





1(a)(1). PNCA Total Retail Load

MULTI - YEAR VERSION

Notes: Source is PSE's PNCA submitted dated 01/23/2000

DATA IN SHADED AREA EXTRACTED FROM PNCA, ESCALATED AT 2%

Contract Year	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average
2001/2002															
HLH (MWH)															
LLH (MWH)															
MWh	2546	2529.9	3251.7	3286.6	3154.4	2983.3	2853.3	2853.3	2472.1	2278.8	2203.7	2303.4	2303.4	2364.7	2524.0
Peak (MW)	3582.2	4254.8	4786.6	4851.8	4589	4311.8	3823.5	3823.5	3277	2926.5	2818.3	2877.8	2877.8	3025.5	
2002/2003															
HLH (MWH)															
LLH (MWH)															
MWh	2593.8	2885	3243.3	3438.4	3221.5	3022.3	2742.3	2742.3	2524.6	2430.2	2370	2412.6	2412.6	2414.9	2578.3
Peak (MW)	3649.5	4428.4	4878.5	4954.6	4699.7	4399.8	3769.7	3769.7	3346.8	2997.8	2878.2	2948.1	2948.1	3088.8	
2003/2004															
HLH (MWH)															
LLH (MWH)															
MWh	2648.9	3042.4	3414.4	3489.8	3278.9	3083.2	2791.1	2791.1	2588.4	2473.2	2411.8	2461.872	2461.872	2477.5	2677.5
Peak (MW)	3727	4302.7	4801.1	5042.1	4780.4	4188.4	3775.6	3775.6	3408	3051	2927.1	3008.082	3008.082	3112	3112
2004/2005															
HLH (MWH)															
LLH (MWH)															
MWh	2783.3	3131.4	3432.7	3599.9	3348.9	3137.0	2881	2881	2633.8	2520.7	2440.1	2511.1	2511.1	2511.1	2680.8
Peak (MW)	3810	4512.9	5075	5142.0	4825	4223.4	3898	3898	3372.1	3120	2960.9	3040	3040	3144	3244.5
2005/2006															
HLH (MWH)															
LLH (MWH)															
MWh	2851.9	3171.8	3472	3617	3414	3202.8	2928	2928	2670.2	2570	2468.3	2510	2510	2520	2710
Peak (MW)	4272.2	5117	5513	5748.1	5291.5	4858	4388	4388	3843.8	3528	3361	3417	3417	3428	3578.5

**2.3.1 - Exhibit C Unspecified Resources for Balancing Not Requirements** USE THIS DATA

Contract Year	Declared Monthly Firm Output												Average		
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug 1st		Aug 2nd	September
2001/2002															
HLH (MWh)															
LLH (MWh)															
MWa	433.8	853.3	1022.2	1328.6	1123.0	941.5	855.9	549.9	536.6	-125.2	-167.1	-135.4	-55.4	182.9	555.6
Peak (MW)	215.6	1015.2	1467.3	1544.0	1205.6	543.3	315.9	154.0	518.0	-726.8	-968.1	-858.7	-876.4	-588.4	
2002/2003															
HLH (MWh)															
LLH (MWh)															
MWa	543.0	821.7	1099.4	1413.8	1202.8	1012.3	740.3	638.0	641.1	-36.9	-43.1	-47.9	34.2	252.6	637.5
Peak (MW)	324.3	1138.0	1596.3	1688.0	1444.3	889.9	490.0	320.9	689.2	-562.6	-808.0	-737.8	-711.0	-405.1	
2003/2004															
HLH (MWh)															
LLH (MWh)															
MWa	637.1	1026.1	1213.7	1516.4	1300.9	1106.8	839.7	743.3	672.9	15.8	-34.3	1.5	84.1	302.6	718.8
Peak (MW)	501.1	1325.7	1800.8	1876.7	1630.0	835.4	644.4	482.9	743.2	-473.1	-718.8	-665.5	-850.7	-337.6	
2004/2005															
HLH (MWh)															
LLH (MWh)															
MWa	891.8	1066.8	1246.3	1447.3	1227.1	1185.3	851.8	765.9	754.3	212.6	154.5	183.1	278.3	484.7	796.2
Peak (MW)	544.5	1429.8	1926.5	1848.8	1428.6	928.4	678.1	511.1	644.3	-165.8	-354.3	-304.6	-383.2	33.9	
2005/2006															
HLH (MWh)															
LLH (MWh)															
MWa	747.6	1045.8	1255.3	1555.7	1328.7	1250.9	891.4	817.4	647.1	302.1	225.8	271.1	371.1	547.5	862.5
Peak (MW)	467.6	1297.1	1762.8	1864.4	1602.2	1088.5	831.8	675.2	1094.4	31.7	-221.7	-153.0	-130.6	187.8	
2006/2007															
HLH (MWh)															
LLH (MWh)															
MWa	875.6	1297.1	1762.8	1864.4	1602.2	1088.5	831.8	675.2	1094.4	31.7	-221.7	-153.0	-130.6	187.8	
Peak (MW)	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug 1st	Aug 2nd	September	Average

1(a)(1). PNCA Total Retail Load

ANNUAL VERSION

Notes: Source is PSE's PNCA submittal dated 01/31/2000

Contract Year	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug 1st	Aug 2nd	September	Average
2001/2002															
HLH (MWh)															
LLH (MWh)															
MWh	2548	2929.9	3281.7	3366.8	3154.4	2999.3	2985.3	2853.3	2472.1	2379.6	2320.7	2363.4	2363.4	2364.7	2524.0
Peak (MW)	3582.2	4354.1	4788.8	4851.6	4599	4011.6	3822.5	3622.5	3277	2955.5	2816.3	2887.8	2887.8	3025.5	
HLH (MWh)															
LLH (MWh)															
MWh															
Peak (MW)															
2003/2004															
HLH (MWh)															
LLH (MWh)															
MWh															
Peak (MW)															
2004/2005															
HLH (MWh)															
LLH (MWh)															
MWh															
Peak (MW)															
2006/2008															
HLH (MWh)															
LLH (MWh)															
MWh															
Peak (MW)															
October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average	



**Insley, Gary - PTS-5**

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**From:** Wilson, Scott - PT-5  
**Sent:** Thursday, May 31, 2001 11:52 AM  
**To:** Kitchen, Larry - PT-5; Insley, Gary - PTS-5; Hanlon, Doug - PTS-5; Miller, Mark - PT-5; Boling, Rodney - DFF-2  
**Subject:** RE: Two Little Questions re PSE Revised Exh C

Larry got it right. Which is good since my guess is that we already made the change in what they are negotiating with PSE on today. For future reference please be careful about changing headings in the exhibit since headings of standard provisions are considered sacred by the Standardization Police. Thanks  
--Scott

-----Original Message-----

**From:** Kitchen, Larry - PT-5  
**Sent:** Tuesday, May 29, 2001 3:35 PM  
**To:** Kitchen, Larry - PT-5; Insley, Gary - PTS-5; Hanlon, Doug - PTS-5; Miller, Mark - PT-5; Boling, Rodney - DFF-2  
**Cc:** Wilson, Scott - PT-5  
**Subject:** RE: Two Little Questions re PSE Revised Exh C

I will consult our Exhibit C expert. What do you think Scott? Larry

-----Original Message-----

**From:** Kitchen, Larry - PT-5  
**Sent:** Tuesday, May 29, 2001 3:34 PM  
**To:** Insley, Gary - PTS-5; Hanlon, Doug - PTS-5; Miller, Mark - PT-5; Boling, Rodney - DFF-2  
**Subject:** RE: Two Little Questions re PSE Revised Exh C

Gary, Use of 2b2 is another option to 2b1. I think the correct format would be to include the 368 for years 2002 through 2006 and reduce the amount to zero in 2007. Larry

-----Original Message-----

**From:** Insley, Gary - PTS-5  
**Sent:** Tuesday, May 29, 2001 3:07 PM  
**To:** Hanlon, Doug - PTS-5; Miller, Mark - PT-5; Kitchen, Larry - PT-5; Boling, Rodney - DFF-2  
**Subject:** Two Little Questions re PSE Revised Exh C

I put the 368 MWa in 2b2, not 2b1. Does everyone view this as correct?

