CONTRACT AGREEMENT

THIS CONTRACT AGREEMENT, made and entered into as of the____ day of _____ (the effective date), by and between the Intermountain Power Service Corporation, hereinafter called "IPSC," a nonprofit organization under contract to the Intermountain Power Agency (IPA), a political subdivision of the state of Utah, organized and existing under the Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and **URS**, with its principal office in Austin, Texas, hereinafter called the "Engineer",

RESOLVES: IPSC has caused to be prepared certain specifications and other documents for OverScrub™ Technology; and

IPSC desires to have the Engineer provide OverScrub™ Technology pursuant to the terms of this Contract Agreement;

AGREEMENT: In consideration of the compensation to be paid to the Engineer as provided below and of the other agreements herein contained, the parties to these presents have agreed and hereby agree, IPSC for itself and its successors, and the Engineer for itself and its permitted successors and assigns, as follows:

ARTICLE I: The Engineer shall provide OverScrub™ Technology specified in the manner required and pursuant to the terms contained in the Contract Documents, as defined in Article III of this Contract Agreement.

ARTICLE II: IPSC will pay to the Engineer for the OverScrub™ Technology provided and the Engineer shall accept as full compensation therefor, in accordance with the Terms and Conditions contained in this Contract. The total Contract duration and compensation to the Engineer by IPSC under this Contract may not exceed Four Hundred and Sixty-Two Thousand Dollars ($462,000), ($36,000/moduleX12 total modules +$30,000 for testing=$462,000) without express written consent of IPSC. Payment of said amount is to be made in cash or its equivalent in the manner provided in the Contract Documents.

ARTICLE III: As used herein the term Contract Documents, is a reference to all of the following documents, copies of which are attached hereto and incorporated herein:

PART	DIV	TITLE	PAGE NUMBER
A	A1	Contract Agreement	A1-1 thru A1-2
B	B1	Commercial Terms	B1-1 thru B1-6
C	C1	General Conditions	C1-1 thru C1-5
D	D1	Special Conditions	D1-1
	D2	General Requirements	D2-1
Attachment 1		URS Proposal Dated April 27, 2001	1-4

ARTICLE IV: This Contract Agreement and the other Contract Documents constitute the entire agreement of the parties hereto with respect to the materials and services and supersedes all prior oral communications or written documents.

IN WITNESS WHEREOF, the parties hereto have executed this Contract Agreement as of the day and year first above written.

INTERMOUNTAIN POWER SERVICE CORPORATION
850 West Brush Wellman Road
Delta, UT 84624-9546

_____ _____
S. Gale Chapman Date
President and Chief Operations Officer

URS
8501 N. Mopac Blvd
PO Box 201088
Austin, Texas

By: _____

Title: _____ _____
Date

Approved as to form:

Fabian & Clendenin
A Professional Corporation

By: _____ _____
Date

PART B - DIVISION B1

COMMERCIAL TERMS

1. Definitions: The following words shall have the following meanings:

   a. Chief Operations Officer: The President and Chief Operations Officer of IPSC or designated representatives acting within the limits of their authority.

   b. Contract Administrator: The IPSC employee designated by the Chief Operations Officer with primary responsibility for administration of the Contract or designated representatives acting within the limits of their authority.

   c. Directed, Required, Approved, Etc.: The words *directed, required, approved, permitted, ordered, designated, prescribed, instructed, acceptable, accepted, satisfactory,* or similar words shall refer to actions, expressions, and prerogatives of the Contract Administrator, unless otherwise expressly stated.

   d. Engineer: The person, firm, or corporation providing or associated directly with providing Engineering Services under this Agreement.

   e. IPA: Intermountain Power Agency, the owner of IPP, and a political subdivision of the state of Utah, organized and existing under the Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended.

   f. IPP: Intermountain Power Project, consisting of Intermountain Generating Station, Intermountain Railcar, Intermountain Converter Station, Adelanto Converter Station, Intermountain AC Switchyard and associated transmission lines, microwave stations, and support facilities.

   g. IPSC: Intermountain Power Service Corporation, a nonprofit corporation, furnishing personnel to support the Operating Agent in the performance of operation and maintenance.

   h. Operating Agent: The city of Los Angeles Department of Water and Power (LADWP) which is responsible for operation and maintenance for IPP.

   i. Project Coordinator: The IPSC employee designated by the Chief Operations Officer with primary responsibility for coordination of a given project within this Agreement including acting as liaison between IPSC and the Engineer for a given project.

   j. Subcontractor: A person, firm, or corporation, other than the Engineer and employees thereof, who supplies labor or materials on a portion of the work.

