

**FULL SERVICE
POWER SALES AGREEMENT**
executed by the
BONNEVILLE POWER ADMINISTRATION
and
PUBLIC UTILITY DISTRICT NO. 1 OF SKAMANIA COUNTY, WASHINGTON

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This FULL SERVICE POWER SALES AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and PUBLIC UTILITY DISTRICT NO. 1 OF SKAMANIA COUNTY, WASHINGTON (Skamania). Skamania is a public utilities district organized under the laws of the State of Washington.

RECITALS

This Agreement will replace Contract No. DE-MS79-81BP90511 which continues through September 30, 2001.

BPA has administratively divided its organization into two business lines in order to functionally separate the administration and decisionmaking activities of BPA's power business from the administrative and decisionmaking activities of its transmission business. References in this Agreement to the Power Business Line are solely for the purpose of establishing which BPA business line is responsible for the administration of this Agreement.

The Parties agree:

1. TERM

This Agreement takes effect on the date signed by BPA and Skamania. Performance by BPA and Skamania, (except for the preparatory actions for performance contained in sections 6, 8, and 15(f) of the body of this Agreement, Exhibit A, Rate Commitments, and Exhibit C, Net Requirements), shall commence on October 1, 2001, and shall continue through September 30, 2011 (Expiration Date.)

2. DEFINITIONS

Capitalized terms in this Agreement shall have the meanings defined below, in the exhibits or in context. All other capitalized terms and acronyms are defined in BPA's applicable Wholesale Power Rate Schedules, including the General Rate Schedule Provisions (GRSPs), or its successors

- (a) "Alternate Supplier" means an entity, other than Skamania, or a consumer of Skamania serving its own load with an on site resource, that provides electric power service directly to a retail electric power consumer that receives service over the distribution system of Skamania under Voluntary Retail Access or Mandated Retail Access.
- (b) "Amounts Taken" means the amount of power provided by PBL to serve Skamania's load as measured at the Points of Measurement.
- (c) "Annexed Load" means the amount of load, including the increase in load associated with an annexation, that is added to Skamania's distribution system after September 30, 2000, due to Skamania acquisition by condemnation, purchase or other legal process, as authorized under applicable state law, of distribution facilities and the obligation to serve the retail electric power consumers connected to the facilities. Annexed Load amounts are shown in Exhibit A, Rate Commitments.
- (d) "Contract Year" or "CY" means the period that begins each October 1 and which ends the following September 30. For instance Contract Year 2002 begins October 1, 2001, and continues through September 30, 2002.

- (e) "Contracted Power" means Firm Power and Surplus Firm Power provided under this Agreement.
- (f) "Diurnal" means the division of hours of the day between Heavy Load Hours (HLH) and Light Load Hours (LLH).
- (g) "Firm Power" means electric power that PBL will make continuously available to Skamania under this Agreement.
- (h) "Mandated Retail Access" means the right, mandated either by Federal, or state law of retail electric power consumers to either acquire electric power service directly from one or more Alternate Suppliers of such electric power, or choose electric power service from a portfolio of power supply options, without Skamania taking an ownership interest.
- (i) "New Large Single Load" or "NLSL" means the definition established for NLSL in the Northwest Power Act, as implemented in a NLSL policy developed by BPA after this Agreement is executed.
- (j) "Northwest Power Act" means the Pacific Northwest Electric Power Planning and Conservation Act of 1980, P.L. 96-501.
- (k) "Party" or "Parties" means PBL and/or Skamania.
- (l) "Points of Measurement" means the points at which Total Retail Load and Amounts Taken are measured as set forth in Exhibit E, Points of Measurement.
- (m) "Points of Receipt" means the points of interconnection on the transmission provider's transmission system where Contracted Power will be made available to Skamania's transmission provider by PBL.
- (n) "Power Business Line" or "PBL" means the administrative unity of the Bonneville Power Administration, United States Department of Energy, or its successor, with is acting by and for BPA in making this contract, and which is responsible for the management of marketing and sale of Federal power under BPA statutes.
- (o) "Region" means the definition established for "Region" in the Northwest Power Act.
- (p) "Returned Retail Load" means a retail electric power consumer load that returns to Skamania for electric power service after receiving electric power service from an Alternate Supplier.
- (q) "Surplus Firm Power" means surplus firm electric power that is made available and sold consistent with section 5(f) of the Northwest Power Act

and subject to the provisions of P.L. 88-552 which is made available under this Agreement.

- (r) "Total Retail Load" means all electric power consumption including electric system losses, within a utility's distribution system as measured at Points of Measurement, adjusted as needed for unmetered loads or generation, less nonfirm or interruptible loads agreed to by the Parties. No distinction is made between load that is served with Contracted Power and load that is served with electric power from other sources.
- (s) "Transmission Business Line" or "TBL" means that portion of the BPA organization or its successor that is responsible for the management and sale of transmission service on the Federal Columbia River Transmission System (FCRTS).
- (t) "Voluntary Retail Access" means retail access that is not Mandated Retail Access and under which the retail electric power consumer has the ability to either acquire electric power service directly from one or more Alternate Suppliers of such electric power, or choose electric power service from a portfolio of power supply options, without Skamania taking an ownership interest.

3. **APPLICABLE RATES**

Purchases under this Agreement may be subject to more than one rate schedule. The Priority Firm Power (PF), New Resource Firm Power (NR), and Firm Power Products and Services (FPS) rate schedules, including the GRSPs, or their successors, apply to power purchases under this Agreement. Purchases under each rate schedule are established as follows.

- (a) **Priority Firm Power Rate**
Section 4 of the body of this Agreement, Exhibit A (Rate Commitments), and Exhibit B (Billing), identify rates and Contracted Power amounts subject to the PF rate schedule.
- (b) **New Resource Firm Power Rate**
Section 15 of the body of this Agreement, Exhibit A, (Rate Commitments), and Exhibit B (Billing) identify rates and Contracted Power amounts subject to the NR rate schedule.
- (c) **Firm Power Products and Services Rate**
Except when otherwise specified in this Agreement Exhibit D (Additional Products and Special Provisions) identifies rates, products, and amounts subject to the FPS rate schedule.

4. **PRIORITY FIRM POWER PRODUCT**

PBL shall sell and make available and Skamania shall purchase under the applicable PF rates Contracted Power in hourly amounts equal to Skamania's Total Retail Load minus the following:

- (a) **Skamania and Non-Skamania Resources**
Skamania and non-Skamania resources as established in Exhibit C, Net Requirements.
- (b) **New Large Single Loads**
NLSL amounts, if any, as established in Exhibit A, Rate Commitments that are served at the NR Rate.
- (c) **Other Loads and Amounts**
Other loads and amounts as established in Exhibit D, Additional Products and Special Provisions.
- (d) **Loads Served By an Alternate Supplier Under Mandated Retail Access**
Loads served by an Alternate Supplier under Mandated Retail Access as measured at the appropriate Points of Measurement, or in amounts agreed to by the Parties.