And Is it OK to change the title of section 2b2 from "Specific Amounts Committed for Contract Term" to "Specific Amounts Committed 2002-2006", since the 368 MWa amount may not be committed for the second 5 years?

## Insley, Gary - PTS-5

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**Sent:** Tuesday, May 29, 2001 3:35 PM  
**To:** Kitchen, Larry - PT-5; Insley, Gary - PTS-5; Hanlon, Doug - PTS-5; Miller, Mark - PT-5; Boling, Rodney - DFF-2  
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And Is it OK to change the title of section 2b2 from "Specific Amounts Committed for Contract Term" to "Specific Amounts Committed 2002-2006", since the 368 MWa amount may not be committed for the second 5 years?

**Insley, Gary - PTS-5**

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**From:** Insley, Gary - PTS-5  
**Sent:** Friday, June 01, 2001 8:22 AM  
**To:** Hanlon, Doug - PTS-5; Kitchen, Larry - PT-5; Miller, Mark - PT-5  
**Subject:** PSE Exhibit C Text Insert



PSE 12168 AA1 10  
yr Exh C\_no\_2...

This is revised to move the 368MWa to 2b1, ie table 2b2 shows zeroes. This should drop into any word processing update, assuming the headers and footers match. On to the spreadsheet fix to make the 2b1 math correct...

**Exhibit C**  
**NET REQUIREMENTS**

**1. ESTABLISHING NET REQUIREMENT**

(a) **Initial Net Requirement**

(1) **Total Retail Load Forecast**

The tables below shows the PBL approved forecast of PUGET SOUND ENERGY's Total Retail Load. The Parties agree that this forecast shall not be subject to arbitration under section 14 of the body of this Agreement.

(2) **Initial Net Requirement**

PUGET SOUND ENERGY's net requirement amounts are derived by taking the forecast of PUGET SOUND ENERGY's Total Retail Load and subtracting from it the resource amounts that are committed to serve PUGET SOUND ENERGY's Total Retail Load under section 2(c) of this exhibit and the amount of load served by known non-PUGET SOUND ENERGY resources, if any, as established in section 3 of this exhibit.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year 2002												
Total MWh	0	0	0	0	0	0	0	0	0	0	0	0
Peak MW	0	0	0	0	0	0	0	0	0	0	0	0

(b) **Annual Update of Net Requirement**

(1) **Updated Forecast of Total Retail Load**

At least 60 days prior to the start of each Contract Year, PUGET SOUND ENERGY shall provide PBL an updated monthly forecast of PUGET SOUND ENERGY's Total Retail Load in sufficient detail to fill in the table below. Up to 30 days before the start of the Contract Year PBL may notify PUGET SOUND ENERGY that PBL has determined that the forecast submitted when considered as a whole is not reasonable and that PBL will substitute a forecast of Total Retail Load that it considers reasonable to fill in the table below. The only issue arising under this section 1(b)(1) that is subject to arbitration under section 14 of body of this Agreement is whether PBL's forecast when considered as a whole was reasonable. Such arbitration shall not include the interpretation or application of BPA's policies to such load forecast. However, the Parties may mutually agree to mediate disputes regarding PBL's forecast. Prior to the start of the Contract Year this exhibit shall be revised to update the forecast in the table below.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year												
Total MWh	N/A											
Peak MW	N/A											

(2) **Review of Net Requirements Amounts**

PUGET SOUND ENERGY's updated net requirement amounts are derived by taking the PUGET SOUND ENERGY forecast of Total Retail Load established in section 1(b)(1) above and subtracting from it the resource amounts that are committed to serve PUGET SOUND ENERGY's Total Retail Load under section 2(c) and the amount of load served by known non-PUGET SOUND ENERGY resources, if any, as established in section 3 of this exhibit. The updated net requirement amounts shall be shown in the table below.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year												
Total MWh	N/A											
Peak MW	N/A											

**2. CUSTOMER RESOURCES**

The amounts listed in the tables in this section are only for determining PUGET SOUND ENERGY's net requirement under this Agreement and do not imply any specific resource operation, nor are the amounts intended to interfere with PUGET SOUND ENERGY's decisions on how to operate its specific resources.

- (a) **Declared Output of Specific PUGET SOUND ENERGY Resources**  
PUGET SOUND ENERGY commits the firm output from the following resources (or an equivalent amount from another source) to serve its Total Retail Load.

(b) **Unspecified Resource Amounts Committed To Serve Total Retail Load**

PUGET SOUND ENERGY shall use its best efforts to meet the obligations to provide unspecified resources established in the provisions below. PUGET SOUND ENERGY agrees that if such power is acquired from PBL under this Agreement, then the power provided will be subject to the Unauthorized Increase Charge.

(1) **Unspecified Resources for Balancing Net Requirements**

PUGET SOUND ENERGY agrees to provide power from unspecified resources to serve Total Retail Load in amounts, and in periods, equal to its Total Retail Load not served through PUGET SOUND ENERGY's power purchases committed to load under this Agreement, through resource amounts committed in section 2(a) above, through unspecified resource amounts established in section 2(b)(2) and section 2(b)(3) below, or through amounts in section 3 below. The amount in the table below shall be updated annually to show the amount, if any that the forecast established in section 1(b)(1) of this exhibit exceeds the sum of the following: the power amount established in section 4 of the body of this exhibit (as updated consistent with section 5 of this exhibit); and resource amounts committed for the upcoming Contract Year in sections 2(a), 2(b)(2), 2(b)(3), and 3 of this exhibit.

(2) **Specific Amounts Committed for Contract Term**

In addition to the resource amounts established in 2(a) above, PUGET SOUND ENERGY agrees to serve its Total Retail Load with unspecified resources in the amounts listed in the table below.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year 2002												
Total MWh	0	0	0	0	0	0	0	0	0	0	0	0
Peak MW	0	0	0	0	0	0	0	0	0	0	0	0

(3) **Amounts Committed for 9(c) Decrements**

Below are the amounts of unspecified resources added consistent with BPA's 9(c) Policy and the requirements of section 4(c) of this exhibit.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year 2002												
Total MWh	0	0	0	0	0	0	0	0	0	0	0	0
Peak MW	0	0	0	0	0	0	0	0	0	0	0	0

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

PUGET SOUND ENERGY commits the resources listed in sections 2(a) and 2(b) above to serve Total Retail Load amounts served by PUGET SOUND ENERGY and not served with Contracted Power through this Agreement. The total amount of PUGET SOUND ENERGY's resources are shown in the table below. These amounts shall be updated whenever sections 2(a) or 2(b) above are modified, consistent with section 4 of this exhibit.