2. Engineer's Address and Legal Service: The address given in the Contract shall be considered the legal address of the Engineer and shall be changed only by written notice to IPSC. The Engineer shall supply an address to which certified mail can be delivered. The delivery of any communication to the Engineer personally, or to such

address, or the depositing in the United States Mail, registered or certified with postage prepaid, addressed to the Engineer at such address, shall constitute notice thereof.

3. Payment: Payment will be made within thirty (30) calendar days after receipt of a invoice.

4. Basis of Payment: The Engineer will be paid based on a per scrubber module fee of $36,000.00 (Thirty-Six Thousand Dollars and No Cents) with a total of (12) twelve total installations possible. This fee shall cover all technology license fees, engineering, design and installation verification. Fabrication and installation will be by others. In addition, the Engineer will be paid a one time fee of $30,000.00 (Thirty-Thousand Dollars and No Cents) for initial performance testing and contract verification on the first module installation. No payments will be made until the performance testing has been completed and the testing successfully demonstrated compliance to the performance requirements of the contract as outlined in Part D of this contract.

5. Indemnity Clause: The Engineer undertakes and agrees to indemnify, hold harmless, and at the option of the Intermountain Power Agency, defend Intermountain Power Agency, Intermountain Power Service Corporation, Los Angeles Department of Water and Power, and any and all of their boards, officers, agents, representatives, employees, assigns and successors in interest from and against any and all suits and causes of action, claims, charges, costs, damages, demands, expenses (including, but not limited to, attorneys' fees and cost of litigation), judgments, civil fines and penalties, liabilities or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including Engineer's employees and agents, or damage or destruction to any property of either party hereto, or third persons in any manner arising by reason of or incident to the performance of this Contract on the part of the Engineer, or the Engineer's officers, agents, employees, or subcontractors of any tier, except for the sole negligence of IPA, IPSC, LADWP, or their boards, officers, agents, representatives, or employees.

6. Insurance Requirements: Prior to the start of work, but not later than thirty (30) days after date of the award of contract, the Engineer shall furnish IPSC evidence of coverage from insurers acceptable to IPSC and in a form acceptable to the Insurance Analyst for IPSC. Such insurance shall be maintained by the Engineer and at the Engineer's sole cost and expense.

   Such insurance shall not limit or qualify the liabilities and obligations of the Engineer assumed under the Contract. IPA, IPSC, or LADWP will not by reason of its inclusion under these policies incur liability to the insurance carrier for payment of premium for these policies.

   Any insurance carried by IPA, IPSC, or LADWP which may be applicable will be deemed to be excess insurance and the Engineer's insurance is primary for all purposes despite any conflicting provision in the Engineer's policies to the contrary.

   Should any portion of the required insurance be on a "Claims Made" policy, the Engineer shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and

conditions of the expiring policy, or that an extended discovery period has been purchased on the expiring policy at least for the Contract under which the work was performed.

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of Contract, upon which the Contract may be terminated or suspended.

a. Workers' Compensation/Employer's Liability

Workers' Compensation Insurance covering all of the Engineer's employees in accordance with the laws of any state in which the work is to be performed and including Employer's Liability Insurance, and as appropriate, Broad Form All States Endorsement, Voluntary Compensation, Longshoremen's and Harbor Workers' Compensation, Jones Act, and Outer-Continental Shelf coverages. The limit for Employer's Liability coverage shall be not less than $1 million each accident and shall be a separate policy if not included with Workers' Compensation coverage. Evidence of such insurance shall be an endorsement to the policy providing for a thirty (30) day prior written notice of cancellation or nonrenewal of a continuous policy to IPSC, by receipted delivery, and a Waiver of Subrogation in favor of IPSC, IPA, and LADWP, its officers, agents, and employees. Workers' Compensation/Employer's Liability exposure may be self-insured provided that IPSC is furnished with a copy of the certificate issued by the state authorizing the Engineer to self-insure. Engineer shall notify IPSC by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

b. Commercial General Liability

Commercial General Liability with Blanket Contractual Liability, Products and Completed Operations, Broad Form Property Damage, Premises and Operations, Independent Engineers, and Personal Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by the