5. **LOAD LOSS**

- (a) **Limitation on Damages**
PBL shall bill Skamania monthly for any power Skamania was contractually obligated to purchase that month, but did not take for any reason other than Mandated or Voluntary Retail Access, at the rates PBL would have charged Skamania if Skamania had taken such power under this Agreement. Up to 60 days after the end of each Contract Year, PBL may determine if Skamania purchased less Contracted Power in any month during the previous Contract Year, due to Voluntary Retail Access load loss, than it was contractually obligated to purchase under this Agreement (Monthly Purchase Deficiency). If PBL makes such a determination it shall calculate the reasonable market value of each Monthly Purchase Deficiency taking into account the differing market values within each month during such Contract Year. Skamania shall pay PBL damages for such Contract Year equal to the amount by which the sum of the product of the Monthly Purchase Deficiencies and the amount PBL would have charged if the power had been taken under this Agreement exceeds the sum of the product of the Monthly Purchase Deficiencies and the reasonable market value in each month. PBL may require through a written notice to Skamania that Skamania provide a reasonable forecast of its expected load loss amounts for a Contract Year.
- (b) **Returned Retail Loads**
Skamania shall notify PBL of any Returned Retail Load and provide PBL with metering information for such loads prior to PBL providing any power to serve such loads. Skamania agrees not to request from PBL service under section 5(b) of the Northwest Power Act for a Returned Retail Load which would commence earlier than one year after the date the Returned Retail Load began receiving service from the Alternate Supplier. Any request for

service to Returned Retail Loads would be established pursuant to section 4(c) of Exhibit A, Rate Commitments.

6. RETAIL ACCESS IMPLEMENTATION

Skamania agrees to use its best efforts and all legal recourse to defend itself in any legal action in which it is alleged that the failure of Skamania to provide open access to its distribution system to Alternate Suppliers constitutes a violation of state or Federal antitrust laws. At least 180 days before Skamania allows Voluntary Retail Access or before the effective date of Mandated Retail Access, the Parties shall amend the terms of this Agreement, if and to the extent necessary, to reflect the following Skamania obligations:

- (a) Skamania shall ensure that PBL has access to information adequate to plan, schedule, and bill for service rendered under this Agreement; and
- (b) Skamania shall ensure that any retail electric power consumer, that receives all or a portion of its power supply from an Alternate Supplier, acquires all services necessary to support such service, including without limitation energy imbalance service.

7. SCHEDULING

The Parties shall amend this Agreement as needed if any transmission tariff or regulatory agency requires or recommends changes that PBL decides to accept, which PBL determines require power scheduling provisions be made a part of this Agreement.

8. DELIVERY

(a) Transmission Service for Contracted Power

This Agreement does not provide transmission services for, or include the delivery of, Contracted Power to Skamania, unless otherwise provided. Skamania shall be responsible for executing one or more wheeling agreements with a transmission supplier for the delivery of Contracted Power (Wheeling Agreement). The Parties agree to take such actions as may be necessary to facilitate the delivery of Contracted Power to Skamania consistent with the terms, notice, and the time limits contained in the Wheeling Agreement.

(b) Liability for Delivery

Skamania waives any claims against PBL arising under this Agreement for nondelivery of power to any points beyond the applicable Points of Receipt. PBL shall not be liable for any third-party claims related to the delivery of power after it leaves the Points of Receipt. In no event will either Party be liable under this Agreement to the other Party for damage that results from any sudden, unexpected, changed, or abnormal electrical condition occurring in or on any electric system, regardless of ownership. These limitations on liability apply regardless of whether or not this Agreement provides for transfer service.

(c) **Points of Receipt**

PBL shall make Contracted Power available to Skamania under this Agreement at Points of Receipt solely for the purpose of scheduling transmission to points of delivery on Skamania's distribution system, unless otherwise provided. Skamania shall schedule, if scheduling is necessary, such Contracted Power solely for use by its firm retail electric power consumer load. PBL, for purposes of scheduling transmission for delivery under this Agreement, specified Points of Receipt in a written notice to Skamania prior to August 1, 2000.

If required by the Wheeling Agreement when PBL designates such Points of Receipt, PBL will provide capacity amounts for transmission under the Wheeling Agreement associated with the initial Points of Receipt that can be accepted as firm Points of Receipt under Skamania's Wheeling Agreement (except in the event that all Points of Receipt on the Federal Columbia River Power System (FCRPS) would be considered nonfirm). The sum of capacity amounts requested by PBL shall not exceed the amount reasonably necessary for PBL to provide Contracted Power. Such Points of Receipt and their capacity amounts may only be changed through mutual agreement. However, at any time PBL may request the use of nonfirm Points of Receipt to provide Contracted Power to Skamania, but notwithstanding section 8(b) above, PBL shall reimburse Skamania for any additional costs incurred by Skamania due to its compliance with such request.

(d) **Transmission Losses**

PBL shall provide Skamania the losses between the Points of Receipt and Skamania's distribution system for Contracted Power, at no additional charge. Losses will be provided at Points of Receipt as established under section 8(c), and under the terms and conditions as defined in the transmission provider's tariff.

(e) **Points of Measurement Losses**

Measured amounts of Contracted Power shall be adjusted to account for losses, if any, that occur between the points where Contracted Power enters Skamania's system and the respective Points of Measurement.

(f) **Hourly Load Matching**

For purposes of this section "Load Matching" means the obligation within the hour to-match generation with Contracted Power. PBL intends to provide this service under this Agreement. If however PBL is not allowed to provide Load Matching under this Agreement, PBL may revise this Agreement as necessary to reflect the need for Skamania to arrange and pay for Load Matching. If PBL is not allowed to provide Load Matching under this Agreement, PBL shall provide a credit to Skamania under the FPS 1996 Rate Schedule or its successor for the lesser of the actual costs Skamania incurs for Load Matching or Amounts Taken multiplied by the amount per

kWh that PBL projected it would pay for Load Matching in the Wholesale Power Rate Schedules Skamania purchases under.

9. MEASUREMENT

The following requirements apply to this Agreement, except for metering of load lost or gained due to Voluntary or Mandated Retail Access, which is governed by section 6, Retail Access Implementation.