(d) **PUGET SOUND ENERGY Resources Not Used to Serve Total Retail Load**

**3. NON-PUGET SOUND ENERGY GENERATING RESOURCES**

Known non-PUGET SOUND ENERGY resources, if any, greater than 1 MW that provide power to serve PUGET SOUND ENERGY's Total Retail Load or such resources that otherwise connect to PUGET SOUND ENERGY's distribution system are listed below.

Generating Resource Name	Resource Type	Nameplate Capability
<i>None At This Time.</i>		<i>0 MW</i>

The amounts in the table below establish the total amount of non-PUGET SOUND ENERGY resources that the Parties agree are to be applied to serve PUGET SOUND ENERGY's Total Retail Load to calculate PUGET SOUND ENERGY's net requirement. These amounts may only be modified consistent with section 4 of this exhibit.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year 2002												
Total MWh	0	0	0	0	0	0	0	0	0	0	0	0
Peak MW	0	0	0	0	0	0	0	0	0	0	0	0

**4. CHANGES TO RESOURCE AMOUNTS**

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

PUGET SOUND ENERGY may add new renewable resources to section 2(a) of this exhibit according to the terms of this provision. PUGET SOUND ENERGY 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 PUGET SOUND ENERGY'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 Renewable Discount, subject to any applicable limits established in BPA's policy on net requirements under section 5(b) of the Northwest Power Act. PUGET SOUND ENERGY 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 PUGET SOUND ENERGY would have received for such power if PUGET SOUND ENERGY had not chosen to apply a resource under this provision.

**(b) Resource Additions for a BPA Insufficiency Notice**

In lieu of the unspecified resource amounts established in 2(b)(1), PUGET SOUND ENERGY shall add resources to section 2(a) or 2(b)(2) to replace amounts of Contracted Power BPA notifies PUGET SOUND ENERGY will not be provided due to a notice under section 14(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 PUGET SOUND ENERGY 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 PUGET SOUND ENERGY 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(b)(3). 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. When a decrement under the BPA 9(c) Policy occurs within the Contract Year: (1) the monthly amounts in section 1(b)(2) shall be reduced by how much the monthly amounts added to section 2(b)(3) exceed the corresponding monthly amounts in section 2(b)(1); and (2) the Contracted Power provided by PBL shall also be reduced within the Contract Year consistent with such changes in section 1(b)(2), through the terms of section 5 below.

(d) **Permanent Resource Removal**

The resource amounts established in section 2 of this exhibit may be removed permanently by PUGET SOUND ENERGY 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 PUGET SOUND ENERGY has met PBL's standards for a permanent removal, the exhibit will be revised to show the agreed resource changes. Determinations by PBL on the permanent removal of a resource are not subject to arbitration under section 13 of the body of this Agreement.

(e) **Changes to Non-PUGET SOUND ENERGY Resources**

PUGET SOUND ENERGY shall annually update the information established for non-PUGET SOUND ENERGY 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) **Annual Retail Load Loss and Resource Removal**

PUGET SOUND ENERGY may reduce the resource amounts established in sections 2(a) and 2(b) above by up to the amount of load loss PUGET SOUND ENERGY reasonably expects in the upcoming Contract Year consistent with the requirements of this section. PUGET SOUND ENERGY shall notify PBL at least 60 days prior to the applicable Contract Year, identifying the total monthly MWh amounts of load loss. Reductions in resource amounts shall apply first to unspecified resources established in sections 2(b)(1) and 2(b)(2) of this exhibit. Additional reductions shall apply to specific resources in section 2(a) of this exhibit identified by PUGET SOUND ENERGY in the notice. The Parties shall revise this exhibit prior to the start of the Contract

Year to make the changes in the resources and shall establish those changes in tables below which shall identify the specific changes that were made to the resources. The resource changes shall only apply for one Contract Year. Prior to the start of the subsequent Contract Year this exhibit shall be revised to add back the resources shown in tables below to the applicable provisions in section 2 of this exhibit, except for amounts PUGET SOUND ENERGY requests to remove under this provision for the following Contract Year. Resources removed under this provision continue to be subject to the 9(c) Policy.

(g) **Revisions for Changes in Resource Output**

Up to 60 days prior to the start of a Contract Year PUGET SOUND ENERGY may request changes to the monthly distribution of the capabilities of specific resources listed in section 2 of this exhibit. PUGET SOUND ENERGY must demonstrate to PBL's satisfaction that an adjustment is appropriate. When PBL decides to grant a request to revise resource amounts PBL shall revise section 2 of this exhibit to show the changes to the resource. PBL shall approve changes to monthly distributions when the changes to resources included in the Pacific Northwest Coordination Agreement (PNCA) are due to operational changes reflected in PNCA planning. PBL shall revise section 2 of this exhibit to show such changes to the resource.

**5. REDUCTION OF BLOCK PURCHASE AMOUNTS**

The hourly amounts of power provided under this Agreement shall be reduced in any Contract Year when the sum of the monthly net requirement amounts established in section 1(b)(2) above is less than 8,760 hours (8,784 in leap years) multiplied by the corresponding hourly amount established in section 4 of the body of this Agreement. The reduction shall be made by reducing the hourly amount provided in each hour of the Contract Year. The hourly amounts shall also be reduced when resource amounts not already used to calculate the monthly values in section 1(b)(2) are added pursuant to section 4(c) above during the Contract Year. Reduced amounts are subject to payments as established in section 5 of the body of this Agreement. If such a reduction occurs this exhibit will be revised to include a table below with the updated values. When a table is included below it shall supersede the table in section 4 of the body of this Agreement.

**6. RESOURCE DECLARATIONS**

The resource capabilities set forth in sections 2(a) and (b) of this exhibit are dedicated to serving PUGET SOUND ENERGY'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 sections 2(b)(1) and 2(b)(2) above may be discontinued from use in serving PUGET SOUND ENERGY's firm load upon the termination or expiration of this Agreement. The resources established in sections 2(d) and 3 above are not used to serve PUGET SOUND ENERGY'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.

**7. REVISIONS**

When required PUGET SOUND ENERGY shall submit a revised Exhibit C, Net Requirements, to PBL at least 60 days prior to each Contract Year. As long as PUGET SOUND ENERGY's submittal is consistent with the requirements of this exhibit PBL shall accept it as submitted. If PUGET SOUND ENERGY 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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**Insley, Gary - PTS-5**