Engineer, but not less than $2 million Combined Single Limit and be specific for this Contract. Should the policy have an aggregate limit, such aggregate limits should not be less than $4 million. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverages shall be on IPSC's additional insured endorsement form or on an endorsement to the policy acceptable to IPSC and provide for the following:

(1) To include IPA, IPSC, LADWP, and their officers, agents, and employees as additional insured with the Named Insured for the activities and operations under the Contract.

(2) That the insurance is primary and not contributing with any other insurance maintained by IPSC.

(3) A Severability-of-Interest of Cross-Liability Clause such as: "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."

(4) That the policy shall not be subject to cancellation, change in coverage, reduction of limits or nonrenewal of a continuous policy, except after written notice to IPSC by receipted delivery, not less than thirty (30) days prior to the effective date thereof.

(5) A description of the coverages included under the policy.

c. Commercial Automobile Liability

Commercial Automobile Liability covering the use of owned, nonowned, hired, and leased vehicles for total limits actually arranged by the Engineer, but not less than a $1 million Combined Single Limit. Such insurance shall include Contractual Liability coverage. The method of providing evidence of insurance and requirements for additional insureds, primary insurance, notice of cancellation, and Severability-of-Interest shall be the same as required in the Commercial General Liability Section of these terms and conditions.

d. Other Conditions

(1) Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a major breach of Contract, upon which IPSC may immediately terminate or suspend the agreement, or at its option, procure such insurance and deduct the cost thereof, including an administrative charge of two (2) percent, from any monies due the Engineer, or shall be immediately reimbursed by the Engineer for such costs upon demand.

(2) Engineer shall be responsible for all subcontractor's compliance with these insurance requirements.

7. Illegality: If any portion of these Terms and Conditions are held to be illegal, invalid, or unenforceable, the remaining portions shall remain binding and enforceable.

8. Extra Work or Changes by IPSC: IPSC reserves the right at any time before final acceptance of the entire work to order the Engineer to perform extra work, furnish extra material or equipment, or to make changes altering, adding to, or deducting from the work, without invalidating the Contract. Changes shall not be binding upon either IPSC or the Engineer unless made in writing in accordance with this Article.

Changes will originate with the Chief Operations Officer who will transmit to the Engineer a written request for a Proposal covering the requested change, setting forth the work in detail, and including any required supplemental plans or specifications. Upon receipt of such request, the Engineer shall promptly submit in writing to the Chief Operations

Officer a Proposal offering to perform such change, a request for any required extension of time caused by such change, and an itemized statement of the cost or credit for the proposed change. Failure of the Engineer to include a request for extension of time in the Proposal shall constitute conclusive evidence that such extra work or revisions will entail no delay and that no extension of time will be required.

If the Engineer's Proposal is accepted by IPSC, a written change order will be issued by the Chief Operations Officer stating that the extra work or change is authorized and granting any required adjustments of Contract price and of time of completion.

The performance of extra work or changes pursuant to change order shall be in accordance with the terms and conditions of these specifications. No extra work shall be performed or change made unless pursuant to such written change order, and no claim for an addition to the Contract price shall be valid unless so ordered.

9. Changes at Request of Engineer: Changes may be made to facilitate the work of the Engineer. Such changes may only be made without additional cost to IPSC and without extension of time. Permission for such changes shall be requested in writing by the Engineer to the Chief Operations Officer.

10. Changes to Comply with Performance Guarantees: If the first design for the OverScrub™ technology fails to meet the performance guarantees of the contract, the Engineer shall make all subsequent design changes including fabrication and installation of the changes, at no additional cost to IPSC. This would only apply on the first module, installed and tested for compliance purposes. The cost for fabrication and installation of all subsequent modules will be by IPSC.