(a) General

Skamania authorizes PBL to use metering data as PBL determines is necessary to plan, schedule, and bill for power. Skamania agrees to authorize TBL to provide Skamania's metering data directly to PBL, subject to any restrictions imposed by the Federal Energy Regulatory Commission (FERC). All Points of Measurement are shown in Exhibit E, Points of Measurement. Skamania agrees to provide reasonable notice to PBL prior to changing Control Areas.

(b) BPA Metering

BPA is responsible for the installation, operation, maintenance, and replacement of all metering equipment owned by BPA that is needed to plan, schedule, and bill for power. For BPA-owned meters only, Skamania authorizes PBL to install at PBL expense any metering equipment on Skamania's facilities, that is reasonably necessary to plan, schedule and bill for power, if PBL or Skamania are unable to obtain the information from TBL. The installation of such metering equipment shall be subject to a separate agreement between PBL and Skamania, addressing the location, access, maintenance, testing, and liability of the Parties with respect to such meters.

(c) Skamania Metering

(1) General Responsibilities

Skamania is responsible for the installation, operation, maintenance, and replacement of metering equipment (except metering equipment owned by BPA or a transferring party) that is needed by PBL to plan, schedule, and bill for power for:

- (A) points of interconnection between Skamania's system and parties other than BPA.
- (B) all loads that require separate measurement for purposes of planning, scheduling, or billing by PBL.
- (C) generating resources shown in Exhibit C, Net Requirements, that are interconnected to Skamania's system.

All metering equipment shall meet standards generally accepted by the electric utility industry in the Region for the particular metering application.

(2) **Existing Metering**

Metering equipment existing at the time of execution of this Agreement may continue to be used indefinitely, provided it records data hourly and is reported to BPA each month. Metering equipment which does not record hourly may continue to be used in instances when PBL does not need hourly data to plan, schedule, or bill.

(3) **New Meters**

Any metering equipment described in subsection 9(c)(1) that is replaced, upgraded, or newly installed shall allow PBL complete electronic access to metering data. Electronic access is the capability for data polling and extraction via PBL's system software as frequently as needed to plan, schedule, and bill for power. Such meters shall record hourly and enable PBL to extract meter data for a minimum of the previous 45 days. In addition to the general requirements of (1), above, new meters shall meet PBL's published metering standards then in effect for such application.

(4) **Exceptions**

When the Parties agree metering is economically or technologically impractical, mutually acceptable load profiles may be used instead of metered amounts. Where power amounts are scheduled in or out of the Skamania's service territory, scheduled amounts shall be used, if appropriate, to determine the amount of Contracted Power delivered.

10. BILLING AND PAYMENT

(a) **Billing**

PBL shall bill Skamania monthly, consistent with applicable BPA rates, including the GRSPs and the provisions of this Agreement for the Amounts Taken, payments pursuant to section 5, and other services provided to Skamania in the preceding month or months under this Agreement. PBL may send Skamania an estimated bill followed by a final bill. PBL shall send all bills on the bill's issue date either electronically or by mail, at Skamania's option. If electronic transmittal of the entire bill is not practical, PBL shall transmit a summary electronically, and send the entire bill by mail.

(b) **Payment**

Payment of all bills, whether estimated or final, must be received by the 20th day after the issue date of the bill (Due Date). If the 20th day is a Saturday, Sunday, or Federal holiday, the Due Date is the next business day. If payment has been made on an estimated bill before receipt of a final bill for the same month, Skamania shall pay only the amount by which the final

bill exceeds the payment made for the estimated bill. PBL shall provide Skamania the amounts by which an estimated bill exceeds a final bill through either a check or as a credit on the subsequent month's bill. After the Due Date, a late payment charge shall be applied each day to any unpaid balance. The late payment charge is calculated by dividing the Prime Rate for Large Banks as reported in the Wall Street Journal, plus 4 percent; by 365. The applicable Prime Rate for Large Banks shall be the rate reported on the first day of the month in which payment is received. Skamania shall pay by electronic funds transfer using BPA's established procedures. PBL may terminate this Agreement if Skamania is more than three months behind in paying its bills under this Agreement and Skamania cannot demonstrate an ability to make the payments owed.

(c) **Disputed Bills**

In case of a billing dispute, Skamania shall note the disputed amount and pay its bill in full by the Due Date. Unpaid bills (including both disputed and undisputed amounts) are subject to late payment charges provided above. If Skamania is entitled to a refund of any portion of the disputed amount, then BPA shall make such refund with simple interest computed from the date of receipt of the disputed payment to the date the refund is made. The daily interest rate used to determine the interest is calculated by dividing the Prime Rate for Large Banks as reported in the Wall Street Journal; by 365. The applicable Prime Rate for Large Banks shall be the rate reported on the first day of the month in which payment is received by BPA.

11. NOTICES

Any notice required under this Agreement shall be in writing and shall be delivered: (a) in person; (b) by a nationally recognized delivery service; or (c) by United States Certified Mail. Notices are effective when received. Either Party may change its address for notices by giving notice of such change consistent with this section.

If to Skamania:

P.O. Box 500
Milepost 1.55 Wind River Highway
Carson, WA 98610-0500
Attn: Maurice F. Cavanagh
Manager
Phone: 509-427-5126
FAX: 509-427-8416
E-Mail: cavanagh@skamaniapud.com

If to PBL:

Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621
Attn: Paul J. O'Neal - PSW
Account Executive
Phone: 503-230-5872
FAX: 503-230-3544
E-Mail: pjoneal@bpa.gov

12. COST RECOVERY

- (a) Nothing included in or omitted from this Agreement creates or extinguishes any right or obligation, if any, of BPA to assess against Skamania and

Skamania to pay to BPA at any time a cost underrecovery charge pursuant to an applicable transmission rate schedule or otherwise applicable law.

- (b) BPA may adjust the rates for Contracted Power set forth in the applicable power rate schedule during the term of this Agreement pursuant to the Cost Recovery Adjustment Clause in the 2002 GRSPs, or successor GRSPs.

13. UNCONTROLLABLE FORCES

PBL shall not be in breach of its obligation to provide Contracted Power and Skamania shall not be in breach of its obligation to purchase Contracted Power to the extent the failure to fulfill that obligation is due to an Uncontrollable Force.