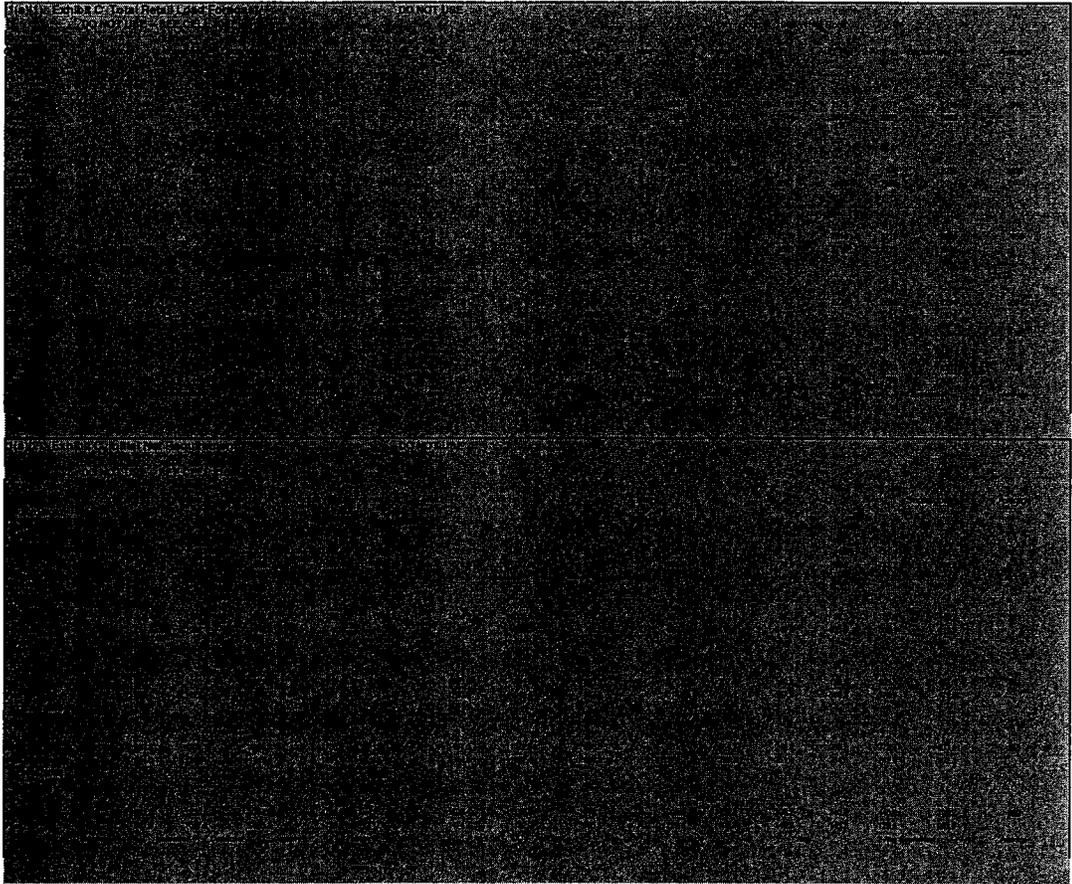
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**From:** Insley, Gary - PTS-5  
**Sent:** Friday, June 01, 2001 8:36 AM  
**To:** Hanlon, Doug - PTS-5; Kitchen, Larry - PT-5; Miller, Mark - PT-5; Boling, Rodney - DFF-2  
**Subject:** PSE-EXH C final 02-11 2b1 revision\_06\_01\_2001.xls



PSE-EXH C final  
02-11 2b1 revi...

Here's the revised Puget Exhibit C CONTENT. I moved the 368MWa to the 2b1 table. I want Rod to check it for accuracy. This interleaves with the text, by section number as shown in the upper left of each page, but not all pages are used nor are they in order. It would be best if I inserted this into the final text.



1(b)(1). Exhibit C Updated Forecast of Total Retail Load [PLACEHOLDER]

DO NOT USE

1(b)(2). Exhibit C Review of Net Requirements Amounts [PLACEHOLDER]

DO NOT USE

SUMMARY OF 2(a) RESOURCES															
MAY EXCLUDE SHUFFLETON AND WHITEHORSE 1 IF FOUND LOST, OBSOLETE, RETIRED															
Contract Year	Declared Monthly Firm Output														
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average
2001/2002															
HLH (MWh)															
LLH (MWh)															
MWa	1,884.2	1,706.8	1,811.5	1,870.2	1,883.4	1,859.8	1,861.4	1,787.4	1,547.5	2,136.8	2,119.8	2,130.8	2,050.8	1,833.8	1809
Peak (MW)	2,986.6	2,971.4	2,961.3	2,959.6	2,925.4	3,100.3	2,948.6	3,110.5	2,981.0	3,294.1	3,416.4	3,418.5	3,396.2	3,225.9	
2002/2003															
HLH (MWh)															
LLH (MWh)															
MWa	1,882.4	1,865.3	1,875.8	1,856.6	1,850.7	1,851.0	1,834.0	1,736.3	1,315.5	2,098.1	2,085.1	2,093.5	2,011.4	1,794.3	1784
Peak (MW)	2,972.2	2,930.4	2,910.2	2,896.6	2,884.4	3,056.9	2,848.7	3,010.8	2,289.4	3,192.5	3,318.2	3,318.9	3,292.1	3,126.9	
2003/2004															
HLH (MWh)															
LLH (MWh)															
MWa	1,943.8	1,854.3	1,832.7	1,815.4	1,810.0	1,810.5	1,543.4	1,679.8	1,528.5	2,089.4	2,078.2	2,092.4	2,039.8	1,792.7	1785
Peak (MW)	2,973.9	2,827.0	2,811.3	2,798.4	2,792.4	2,961.0	2,763.2	2,924.7	2,294.8	3,156.1	3,277.9	3,306.6	3,290.7	3,120.8	
2004/2005															
HLH (MWh)															
LLH (MWh)															
MWa	1,942.2	1,852.5	1,830.4	1,754.4	1,749.4	1,813.7	1,627.1	1,723.0	1,486.5	1,942.1	1,927.6	1,950.0	1,868.8	1,648.8	1736
Peak (MW)	2,848.0	2,823.5	2,806.2	2,689.2	2,678.4	2,954.4	2,604.0	2,965.1	2,241.8	3,049.9	2,976.0	3,004.9	2,983.5	2,813.7	
2005/2006															
HLH (MWh)															
LLH (MWh)															
MWa	1,640.3	1,757.8	1,929.1	1,717.3	1,714.6	1,591.0	1,804.4	1,718.1	1,458.1	1,883.0	1,908.4	1,922.2	1,822.2	1,607.2	1722
Peak (MW)	2,842.0	3,048.9	3,030.4	3,014.4	3,003.3	2,879.3	2,733.8	2,865.0	2,188.2	2,774.6	2,909.0	2,914.6	2,892.2	2,723.1	
2006/2007															
HLH (MWh)															
LLH (MWh)															
MWa	1,392.8	1,752.2	1,907.7	1,888.3	1,870.1	1,598.4	1,801.8	1,822.2	1,469.9	1,910.1	1,920.3	1,942.2	1,829.2	1,608.2	1726
Peak (MW)	2,700.0	2,974.0	2,964.0	2,943.0	2,928.0	2,802.0	2,851.0	2,810.0	2,682.0	2,897.0	2,890.0	2,977.0	2,948.0	2,786.0	
2007/2008															
HLH (MWh)															
LLH (MWh)															
MWa	1,598.8	1,756.2	1,917.7	1,714.3	1,876.1	1,595.4	1,814.1	1,748.2	1,463.3	1,896.6	1,874.3	1,918.2	1,825.2	1,612.2	1723
Peak (MW)	2,814.0	3,084.0	3,071.0	3,056.0	3,038.0	2,916.0	2,782.0	2,924.0	2,268.0	2,911.0	2,940.0	2,911.0	2,885.0	2,723.0	
2008/2009															
HLH (MWh)															
LLH (MWh)															
MWa	1,803.8	1,750.2	1,919.7	1,709.3	1,705.9	1,582.4	1,598.1	1,883.2	1,478.3	1,890.1	1,908.3	1,916.2	1,825.2	1,612.2	1724
Peak (MW)	2,751.0	3,021.0	3,007.0	2,993.0	2,974.0	2,853.0	2,852.0	2,814.0	2,186.0	2,745.0	2,908.0	2,911.0	2,885.0	2,723.0	
2009/2010															
HLH (MWh)															
LLH (MWh)															
MWa	1,803.8	1,750.2	1,919.7	1,709.2	1,707.1	1,586.4	1,600.1	1,718.2	1,448.3	1,884.6	1,908.3	1,916.2	1,825.2	1,612.2	1724
Peak (MW)	2,751.0	3,021.0	3,007.0	2,993.0	2,974.0	2,853.0	2,899.0	2,861.0	2,139.0	2,745.0	2,908.0	2,911.0	2,885.0	2,723.0	
2010/2011															
HLH (MWh)															
LLH (MWh)															
MWa	1,803.8	1,750.2	1,919.7	1,820.3	1,618.1	1,497.4	1,511.1	1,382.2	1,359.3	1,570.6	1,584.3	1,582.2	1,501.2	1,288.2	1657
Peak (MW)	2,751.0	3,021.0	3,007.0	2,886.0	2,877.0	2,756.0	2,629.0	2,519.0	2,042.0	2,403.0	2,586.0	2,589.0	2,543.0	2,361.0	

