Principal Montana Meridian

Section 10: NE1/4
NE1/4NW1/4
S1/2NW1/4
W1/2SW1/4

Exhibit 2 - Project Site Plan

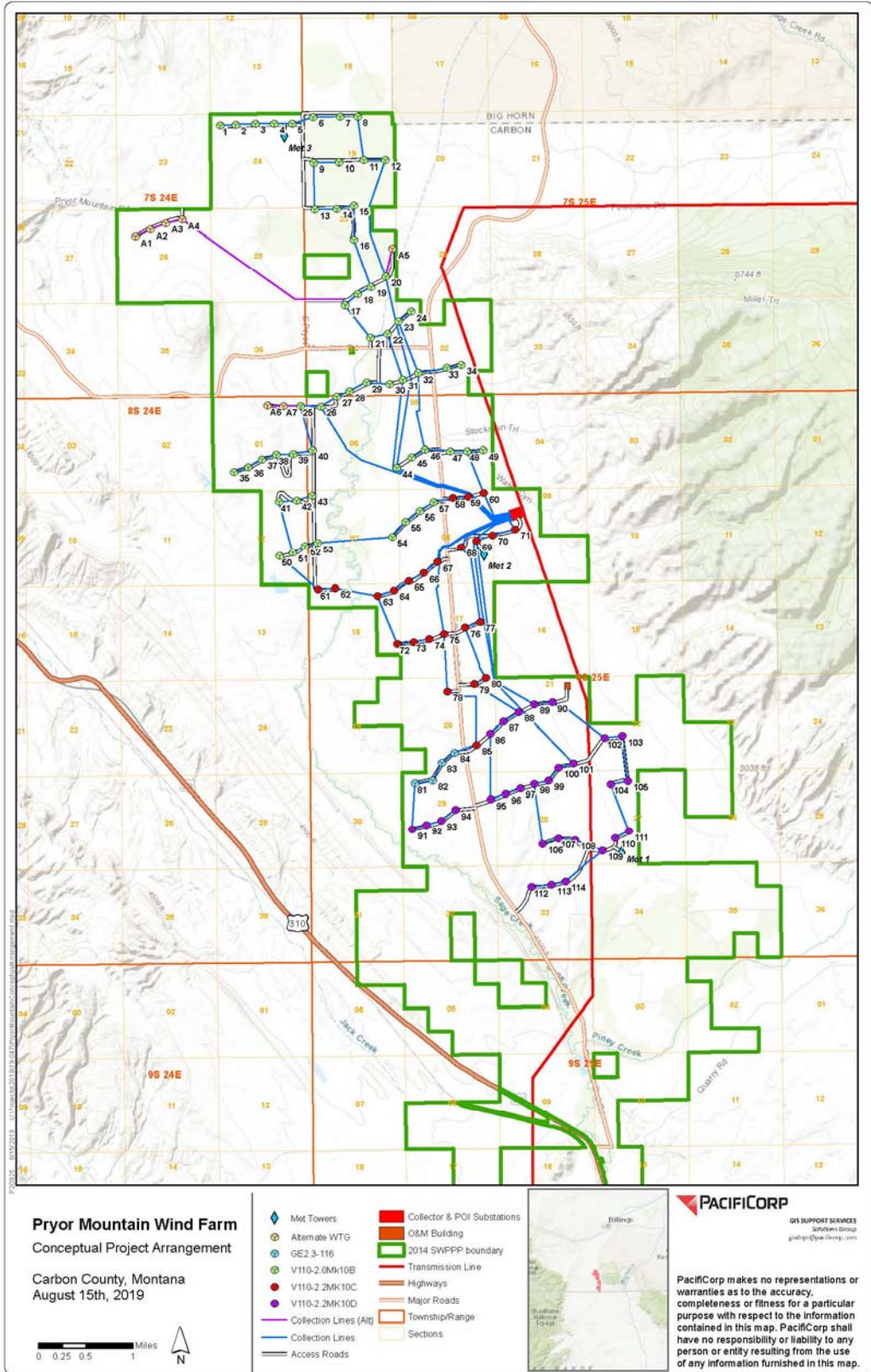


Exhibit 3 - Property Tax Estimate

Estimate of Pryor Mountain Wind Project Property Taxes Assuming a 75% Reduction in Taxable Value

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Project Net Book Value	\$ 406,000,000	\$ 392,466,667	\$ 378,933,333	\$ 365,400,000	\$ 351,866,667	\$ 338,333,333	\$ 324,800,000	\$ 311,266,667	\$ 297,733,333	\$ 284,200,000
Taxable Ratio Under MCA 15-6-157	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Initial Taxable Value	\$ 12,180,000	\$ 11,774,000	\$ 11,368,000	\$ 10,962,000	\$ 10,556,000	\$ 10,150,000	\$ 9,744,000	\$ 9,338,000	\$ 8,932,000	\$ 8,526,000
Reduction Under MCA 15-24-1401	25%	25%	25%	25%	25%	40.0%	55%	70%	85%	100%
Final Taxable Value	\$ 3,045,000	\$ 2,943,500	\$ 2,842,000	\$ 2,740,500	\$ 2,639,000	\$ 2,537,500	\$ 2,436,000	\$ 2,334,500	\$ 2,233,000	\$ 2,131,500
State School Mill Levy Exempt from MCA 15-24-1401	101	101	101	101	101	101	101	101	101	101
Tax Levies Impacted by MCA 15-24-1401	366.71	366.71	366.71	366.71	366.71	366.71	366.71	366.71	366.71	366.71
Total Mill Levy	467.71	467.71	467.71	467.71	467.71	467.71	467.71	467.71	467.71	467.71
State School Taxes	\$ 1,230,180	\$ 1,189,174	\$ 1,148,168	\$ 1,107,162	\$ 1,066,156	\$ 1,025,150	\$ 984,144	\$ 943,138	\$ 902,132	\$ 861,126
Other Taxes	\$ 1,116,632	\$ 1,079,411	\$ 1,042,190	\$ 1,004,969	\$ 967,748	\$ 930,527	\$ 893,306	\$ 856,085	\$ 818,864	\$ 781,643
Total Property Taxes	\$ 2,346,812	\$ 2,268,585	\$ 2,190,358	\$ 2,112,131	\$ 2,033,904	\$ 1,955,677	\$ 1,877,450	\$ 1,799,223	\$ 1,720,996	\$ 1,642,769