“Uncontrollable Force” means an event beyond the reasonable control of, and without the fault or negligence of, the Party claiming the Uncontrollable Force that impairs that Party’s ability to perform its contractual obligations under this Agreement and which, by exercise of that Party’s reasonable diligence and foresight, such Party could not be expected to avoid and was unable to avoid. Uncontrollable Forces include, but are not limited to:

- (a) any unplanned curtailment or interruption for any reason of firm transmission used to deliver Contracted Power to Skamania’s facilities or distribution system, including but not limited to unplanned maintenance outages;
- (b) any unplanned curtailment or interruption, failure or imminent failure of Skamania’s distribution facilities, including but not limited to unplanned maintenance outages;
- (c) any planned transmission or distribution outage that affects either Skamania or PBL which was provided by a third-party transmission or distribution owner; or by a transmission provider, including TBL, that is functionally separated from the generation provider in conformance with FERC Orders 888 and 889 or its successors;
- (d) strikes or work stoppage, including the threat of imminent strikes or work stoppage;
- (e) floods, earthquakes, or other natural disasters; and
- (f) orders or injunctions issued by any court having competent subject matter jurisdiction, or any order of an administrative officer which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court of competent subject matter jurisdiction.

Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing

contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

The Party claiming the Uncontrollable Force shall notify the other Party as soon as practicable of that Party's inability to meet its obligations under this Agreement due to an Uncontrollable Force. The Party claiming the Uncontrollable Force also agrees to notify any control area involved in the scheduling of a transaction which may be curtailed due to an Uncontrollable Force.

Both Parties shall be excused from their respective obligations, other than from payment obligations incurred prior to the Uncontrollable Force, without liability to the other, for the duration of the Uncontrollable Force and the period reasonably required for the Party claiming the Uncontrollable Force, using due diligence, to restore its operations to conditions existing prior to the occurrence of the Uncontrollable Force.

14. GOVERNING LAW AND DISPUTE RESOLUTION

- (a) This Agreement shall be interpreted consistent with and governed by Federal law. Final actions subject to section 9(e) of the Northwest Power Act are not subject to binding arbitration and shall remain within the exclusive jurisdiction of the United States Ninth Circuit Court of Appeals. Any dispute regarding any rights of the Parties under any BPA policy, including the implementation of such policy, shall not be subject to arbitration under this Agreement. Skamania reserves the right to seek judicial resolution of any dispute arising under this Agreement that is not subject to arbitration under this section 14. For purposes of this section 14 BPA policy means any written document adopted by BPA as a final action in a decision record or record of decision that establishes a policy of general application, or makes a determination under an applicable statute. If either Party asserts that a dispute is excluded from arbitration under this section 14, either Party may apply to the Federal court having jurisdiction for an order determining whether such dispute is subject to arbitration under this section 14.
- (b) Any contract dispute or contract issue between the Parties arising out of this Agreement, except for disputes that are excluded through section 14(a) above, shall be subject to binding arbitration. The Parties shall make a good faith effort to resolve such disputes before initiating arbitration proceedings. During arbitration, the Parties shall continue performance under this Agreement pending resolution of the dispute, unless to do so would be impossible or impracticable.
- (c) Any arbitration shall take place in Portland, Oregon, unless the Parties agree otherwise. The CPR Institute for Dispute Resolution's arbitration procedures for commercial arbitration, Non-Administered Arbitration Rules (CPR Rules), shall be used for each dispute; **provided, however, that:** (1) the Parties shall have the discovery rights provided in the Federal Rules of Civil Procedure unless the Parties agree otherwise; and (2) for claims of

\$1 million or more, each arbitration shall be conducted by a panel of three neutral arbitrators. The Parties shall select the arbitrators from a list containing the names of 15 qualified individuals supplied by the CPR Institute for Dispute Resolution. If the Parties cannot agree upon three arbitrators on the list within 20 business days, the Parties shall take turns striking names from the list of proposed arbitrators. The Party initiating the arbitration shall take the first strike. This process shall be repeated until three arbitrators remain on the list, and those individuals shall be designated as the arbitrators. For disputes involving less than \$1 million, a single neutral arbitrator shall be selected consistent with section 6 of the CPR Rules.

- (d) Except for arbitration awards which declare the rights and duties of the Parties under this Agreement, the payment of monies shall be the exclusive remedy available in any arbitration proceeding. Under no circumstances shall specific performance be an available remedy against BPA. The arbitration award shall be final and binding on both Parties, except that either Party may seek judicial review based upon any of the grounds referred to in the Federal Arbitration Act, 9 U.S.C. §1-16 (1988). Judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof.
- (e) Each Party shall be responsible for its own costs of arbitration, including legal fees. The arbitrators may apportion all other costs of arbitration between the Parties in such manner as they deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

15. STATUTORY PROVISIONS

- (a) **Annual Financial Report and Retail Rate Schedules**
Skamania shall provide PBL with a current copy of its annual financial report and its retail rate schedules, as required by Section 5(a) of the Bonneville Project Act, P.L. 75-329.
- (b) **Insufficiency and Allocations**
If BPA determines, consistent with section 5(b) of the Northwest Power Act and other applicable statutes, that it will not have sufficient resources on a planning basis to serve its loads after taking all actions required by applicable laws then BPA shall give Skamania a written notice that BPA may restrict service. Such notice shall be consistent with BPA's insufficiency and allocations methodology, published in the Federal Register on March 20, 1996, and shall state the effective date of the restriction, the amount of Skamania's load to be restricted, and the expected duration of the restriction. BPA shall not change that methodology without the written agreement of all affected customers. Such restriction shall take effect no sooner than five years after notice is given to Skamania. If BPA imposes a restriction under this provision then the amount of Contracted Power that Skamania is

obligated to purchase pursuant to section 4 shall be reduced to the amounts available under such restricted service.

(c) **New Large Single Loads**

(1) **General**

All existing NLSLs are listed in section 5 of Exhibit A, Rate Commitments. Skamania shall provide reasonable notice to PBL of any expected increase in load that is likely to qualify as a new NLSL. Skamania may either serve a NLSL with Contracted Power or with power from another source. For purposes of this section (c), "Consumer" means an end-user of electric power or energy.

(2) **Determination of a Facility**

PBL, in consultation with Skamania, shall make a reasonable determination of what constitutes a single facility, for the purpose of identifying a NLSL, based upon the following criteria:

- (A) whether the load is operated by a single Consumer;
- (B) whether the load is in a single location;
- (C) whether the load serves a manufacturing process which produces a single product or type of product;
- (D) whether separable portions of the load are interdependent;
- (E) whether the load is contracted for, served or billed as a single load under Skamania's customary billing and service policy;
- (F) consistent application of the foregoing criteria in similar fact situations; and
- (G) any other factors the Parties determine to be relevant.

PBL shall show an increase in load associated with a Consumer's facility which has been determined to be a NLSL in section 5 of Exhibit A, Rate Commitments. PBL shall have the unilateral right to amend Exhibit A to reflect such determinations when made.