2(a)(1) White River Hydro

VB Table D-6 Line 2

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TPL	Contract Termination Date (Contracts Only)	Notes						
		SB1A	SB1B													
White River Hydro at Clearing	X			Hydro	4	23.4	100	100								
Contract Years:	Declared Monthly Firm Output	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	August	2-Aug	September	Average
2002-2011	HLH (MWh)															
	LLH (MWh)															
	MW's	3	7	44	17	18	35	47	53	60	63	62	62	31	0	34
	Peak (MW)	26	64	63	56	43	43	47	53	60	63	62	62	51	0	

2(a)(2) Upper Baker Hydro

VB Table D-6 Line 3

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TPL	Contract Termination Date (Contracts Only)	Notes						
		SB1A	SB1B													
Upper Baker River Hydro at Concrete	X			Hydro	2	108	100	100								
Contract Years:	Declared Monthly Firm Output	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	August	2-Aug	September	Average
2002-2011	HLH (MWh)															
	LLH (MWh)															
	MW's	0	34	40	8	9	22	8	61	53	45	65	96	72	0	35
	Peak (MW)	0	90	82	80	80	80	54	81	78	90	95	96	84	0	

2(a)(3) Lower Baker Hydro

VB Table D-6 Line 4

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TPL	Contract Termination Date (Contracts Only)	Notes						
		SB1A	SB1B													
Lower Baker Hydro at Concrete, WA	X			Hydro	3	71.4	100	100								
Contract Years:	Declared Monthly Firm Output	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	August	2-Aug	September	Average
2002-2011	HLH (MWh)															
	LLH (MWh)															
	MW's	4	48	59	9	18	5	24	70	71	61	71	72	71	4	39
	Peak (MW)	42	68	59	54	52	47	71	70	71	72	71	71	71	40	

2(a)(4) Snoqualmie Falls [Electron, Nooksack, and Minor Resources]

VB Table D-6 Line 5

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TPL	Contract Termination Date (Contracts Only)	Notes						
		SB1A	SB1B													
Snoqualmie Falls 182 at Snoqualmie	X			Hydro	7	44	100	100		DATA "LUMPED" WITH SNOQUALMIE PER WHITEBOOK						
Contract Years:	Declared Monthly Firm Output	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	August	2-Aug	September	Average
2002-2011	HLH (MWh)															
	LLH (MWh)															
	MW's	30	19	56	28	39	59	62	68	68	68	55	37	34	34	46
	Peak (MW)	72	72	72	72	72	72	72	72	72	72	72	72	72	72	

2(a)(5) Electron [Data included in Snoqualmie Falls]

VB Table D-6 Line 1

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TPL	Contract Termination Date (Contracts Only)	Notes						
		SB1A	SB1B													
Electron at Election	X			Hydro	4	28.4	100	100		DATA "LUMPED" w/ SNOQUALMIE PER WHITEBOOK						
Contract Years:	Declared Monthly Firm Output	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	August	2-Aug	September	Average
2002-2011	HLH (MWh)															
	LLH (MWh)															
	MW's															
	Peak (MW)															

2(a)(6) Nooksack [Data included in Snoqualmie Falls]

VB Table D-6 Line 1

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TPL	Contract Termination Date (Contracts Only)	Notes						
		SB1A	SB1B													
Nooksack	X			Hydro	1	1.7	100	100		DATA "LUMPED" WITH SNOQUALMIE PER WHITEBOOK						
Contract Years:	Declared Monthly Firm Output	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	August	2-Aug	September	Average
2002-2011	HLH (MWh)															
	LLH (MWh)															
	MW's															
	Peak (MW)															

2(a)(7) Wells Share

VB Table D-6 Line 5

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TPL	Contract Termination Date (Contracts Only)	Notes						
		SB1A	SB1B													
Wells (owned by Douglas Co PUD)	X			Hydro	10	820	51.3	100	Expires 08/31/2016							
Contract Years:	Declared Monthly Firm Output	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	August	2-Aug	September	Average
2002-2011	HLH (MWh)															
	LLH (MWh)															
	MW's	99	112	131	114	110	74	77	85	148	144	115	130	115	103	113
	Peak (MW)	271	271	271	271	271	271	271	271	271	271	271	271	271	271	

2(a)(8) Rocky Reach

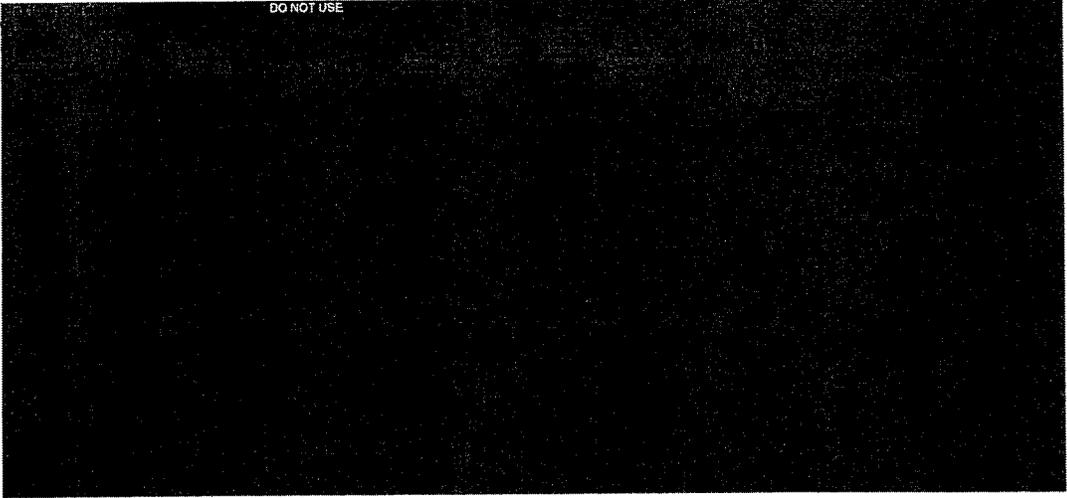
VB Table D-6 Line 6

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TPL	Contract Termination Date (Contracts Only)	Notes						
		SB1A	SB1B													
Rocky Reach (Owned by Chelan)	X			Hydro	11	1291	36.8	100	Expires 11/01/2011							
Contract Years:	Declared Monthly Firm Output	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	August	2-Aug	September	Average
2002-2011	HLH (MWh)															
	LLH (MWh)															
	MW's	180	212	248	218	210	145	148	159	291	287	224	241	217	193	215
	Peak (MW)	504	505	505	505	505	504	504	504	508	508	505	505	505	504	