PART C - DIVISION C1

GENERAL CONDITIONS

1. Governing Law: All matters relating to the validity, construction, interpretation, and enforcement of this Agreement shall be determined in accordance with the laws of the state of Utah. Any and all lawsuits pertaining to or arising from this contract must be filed in the state of Utah or Federal Court in Utah.

2. Patents and Intellectual Property: The Engineer shall fully indemnify IPSC, IPA, and the Operating Agent against any and all liability, whatsoever, by reason of any alleged infringement of any third party patent, trademark or trade secret on any article, process, method, or application used in any designs, plans, or specifications provided under this Agreement or by reason of use by IPSC of any article or material specified by the Engineer.

3. Assignment of Contract Prohibited: The Engineer shall not assign or otherwise attempt to dispose of this Agreement, or of any of the monies due or to become due thereunder, unless authorized by the prior written consent of the Chief Operations Officer. No right can be asserted against IPSC, IPA, or the Operating Agent, in law or equity, by reason of any assignment or disposition unless so authorized.

   If the Engineer, without such prior written consent, purports to assign or dispose of the Agreement or of any interest therein, IPSC, at its option, may terminate the Agreement, and IPSC, IPA, and the Operating Agent shall be relieved and discharged from any and all liability and obligations to the Engineer, and to any assignee or transferee thereof. The above notwithstanding, the Engineer may subcontract to an affiliate, which is wholly owned or financially controlled by the Engineer, or under common control with the Engineer, upon written notice to IPSC.

4. Time is of the Essence and Extensions of Time: Time is of the essence of the Contract. Delivery shall be completed within the times and by the dates specified. Time for delivery shall not be extended except as provided in this Article.

   If the Engineer makes a timely written request in accordance with this Article, the time for delivery will be extended by a period of time equivalent to any delay of the whole work which is: (1) authorized in writing by the Chief Operations Officer, or (2) caused solely by IPSC, or (3) due to unforeseeable causes (such as war, strikes, or natural disasters) and which delay is beyond the control and without the fault or negligence of the Engineer and subEngineers.

   The Engineer shall promptly notify the Chief Operations Officer in writing at both the beginning and ending of any delay, of its cause, its effect on the whole work, and the extension of time claimed. Failure of the Engineer to provide such written notices and to show such facts shall constitute conclusive evidence that no excusable delay has occurred and that no extension of time is required.

   The Chief Operations Officer will ascertain the facts and the extent of the delay and will extend the time for delivery when the findings of fact justify such an extension. The Chief Operations Officer's determination will be final and conclusive.

5. Protests and Claims: If the Engineer considers any demand of the Chief Operations Officer to be outside of the requirements of the Agreement, or considers any amount of payment, or any record, ruling, or other act or omission by the Chief Operations Officer to be unreasonable, the Engineer shall promptly deliver to the Chief Operations Officer a written statement of the protest and of the amount of compensation claimed.

   Upon written request by the Chief Operations Officer, the Engineer shall provide access to all records containing any evidence relating to the claim or protest. Upon review of the protest, claim, and evidence, the Chief Operations Officer will promptly advise the Engineer in writing of the final decision which shall be binding on all parties except either party may pursue litigation in a court of proper jurisdiction.

   The requirements of this Article shall be in addition to, and shall not be construed as waiving any provisions of the Government Code of the state of Utah.

6. Independent Engineer: The Engineer shall perform said services as an independent Engineer in the pursuit of its independent calling, is not an employee, agent, joint venturer, partner, or other representative of IPSC, or Operating Agent, and shall be under the control of IPSC only to provide the services requested and not as to the means or manner by which the work is to be accomplished. The Engineer has no authority to act for, bind, or legally commit IPA, IPSC, or the Operating Agent in any way.

7. Termination of the Agreement: IPSC reserves the right, by giving written notice to the Engineer, to terminate the whole or any part of this Agreement at IPSC's convenience, whether or not the Engineer is in default. In the event of termination without default, IPSC will pay the Engineer reasonable and proper actual termination costs for all work performed to the date of termination.