(3) **Determination of Ten Average Megawatt Increase**

An increase in load shall be considered a NLSL if the energy consumption of the Consumer's load associated with a new facility, an existing facility, or expansion of an existing facility during the immediately past 12-month period exceeds by 10 average megawatts or more the Consumer's energy consumption for such new facility, existing facility or expansion of an existing facility for the consecutive 12-month period one year earlier, or the amount of the contracted for,

or committed to load of the Consumer as of September 1, 1979, whichever is greater.

(4) **CF/CT Loads**

Skamania has no loads that were contracted for, or committed to, as of September 1, 1979, as defined in section 3(13)(A) of the Northwest Power Act.

(d) **Priority of Pacific Northwest Customers**

The provisions of sections 9(c) and (d) of the Northwest Power Act and the provisions of P.L. 88-552 as amended by the Northwest Power Act are incorporated into this Agreement by reference. BPA agrees that Skamania, together with other customers in the Region shall have priority to BPA power, consistent with such provisions.

(e) **Prohibition on Resale**

Skamania shall not resell PF or NR Contracted Power except to serve Skamania's Total Retail Load or as otherwise permitted by Federal law.

(f) **Use of Regional Resources**

- (1) Within 60 days prior to the start of each Contract Year, Skamania shall notify PBL of any firm power from a generating resource, or a contract resource during its term, that has been used to serve firm consumer load in the Region that Skamania plans to export for sale outside the Region in the next Contract Year. PBL may during such Contract Year request additional information on Skamania resources if PBL has information that Skamania may have made such an export and not notified PBL. PBL may request and Skamania shall provide within 30 days of such request, information on the planned use of any or all of Skamania's generating and contractual resources.
- (2) Skamania shall be responsible for monitoring any firm power from generating resources and contract resources it sells in the Region to ensure such firm power is delivered to be used to serve firm consumer load in the Region.
- (3) If Skamania fails to report to PBL in accordance with section (1), above, any of its planned exports for sale outside the Region of firm power from a generating resource or a contract resource that has been used to serve firm consumer load in the Region, and PBL makes a finding that an export which was not reported was made, then PBL may terminate this Agreement upon 30 days written notice to Skamania. If PBL concludes that the failure to report is inadvertent and unlikely to reoccur PBL shall not terminate this Agreement and may instead elect to decrement the amount of Contracted Power by up to two times the amount of the export that was not reported. When

applicable such decrements shall be established consistent with section 4(c) of Exhibit C.

- (4) For purposes of this section, an export for sale outside the Region means a contract for the sale or disposition of firm power from a generating resource, or a contract resource during its term, that has been used to serve firm consumer load in the Region in a manner that such output is not planned to be used solely to serve firm consumer load in the Region. Delivery of firm power outside the Region under a seasonal exchange agreement that is made consistent with BPA's section 9(c) policy will not be considered an export. Firm power from a generating resource or contract resource used to serve firm consumer load in the Region means the firm generating or load carrying capability of a generating resource or contract resource as established under Pacific Northwest Coordination Agreement resource planning criteria, or other resource planning criteria generally used for such purposes within the Region.

(g) **BPA Appropriations Refinancing Act**

The Parties agree that the BPA Refinancing Section of the Omnibus Consolidated Recissions and Appropriations Act of 1996 (The BPA Refinancing Act), P.L. No. 104-134, 110 Stat. 1321, 1350, as stated in the United States Code on the date this Agreement is signed by the Parties, is incorporated by reference and is a material term of this Agreement. The Parties agree that this provision and the incorporated text shall be included in subsequent agreements between the Parties, as a material term through at least September 30, 2011.

16. STANDARD PROVISIONS

(a) **Amendments**

No oral or written amendment, rescission, waiver, modification, or other change of this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

(b) **Assignment**

This Agreement is binding on any successors and assigns of the Parties. BPA may assign this Agreement to another Federal agency to which BPA's statutory duties have been transferred. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld. BPA shall consider any request for assignment consistent with applicable BPA statutes. Skamania may not transfer or assign this Agreement to any of its retail customers.

(c) **Information Exchange and Confidentiality**

The Parties shall provide each other with any information that is reasonably required, and requested by either Party in writing, to operate under and

administer this Agreement, including load forecasts for planning purposes, information needed to resolve billing disputes, scheduling and metering information reasonably necessary to prepare power bills that is not otherwise available to the requesting Party. Such information shall be provided in a timely manner. Information may be exchanged by any means agreed to by the Parties. If such information is subject to a privilege of confidentiality, a confidentiality agreement or statutory restriction under state or Federal law on its disclosure by a Party to this Agreement, then that Party shall endeavor to obtain whatever consents, releases, or agreements are necessary from the person holding the privilege to provide such information while asserting the confidentiality over the information. Information provided to BPA which is subject to a privilege of confidentiality or nondisclosure shall be clearly marked as such and BPA shall not disclose such information without obtaining the consent of the person or Party asserting the privilege, consistent with BPA's obligation under the Freedom of Information Act. BPA may use such information as necessary to provide service or timely bill for service under this Agreement. BPA shall only disclose information received under this provision to BPA employees who need the information for purposes of this Agreement.

(d) **Entire Agreement**

This Agreement, including all provisions, exhibits incorporated as part of this Agreement, and documents incorporated by reference, constitutes the entire agreement between the Parties. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement.

(e) **Exhibits**

The exhibits listed in the table of contents are incorporated into this Agreement by reference. The exhibits may only be revised upon mutual agreement between the Parties unless otherwise specified in the exhibits. The body of this Agreement shall prevail over the exhibits to this Agreement in the event of a conflict.

(f) **No Third-Party Beneficiaries**

This Agreement is made and entered into for the sole protection and legal benefit of the Parties, and no other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with this Agreement.

(g) **Waivers**

Any waiver at any time by either Party to this Agreement of its rights with respect to any default or any other matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

(h) **BPA Policies**

Any reference in this Agreement to BPA policies, including without limitation BPA's NLSL Policy and the 5(b)/9(c) Policy, and any revisions thereto, does not constitute agreement by Skamania to such policy, nor shall it be construed to be a waiver of the right of Skamania to seek judicial review of any such policy.

(i) **Severability**

If any term of this Agreement is found to be invalid by a court of competent jurisdiction then such term shall remain in force to the maximum extent permitted by law. All other terms shall remain in force unless that term is determined not to be severable from all other provisions of this Agreement by such court.

(j) **Rate Covenant**

Skamania agrees that it will establish, maintain, and collect rates or charges for power and energy and other services, facilities and commodities sold, furnished or supplied by it through any of its electric utility properties which shall be adequate to provide revenues sufficient to enable Skamania to make the payments required under this Agreement.

(k) **Hold Harmless**

Each Party assumes all liability for injury or damage to persons or property arising from the act or negligence of its own employees, agents, members of governing bodies, or contractors. Each Party shall indemnify and hold the other Party harmless from any liability arising from such act or negligence.