2(a)(9) Rook Island  
 VB Table D-6 Line 7

Contracting Resource Name Rook Island (Owned by Chelan)	Contract Number X	Northwest Power Act Classification S21A S21B		Resource Type Hydro	# Units 10	Nameplate Capacity (MW) 240	% of Project Output Acquired 50	% of Project Output Dedicated to TBL 100	Contract Termination Date (Contracts Only) Expires 08/08/2012	Meter	Declared Monthly Firm Output											
		October	November								December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug September	Average
2001/2002																						
HLH (MWh)																						
LLH (MWh)																						
MW		174	193	218	197	190	137	125	111	217	208	149	163	171	184	172						
Peak (MW)		404	403	403	403	403	405	405	404	404	404	363	363	364	364							
2002/2003																						
HLH (MWh)																						
LLH (MWh)																						
MW		182	179	202	183	176	127	117	107	201	193	142	153	159	152	161						
Peak (MW)		364	364	363	364	364	365	365	364	363	363	324	323	324	324							
2003/2004																						
HLH (MWh)																						
LLH (MWh)																						
MW		150	185	186	169	183	118	110	103	185	178	134	151	157	150	155						
Peak (MW)		324	324	323	324	324	325	325	324	323	323	284	315	316	316							
2004/2005																						
HLH (MWh)																						
LLH (MWh)																						
MW		148	182	183	185	180	116	109	102	182	175	134	149	154	147	149						
Peak (MW)		318	316	315	316	316	317	317	316	315	315	284	307	308	308							
2005/2006																						
HLH (MWh)																						
LLH (MWh)																						
MW		145	180	180	163	158	115	107	102	179	172	134	156	150	141	150						
Peak (MW)		308	308	307	308	308	309	309	308	307	307	284	284	284	285							
2006/2007																						
HLH (MWh)																						
LLH (MWh)																						
MW		133	180	188	118	119	125	118	212	188	190	152	170	151	136	151						
Peak (MW)		285	284	284	285	285	285	285	282	281	283	284	284	287	288							
2007/2008																						
HLH (MWh)																						
LLH (MWh)																						
MW		133	156	188	160	119	119	117	130	184	188	100	144	147	140	143						
Peak (MW)		348	347	348	347	348	348	348	348	349	349	310	283	284	285							
2008/2009																						
HLH (MWh)																						
LLH (MWh)																						
MW		138	152	170	155	150	110	103	100	189	184	134	144	147	140	144						
Peak (MW)		285	284	284	284	284	285	285	285	282	283	284	283	284	285							
2009/2010																						
HLH (MWh)																						
LLH (MWh)																						
MW		138	152	170	155	150	110	103	100	189	184	134	144	147	140	144						
Peak (MW)		285	284	284	284	284	285	285	285	282	283	284	283	284	285							
2010/2011																						
HLH (MWh)																						
LLH (MWh)																						
MW		138	152	170	155	150	110	103	100	189	184	134	144	147	140	144						
Peak (MW)		285	284	284	284	284	285	285	285	282	283	284	283	284	285							

DO NOT USE













2(a)(24) Whitehorn #2&#3  
 VB Table D-5 Line 18

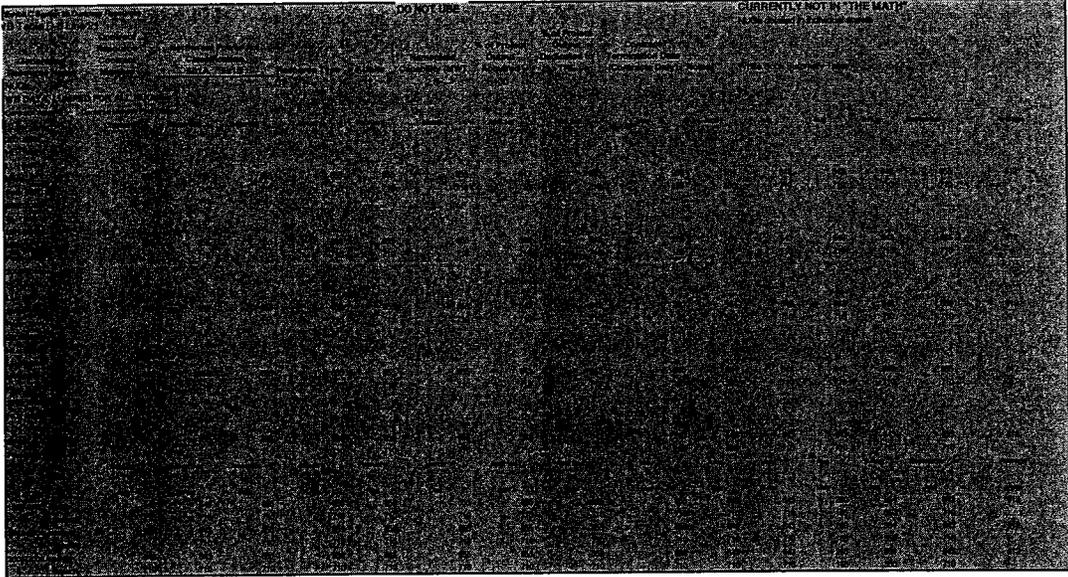
Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TRL	Contract Termination Date (Contracts Only)		Notes
		Sb1A	Sb1B						May	June	
Whitehorn #2&#3 (Fandale WA)			X	CT Gas/Oil	2	178.2	100				
Contract Years	Declared Monthly	Firm Output									
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July
											Aug
											2-Aug
											September
											Average
2002-2011											
HLH (MWh)											
LLH (MWh)											
MWa	4	4	4	4	4	4	4	4	4	4	4
Peak (MW)	178	178	178	178	178	178	178	178	178	178	178

2(a)(25) Colstrip 3 Share  
 VB Table D-5 Line 13

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TRL	Contract Termination Date (Contracts Only)		Notes
		Sb1A	Sb1B						May	June	
Colstrip 3 Share			X	Large Thermal Coal	1	700	12.5 (29% total)				
Contract Years	Declared Monthly	Firm Output									
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July
											Aug
											2-Aug
											September
											Average
2002-2011											
HLH (MWh)											
LLH (MWh)											
MWa	22	22	22	22	22	22	22	22	13	15	22
Peak (MW)	23	23	23	23	23	23	23	23	23	23	23

2(a)(26) Colstrip 4 Share  
 VB Table D-5 Line 14

Generating Resource Name	Contract Resource Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TRL	Contract Termination Date (Contracts Only)		Notes
		Sb1A	Sb1B						May	June	
Colstrip Unit 4 Share			X	Large Thermal Coal	1	700	12.5				
Contract Years	Declared Monthly	Firm Output									
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July
											Aug
											2-Aug
											September
											Average
2002-2011											
HLH (MWh)											
LLH (MWh)											
MWa	22	22	22	22	22	22	22	9	12	22	22
Peak (MW)	23	23	23	23	23	23	23	0	23	23	23