   Termination of the work shall not constitute the basis for a claim for damages or loss on anticipated profits and the Engineer hereby releases IPSC from any such claim related to termination by IPSC.

   If the Engineer's OverScrub™ Technology fails to meet the performance guarantees of the contract and after a reasonable time to correct the deficiencies remains in noncompliance, IPSC may terminate the contract without any obligation to compensate the Engineer for any services, testing or expenses.

8. Changes to the Agreement: A request for Engineering Services shall not amend or add to this Agreement in any respect except to describe the new scope of services, the schedule thereof, and the applicable compensation terms. Additional or conflicting terms or conditions may be added to this Agreement only by formal written amendment to this Agreement, signed by the authorizing agents of both IPSC and the Engineer.

9. Rights to Intellectual Work Product: Drawings, specifications, final project specific calculations, and other engineering documents which the Engineer prepares and delivers to IPSC under this Agreement shall become the property of IPSC at the conclusion of the Project provided the Engineer has been compensated as required. IPSC may not use the drawings, specifications or any other engineering related document pertaining to the project in any other way or in any other application including

but not limited to other locations at IGS. Nothing contained in this paragraph shall be construed as limiting or depriving the Engineer of any right to design or carry out similar work for itself or others. Rights to intellectual property developed, utilized, or modified in the performance of the work shall remain the property of the Engineer. The Engineer hereby grants to IPSC a nonexclusive, nontransferable, royalty-free license to utilize the Engineer's proprietary property provided to IPSC as part of the work to the extent necessary for the construction, operation, maintenance, repair, or alteration of the facilities. The rights to this technology will transfer with any ownership change of the property.

10. Confidentiality: IPSC and the Engineer covenant and agree, during the term of this Agreement, not to disclose or permit to be disclosed (or in the case of documents) reproduce, or permit to be reproduced, to any unauthorized person, confidential information such as designs, drawings, plans, calculations, techniques, management strategy information, operating data, or regulatory related information acquired from IPSC or the Engineer in the course of carrying out the services under this Contract, without the prior written permission of IPSC or the Engineer.

    Confidentiality requirements shall not apply where (a) the information is, at the time of disclosure, in the public domain; (b) the information is known to IPSC or the Engineer prior to obtaining the same; (c) the information is obtained from a third party who did not receive the same directly or indirectly, from IPSC or the Engineer or who received it without restriction; (d) the information is independently developed without breach of this Agreement; or (e) the information is subpoenaed by court order or other legal process, but in such event, shall notify the other party, who, at its sole cost and discretion, may seek to quash such demand. IPSC's and the Engineer's obligations of confidentiality shall be binding for a period of three (3) years from the termination of the Agreement or the completion of the Engineer's work, the earlier of the two.

11. Warranty: The Engineer warrants that it will perform the work in accordance with the standards of care and diligence normally practiced by recognized engineering firms in performing work of a similar nature in existence at the time of performance of the work. If following completion of the work on the applicable Engineering Project it is shown there is an error in the work caused by the Engineer's failure to meet such standards , the Engineer shall correct, at no additional cost to IPSC, such work within the original scope of work as may be necessary to remedy such error.

    The warranty period shall begin for the OverScrub™ Technology on the date the design or project, including all elements thereof, is placed in service by IPSC, and shall extend for five (5) years.

12. Basis of Payment: The Engineer claims to have been granted exclusive rights to the OverScrub™ technology from Marsulex Environmental Technologies for all retrofit applications and that this is a patent pending technology. The amount of fee paid the Engineer by IPSC for this technology is largely based on that claim. If IPSC determines within three years of the first installation that a patent has been denied or is likely to be denied or that URS no longer has exclusive rights to this technology, the amount of fee paid the Engineer by IPSC will be reduced by (50%) fifty-percent excluding the one time

fee for performance testing. If IPSC has made payments in excess of the 50%, the Engineer shall refund the difference to IPSC.

PART D - DIVISION D1

DETAILED SPECIFICATIONS - SPECIAL CONDITIONS

1. Printed Documents: All printed documents including drawings and instruction books, if applicable, shall be in the English language. All units of measurement shall be in the English foot-pound-second system.