17. **TERMINATION**

Skamania may terminate this Agreement through a written notice up to 30 days after FERC grants interim approval for BPA's wholesale power rates that are effective October 1, 2001. In addition, Skamania shall have the right to terminate this Agreement if all of the following conditions have been satisfied:

- (a) Any rates adopted in WP-02 Final Rate Proposal, Administrator's Final Record of Decision (ROD) are remanded to BPA for reconsideration by FERC or the Ninth Circuit Court of Appeals.
- (b) As a result of the remand, the Administrator publishes a subsequent Final ROD which, if confirmed, would result in Skamania being subject to a higher average effective power rate for the period beginning the first day of the billing period immediately following the effective date of new rates contained in the subsequent Final ROD and ending on September 30, 2006.
- (c) Skamania has provided written notice to BPA of its intent to terminate this Agreement within 30 days of publication of the subsequent Final ROD.

Termination shall be effective at the start of the second billing period following the termination notice.

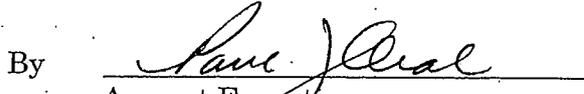
18. SIGNATURES

The signatories represent that they are authorized to enter into this Agreement on behalf of the party for whom they sign.

PUBLIC UTILITY DISTRICT NO. 1 OF
SKAMANIA COUNTY, WASHINGTON

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By 
Manager

By 
Account Executive

Name Maurice F. Cavanagh
(Print/Type)

Name Paul J. O'Neal
(Print/Type)

Date 10-10-2000

Date 10/10/2000

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Exhibit A
RATE COMMITMENTS

1. DEFINITIONS

- (a) "5-Year Rates" means the Lowest PF Rates established in the 2002 Wholesale Power Rate Case for Contract Years 2002 through 2006.
- (b) "Lowest PF Rates" means the lowest applicable cost-based power rates provided under the applicable PF rate schedule as applied to Skamania's Contracted Power purchases under this Agreement. The Lowest PF Rates shall be selected by Skamania from the PF rates that are available and from which the Parties agree Skamania is eligible to purchase under at the time Skamania makes its selection as specified in this exhibit.

2. PURCHASE DURATION

Skamania shall purchase all of the power provided in section 4 of the body of this Agreement for the entire term of this Agreement.

3. PRIORITY FIRM POWER RATE TREATMENT

- (a) **Right to Lowest PF Rates**
Skamania is contractually guaranteed through September 30, 2011, the Lowest PF Rates established in a successor BPA power rates proceeding for its PF Contracted Power purchases under this Agreement. This section shall not be construed to waive, alter, or amend any right that Skamania may have under applicable statutes.
- (b) **Environmentally Preferred Power**
Skamania may request Environmentally Preferred Power. If available, the Parties shall amend this Agreement to include necessary provisions as mutually agreed.
- (c) **Revisions to Priority Firm Power Rates**
BPA agrees that the 5-Year Rates available to Skamania consistent with this exhibit shall not be subject to revision during their respective terms, except for the application of a Cost Recovery Adjustment Clause or a Targeted Adjustment Charge as provided in the PF applicable rates schedules and GRSPs and this Agreement.
- (d) **5-Year Rates Treatment**
All Contracted Power purchases provided under section 4 of the body of this Agreement are subject to the 5-Year Rates. The monthly energy rates for Contracted Power are specified in section II.B3 in the section labeled "Schedule PF-02 Priority Firm Power" in the 2002 Power Rate Schedules.

Skamania must select a follow-on rate period and associated rates from those offered by BPA, and notify PBL of its selection, by the later of:

- (1) six months prior to the expiration of the 5-Year Rates; or
- (2) thirty (30) days after the date BPA's initial proposal for successor rates is published.

Otherwise the follow-on rate period and associated rates shall be the shortest rate period and associated rates that are applicable to Skamania.

- (e) **Cost-Based Indexed PF Rate and Flexible PF Rate Option**
None.

4. SPECIAL PF LOAD TREATMENT

- (a) **Annexed Loads**

Skamania may make a written request for service to Annexed Loads, including a planned date for such service. Annexed Load amounts that were served by PBL under section 5(b) of the Northwest Power Act immediately prior to becoming an Annexed Load will be provided service under rates, terms, and conditions that, within the constraints of BPA's applicable policies, are as comparable as possible to what such Annexed Load would have received if the load had not become an Annexed Load. The Parties shall revise this exhibit within 180 days of the request, to establish the rates, terms and conditions for the requested service and to include monthly HLH and LLH MWs in a table below. The table shall identify whether the amounts in the table are deemed to be actual for billing purposes or whether the table is an estimate with bills based on metered amounts.

- (b) **Returned Retail Load**

Skamania may request service from PBL to serve Returned Retail Load. The Parties shall revise this exhibit to establish monthly HLH and LLH MWs for such service in a table below. The table shall identify whether the amounts in the table are deemed to be actual for billing purposes or whether the table is an estimate with bills based on metered amounts. PBL shall provide service within 180 days of the request at rates BPA has established or establishes as applicable to such loads. The rate treatment for such loads shall continue through Contract Year 2006. Rate treatment after Contract Year 2006 shall be determined in a future rate case.

- (c) **Load Previously Served By Skamania Northwest Power Act Sections 5(b)(1)(A) and/or 5(b)(1)(B) Resources**

Skamania may request service from PBL to serve load that would otherwise be served by Skamania's Northwest Power Act sections 5(b)(1)(A) resources and 5(b)(1)(B) generating resources and long-term contract resources that are removed consistent with section 4(d) of Exhibit C, Net Requirements. The Parties shall revise this exhibit to establish monthly HLH and LLH MWs for such service in a table below. The amounts are deemed to be actual for billing purposes. PBL shall provide service within 180 days of the

request at rates BPA has established or establishes as applicable to such loads. The rate treatment for such loads shall continue through Contract Year 2006. Rate treatment after Contract Year 2006 shall be determined in a future rate case.

5. NEW LARGE SINGLE LOADS

- (a) Skamania has no existing NLSL.
- (b) Skamania may request service to a NLSL. The Parties shall revise this exhibit to establish estimated monthly HLH and LLH MWh for such service in a table below. If Skamania chooses to serve the NLSL with a resource the resource shall be added consistent with section 4(f) of Exhibit C, Net Requirements. The total amount subtracted from Total Retail Load in section 4 of the body of this Agreement shall be the metered amount of the load. The same metered amount shall be used by PBL for billing purposes when PBL serves the entire NLSL.