2012/13 Kona Kulehiki														
Contract Years	December			January			February			March			April	
	1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd	1st	2nd
2012-2013	84	80	81	38	36	44	69	69	94	104	82	48	43	64
2013-2014	120	120	120	120	120	120	120	120	120	120	120	120	120	120

Contract Years	Decided Monthly Firm Output														
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average
2012-2013	84	80	81	38	36	44	69	69	94	104	82	48	43	64	64
2013-2014	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120

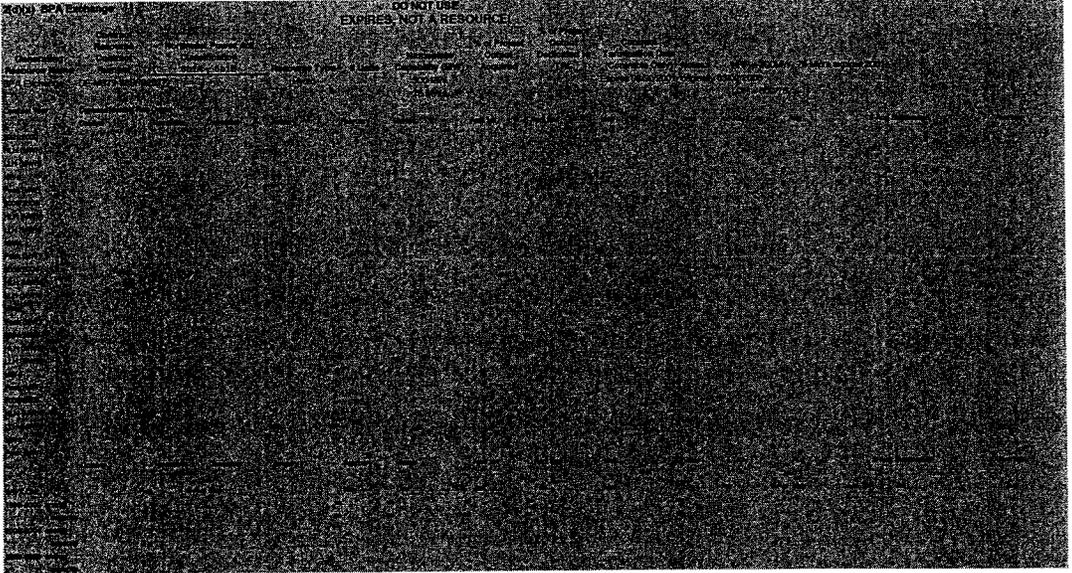
SOURCE BEC



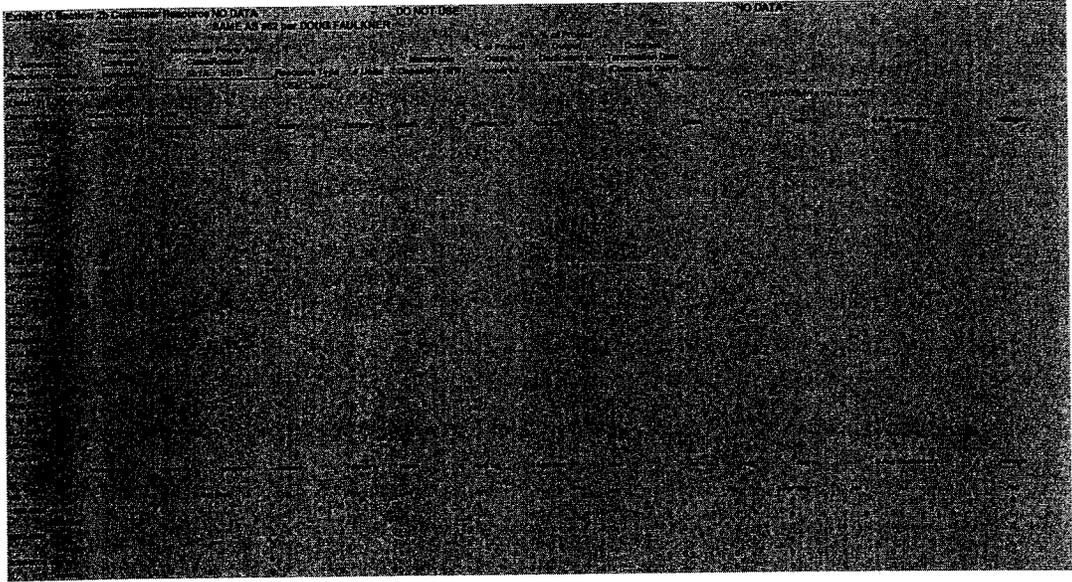












2(d)(10) WNP-3 Exchange (Out)

VB Table D-6 Line 45/45

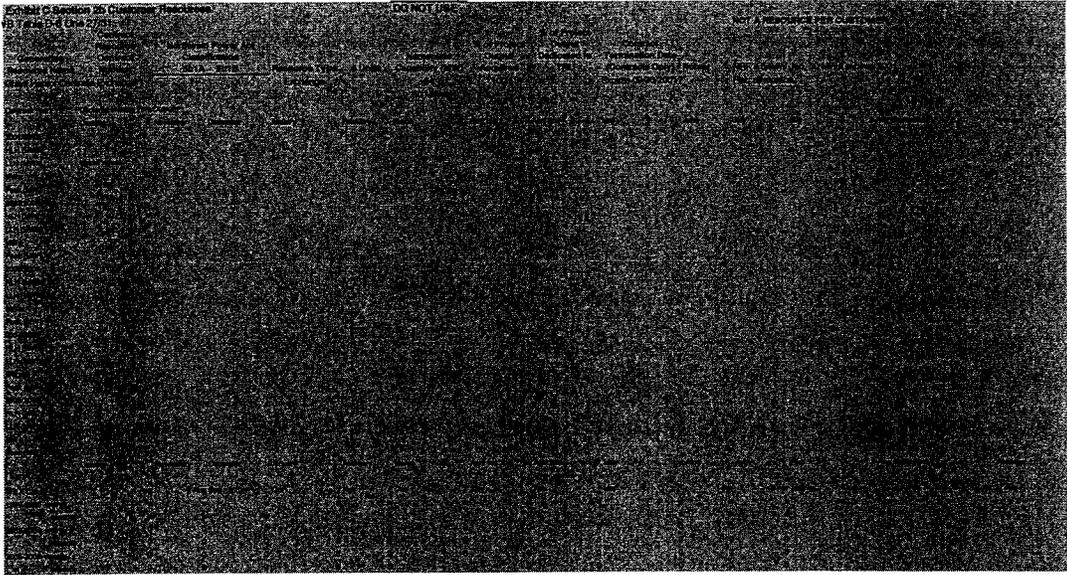
Generating Resource Name	Contract Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TRL	Contract Termination Date (Contracts Only)	Notes:					
		5b1A	5b1B												
WNP3 Exchange				Hydro		82 MW			Expires 05/30/2017						
PROPRIETARY															
Contract Years	Declared Monthly Firm Output														
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average
2002-2011															
HLH (MWh)															
LLH (MWh)															
MWs	58	56	56	56	56	56	56	56	0	56	0	0	0	56	-42
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