2. Safety: All Engineering Services and products provided by the Engineer shall comply with IPSC's safety and equipment policies. The Engineer shall be responsible for the safety of its own employees at all times.

   Prior to starting any on-site Engineering Services, all of the Engineer's personnel shall attend a safety orientation taught by a representative of IPSC. At the Engineer's option, a supervisor may attend the orientation taught by IPSC, then present the orientation to the remainder of the Engineer's personnel. In this case, a roll shall be given to IPSC which lists each person that received the orientation and the date it was received.

3. Codes, Laws, and Regulations: All Engineering Services and products provided by the Engineer shall comply with applicable federal, state, and local codes, laws, regulations, standards, and ordinances, including but not limited to OSHA and MSHA, and IPSC's rules and orders provided to the Engineer in writing with the applicable scope of work, governing performance of the work.

4. Plant Site Policies:

   a. Any employee, agent, or representative of the Engineer shall be subject to vehicle, tool box, and lunch box inspections by IPSC or its representatives upon entering and leaving or while at the plant site.

   b. The Engineer shall comply with plant site requirements set by IPSC regarding the design and use of identification badges.

   c. All Engineering Services shall be provided in a manner causing the least possible obstruction or interference with ongoing operations at the plant.

PART D - DIVISION D2

DETAILED SPECIFICATIONS - GENERAL REQUIREMENTS

1. General: This division contains the general requirements for providing OverScrub™ Technology for use in the Owners Flue Gas Desulfurization (FGD) Modules.

2. Scope of Work: The Engineer shall provide a detailed design with drawings, specifications, technology license fees and installation instructions for scrubber wall rings that will improve SO_2 removal efficiency in each of the IPP FGD Modules. The Engineer shall also test a module with the scrubber wall rings installed and compare the performance with another module that will be tested without scrubber wall rings to verify compliance with these specifications. All equipment necessary to perform this testing will be supplied by the Engineer.

3. Items Supplied by IPSC: IPSC will fabricate and install the wall rings as designed by the Engineer. IPSC will also provide all necessary existing drawings and documentation to assist the Engineer and will provide manpower as needed to assist with the baseline and performance verification testing.

4. Performance Guarantees: The Engineer guarantees that, at the current IPP maximum load of 875 Megawatts Gross per unit, the installation of the OverScrub™ Technology (Scrubber Wall Rings) will result in the following:

   1. SO_2 emissions from each scrubber module, with all recycle pumps operating and the spray nozzles in good repair, will be reduced by at least 50% with the installation of this technology.

   2. After the installation of this technology, each scrubber module may be operated with only two and any two recycle pumps in-service and still maintain historical SO_2 minimum removal efficiencies of 93%.

   3. Differential pressure across the entire module shall not increase as a result of this installation by more than 0.1 inches of water with all recycle pumps in-service.

5. Unit Operation: The Engineer shall consider two maximum unit loads of operation when designing this technology. The first load will be the historical maximum load of 875 Megawatts Gross. All performance testing will be done at this load. For the second load, IPSC is considering projects that will increase the unit maximum load to 950 Megawatts Gross. This will be achieved through both efficiency and capacity increases. Total coal flow will only increase by approximately 6% while load increases by 8.5%. It is imperative for this load increase project that total SO_2 emissions in tons per year decrease even though coal consumption and load both increase. The Engineer shall continue to work with the owner after the load increase project is complete to insure that SO_2 emissions are decreased at the higher load. This may require refinements or tuning of the design by the Engineer to achieve this goal at the new load.

6. Unit Reliability: Maintaining unit reliability and availability is paramount to the financial and operational success of the IGS. The Engineer shall carefully and professionally

consider any impact their design may have on unit reliability and availability. The method for attaching the wall rings to the module walls shall incorporate features to prevent corrosion of the module mild steel and rubber protective lining. The Engineer shall consider any flow related vibration that may occur that would cause the wall ring to abrade the rubber lining. The wall ring shall be sufficiently stiffened and attached to prevent any damaging vibration or any other unwanted movement. The Engineer's design shall also prevent material build-up that could impede water or air flow in the module.