6. REVISIONS

If this exhibit is inconsistent with BPA's 2002 PF Power Rate Schedule as finally approved by FERC, the Parties shall make a good faith effort to amend this exhibit so that it is consistent.

The Parties shall update this exhibit to reflect necessary changes to establish new rate choices consistent with the applicable future rate cases. This shall be done by mutual agreement except as allowed in section 3 of this exhibit.

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Exhibit B BILLING

1. PRIORITY FIRM POWER ENTITLEMENTS

- (a) The amount of Contracted Power in MWh which is established through section 4 of the body of this Agreement during each applicable Diurnal period establishes Skamania's Monthly PF HLH and LLH Energy Entitlements.
- (b) The amount of Contracted Power in MW which is established through section 4 of the body of this Agreement that is made available on Generation System Peak is Skamania's Measured Demand.

2. NEW RESOURCE CONTRACTED POWER ENTITLEMENTS

- (a) The amount of energy served by PBL under section 5 of Exhibit A, Rate Commitments during each applicable Diurnal period establishes Skamania's Monthly NR HLH and LLH Energy Entitlements.
- (b) The amount of demand served by PBL under section 5 of Exhibit A, Rate Commitments that is made available on Generation System Peak is Skamania's Measured Demand.

3. UNAUTHORIZED INCREASE CHARGE

Amounts Taken from PBL in excess of Contracted Power shall be subject to the Unauthorized Increase Charge for demand and energy consistent with the applicable BPA Wholesale Power Rate Schedules and GRSPs, unless such power is provided under another contract with PBL. Power that has been provided for energy imbalance service pursuant to an agreement between TBL and Skamania will not be subject to an Unauthorized Increase Charge for Demand and Energy under this Agreement.

4. CONSERVATION AND RENEWABLES DISCOUNT

Subject to the terms specified in BPA's applicable Wholesale Power Rate Schedules, including GRSPs, BPA shall apply the Conservation and Renewables Discount to Skamania's Contracted Power as established in section 4 of the body of this Agreement unless Skamania has notified PBL before August 2001 that it will not participate in the Conservation and Renewables Discount. For purposes of establishing power amounts eligible for this discount, Skamania shall provide PBL a reasonable forecast of such firm power amounts through Contract Year 2006 by no later than August 1, 2001.

If during any Contract Year, Skamania has significant load loss or gain, the Parties may, by no later than August 31 prior to the succeeding Contract Year, revise the forecast used to calculate the Conservation and Renewables Discount. If the revised forecast is less than 95 percent of, or greater than 105 percent of, the forecast used to calculate the existing Conservation and Renewables Discount, the revised

forecast shall be used to recalculate the Conservation and Renewables Discount for the succeeding Contract Years.

To retain the full amount of the Conservation and Renewables Discount Skamania shall satisfy all obligations associated with the Conservation and Renewables Discount as specified in BPA's applicable Wholesale Power Rate Schedules, including GRSPs and the Conservation and Renewables Discount implementation manual. Skamania shall reimburse BPA for any amount it received but for which it did not satisfy such obligations.

5. REVISIONS

If this exhibit is inconsistent with BPA's 2002 PF Power Rate Schedule as finally approved by FERC, the Parties shall make a good faith effort to amend this exhibit so that it is consistent.

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Exhibit C NET REQUIREMENTS

1. ESTABLISHING NET REQUIREMENT

Skamania's net requirement is its Total Retail Load less both the resource amounts, if any, established in section 2(d) of this exhibit and the metered amounts of known non-Skamania resources, if any, established in section 3 of this exhibit. Except for modifications allowed in section 4 of this exhibit these resource amounts are not allowed to change during the term of this Agreement.

2. CUSTOMER RESOURCES

(a) Non-Dispatchable Resources Committed to Load

Skamania commits all of the output from the following resources to serve Total Retail Load. The output of each resource is measured at the applicable Points of Measurement listed in Exhibit E, Points of Measurement.

Resource Name

None at this time.

(b) Declared Output of Specific Skamania Resources

Skamania commits the firm output from the following resources (or an equivalent amount from another source) to serve its Total Retail Load.

(1) Columbia Storage Power Exchange (CSPE)

Section 1 - Resource Profile								
Resource Name	5b1A	5b1B	Resource Type	% Share	Peak Cap (MW's)	% Ded. To Load	Date of Res. Add	Date of Removal
CSPE	x		Hydro	0.2	0.374/0.333	100	10/01/2001	03/31/2003

CSPE (Amounts Shown After Losses)												
Contract Year	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
2002												
Total (MWh)	145.186	140.314	144.991	144.991	130.959	144.991	116.651	120.707	116.813	120.707	120.707	137.549
HLH (MWh)	145.186	140.314	144.991	144.991	130.959	144.991	116.651	120.707	116.813	120.707	120.707	137.549
LLH (MWh)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Peak (MW)	0.350	0.350	0.350	0.350	0.350	0.350	0.311	0.311	0.311	0.311	0.311	0.311
2003												
Total (MWh)	142.325	137.549	142.134	142.134	128.379	142.134	0.000	0.000	0.000	0.000	0.000	0.000
HLH (MWh)	142.325	137.549	142.134	142.134	128.379	142.134	0.000	0.000	0.000	0.000	0.000	0.000
LLH (MWh)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Peak (MW)	0.311	0.311	0.311	0.311	0.311	0.311	0.000	0.000	0.000	0.000	0.000	0.000

(c) **Unspecified Resource Amounts Committed to Serve Total Retail Load**

Skamania currently has no unspecified resources committed to serve its Total Retail Load and may only add such resources pursuant to sections 4(b), 4(c), and 4(f) below.

(d) **Total Resource Amounts Committed to Serve Total Retail Load**

In addition to the any non-dispatchable resources established in 2(a) above, Skamania commits each hour to provide the total resource amounts committed in sections 2(b) and 2(c). The amount based on these resource declarations that Skamania commits to provide each hour is shown in the table below. These amounts shall be updated whenever sections 2(b) or 2(c) above are modified, consistent with section 4 of this exhibit.

Contract Year	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
2002												
Total (MWh)	145.186	140.314	144.991	144.991	130.959	144.991	116.651	120.707	116.813	120.707	120.707	137.549
HLH (MWh)	145.186	140.314	144.991	144.991	130.959	144.991	116.651	120.707	116.813	120.707	120.707	137.549
LLH (MWh)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Peak (MW)	0.350	0.350	0.350	0.350	0.350	0.350	0.311	0.311	0.311	0.311	0.311	0.311
2003												
Total (MWh)	142.325	137.549	142.134	142.134	128.379	142.134	0.000	0.000	0.000	0.000	0.000	0.000
HLH (MWh)	142.325	137.549	142.134	142.134	128.379	142.134	0.000	0.000	0.000	0.000	0.000	0.000
LLH (MWh)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Peak (MW)	0.311	0.311	0.311	0.311	0.311	0.311	0.000	0.000	0.000	0.000	0.000	0.000

(e) **Skamania Resource Not Used To Serve Total Retail Load**

None at this time.

3. **NON-SKAMANIA GENERATING RESOURCES**

Known non-Skamania resources, if any, greater than 1 MW that provide power to serve Skamania's Total Retail Load or such resources that otherwise connect to Skamania's distribution system are listed below. The power amounts are measured at the Points of Measurement established for each resource in Exhibit E, Points of Measurement.

None at this time.

4. **CHANGES TO RESOURCE AMOUNTS**

(a) **Annual Right to Add New Renewable Resources**

Skamania may add new renewable resources to sections 2(a) or 2(b) of this exhibit according to the terms of this provision. Skamania shall request the addition of such resources at least 60 days before the start of the Contract Year the resources will be added. The request shall identify the resources, the length of time that the resources shall be applied to Skamania's Total Retail Load and power amounts from the resources for each month of the request. PBL will revise section 2 of this exhibit prior to the start of the

Contract Year if PBL agrees that the resource meets BPA's standards to qualify for BPA's Conservation and Renewables Discount, subject to any applicable limits established in BPA's policy on net requirements under section 5(b) of the Northwest Power Act. Skamania shall resume purchasing Contracted Power under this Agreement when its commitment to apply the renewable resource ends. The rate treatment for such power shall be the same Skamania would have received for such power if Skamania had not chosen to apply a resource under this provision.

- (b) **Resource Additions for a BPA Insufficiency Notice**
Skamania shall add resources under sections 2(b), or 2(c) to replace amounts of Contracted Power BPA notifies Skamania will not be provided due to a notice under section 15(b) of the body of this Agreement.
- (c) **Decrements for 9(c) Export**
PBL may determine consistent with BPA's policy implementing section 9(c) of the Northwest Power Act and section 3(d) of P.L 88-552 (9(c) Policy) that an export of a Skamania resource requires a reduction in the amount of Federal power that PBL sells under this Agreement. If PBL determines such a reduction is required it will notify Skamania of the amount and duration of the reduction. PBL shall revise this exhibit to include such amounts as unspecified resources for the duration of the export requiring such reduction under section 2(c) above. This amount shall be identified separately from any other amounts of unspecified resources established in that provision. The addition to section 2(c) shall also be included in the total resource amount established in section 2(d). Determinations by PBL to reduce the amount of Federal power sold are not subject to arbitration under section 14 of the body of this Agreement.
- (d) **Permanent Resource Removal**
The resource amounts established in section 2 of this exhibit may be removed permanently by Skamania consistent with statutory discontinuance for permanent removal in BPA's policy on net requirements under section 5(b) of the Northwest Power Act. If PBL determines Skamania has met PBL's standards for a permanent removal, the exhibit will be revised to show the agreed resource changes. Additional power purchases under this Agreement as a result of such a resource removal are subject to the terms established in section 4(d) of Exhibit A, Rate Commitments. Determinations by PBL on the permanent removal of a resource are not subject to arbitration under section 14 of the body of this Agreement.
- (e) **Changes to Non-Skamania Resources**
Skamania shall annually update the information established for non-Skamania resources in section 3 at least 60 days before the start of each Contract Year, if circumstances reasonably warrant such a change. Subject to agreement of the Parties, the exhibit shall be revised to show the updated information prior to the start of the applicable Contract Year.

(f) **Resource Additions for NLSL**

Skamania may add resources to sections 2(b) or 2(c) above in order to serve a NLSL consistent with the rights established in section 5 of Exhibit A, Rate Commitments.

5. RESOURCE DECLARATIONS

The resource capabilities set forth in sections 2(a), (b), and (c) of this exhibit are dedicated to serving Skamania's firm load pursuant to section 5(b) of the Northwest Power Act. In addition to the resource capabilities set forth in such sections that may be removed pursuant to other sections of this Agreement, BPA consents that the resource capabilities set forth in section 2(c) above may be discontinued from use in serving Skamania's firm load upon the termination or expiration of this Agreement. The resources established in sections 2(e) and 3 above are not used to serve Skamania's firm load under section 5(b) of the Northwest Power Act and will not be required to be so used after the termination or expiration of this Agreement.

6. REVISIONS

When required Skamania shall submit a revised Exhibit C, Net Requirements, to PBL at least 60 days prior to each Contract Year. As long as Skamania's submittal is consistent with the requirements of this exhibit PBL shall accept it as submitted. If Skamania fails to submit revisions when necessary, or if the information provided is inconsistent with the requirements of this exhibit, PBL shall update this exhibit prior to the beginning of the Contract Year with the information PBL believes is required.

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Exhibit D
ADDITIONAL PRODUCTS AND SPECIAL PROVISIONS

1. *None at this time.*

2.. **REVISIONS**

This exhibit shall be revised by mutual agreement of the Parties to reflect additional products Skamania purchases during the term of this Agreement.

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**Exhibit E, Table 1
POINTS OF MEASUREMENT FOR LOADS**

Transmission Point of Delivery (Voltage) Points of Measurement (Metering Voltage)	Metering Location */	Manner of Service */
<u>Carson Transmission Point of Delivery (12.5 kV) Carson (12.5 kV)</u>	B's Carson Substation	Direct - B to C
<u>Cape Horn Transmission Point of Delivery (12.5 kV) Cape Horn (12.5 kV)</u>	B's Cape Horn Substation	Direct - B to C
<u>North Bonneville Transmission Point of Delivery (12.5 kV) North Bonneville (12.5 kV) North Bonneville Station Service (12.5 kV)</u>	B's North Bonneville Substation B's North Bonneville Substation	Direct - B to C Direct - B to C
<u>Stevenson Substation Transmission Point of Delivery (12.5 kV) Stevenson (12.5 kV) Stevenson Station Service (12.5 kV)</u>	B's Stevenson Substation B's Stevenson Substation	Direct - B to C Direct - B to C
<u>Underwood Transmission Point of Delivery (12.5 kV) Underwood (12.5 kV)</u>	B's Underwood Substation	Direct - B to C

**Exhibit E, Table 2
POINTS OF MEASUREMENT FOR RESOURCES**

Transmission Point of Delivery (Voltage) Points of Measurement (Metering Voltage)	Metering Location */	Customer's Transmission or Distribution System */
<i>None at this time.</i>		

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* B = BPA and C = Customer (Skamania)