2(d)(11) WNP-3 Exchange (In)

VB Table D-6 Line 43/45

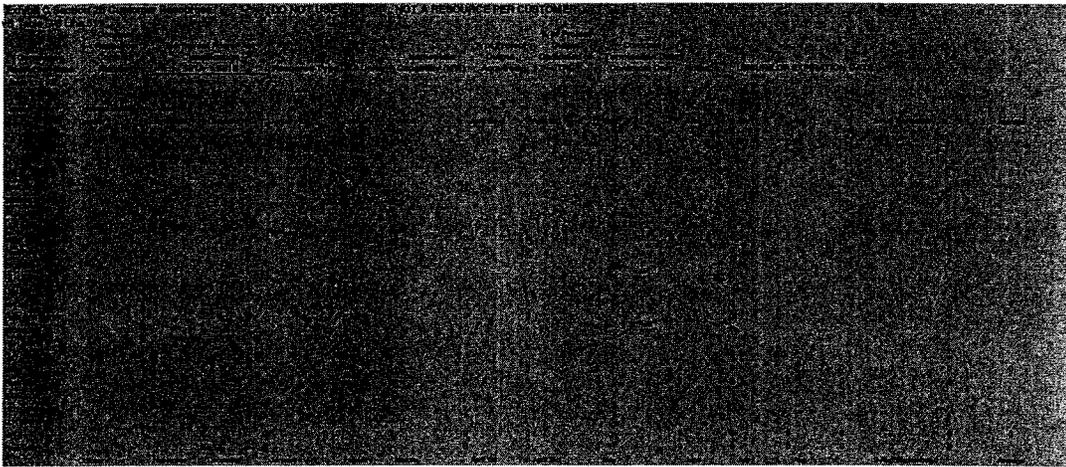
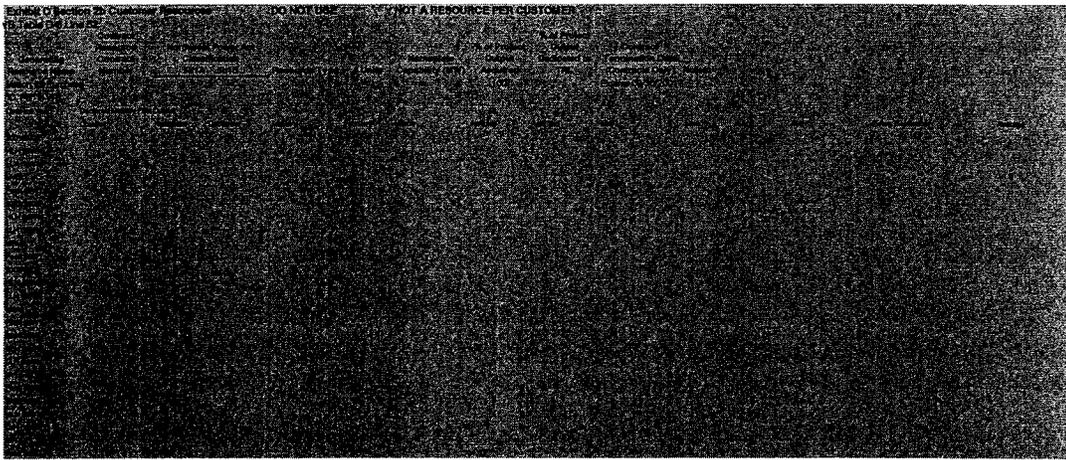
Generating Resource Name	Contract Number	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TRL	Contract Termination Date (Contracts Only)	Notes:					
		5b1A	5b1B												
BPA to PSE WNP Exchange				Hydro		82 MW			Expires 08/30/2017						
Contract Years	Section 2 Declared Monthly Firm Output														
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average
2001-2011															
HLH (MWh)															
LLH (MWh)															
MWs	0	101	101	101	101	50	51	51	0	0	0	0	0	0	42
Peak (MW)	0	82	82	82	82	41	41	41	0	0	0	0	0	0	

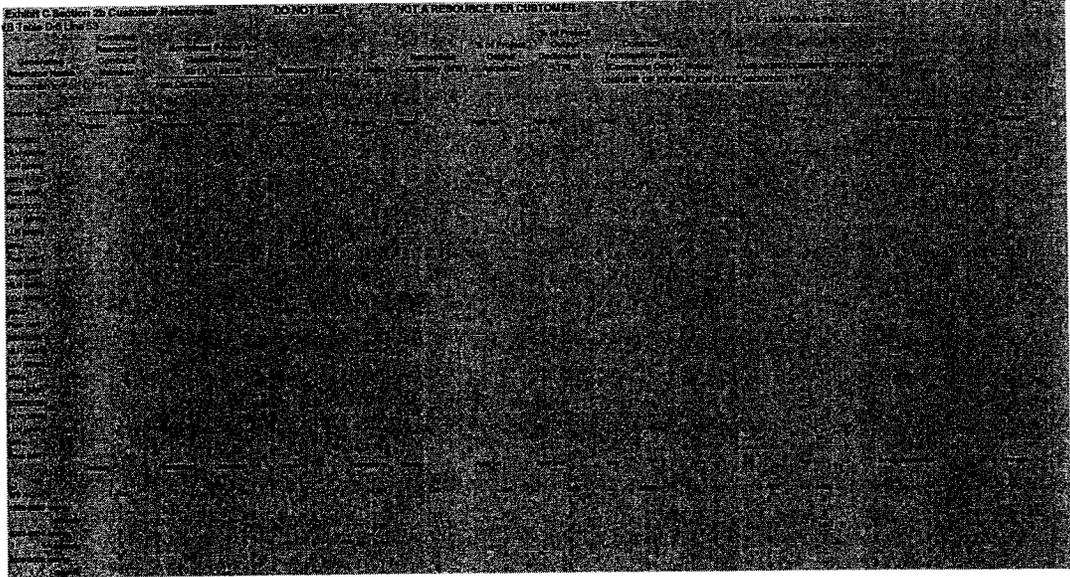












2(d)(15) Snohomish Purchase (Conservation)  
 VB Table D-5 Line 54

Generating Resource Name Snohomish to PSE O PSE	Contract Number PSE	Northwest Power Act Classification		Resource Type	# Units	Nameplate Capacity (MW)	% of Project Output Acquired	% of Project Output Dedicated to TRL	Contract Termination Date (Contract Only)	Notes					
		9b1A	9b1B												
Contract Years: Declared Monthly Firm Output															
2001-2011	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average
HLH (MWh)															
LLH (MWh)															
MW	9	12	18	15	14	12	10	10	9	8	7	7	7	8	11
Peak (MW)	13	18	22	21	18	16	14	14	12	11	11	11	11	11	



2.5.2. Exhibit C: Specific Amounts Committed for Contract Term

Contract Year:	Declared Monthly Firm Output														Average
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	
2001/2002															
HLH (MWh)															
LLH (MWh)															
MW's	368	368	368	368	368	368	368	368	368	368	368	368	368	368	368
Peak (MW)	368	368	368	368	368	368	368	368	368	368	368	368	368	368	368
2002/2003															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003/2004															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004/2005															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005/2006															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006/2007															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007/2008															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008/2009															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2009/2010															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2010/2011															
HLH (MWh)															
LLH (MWh)															
MW's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peak (MW)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average

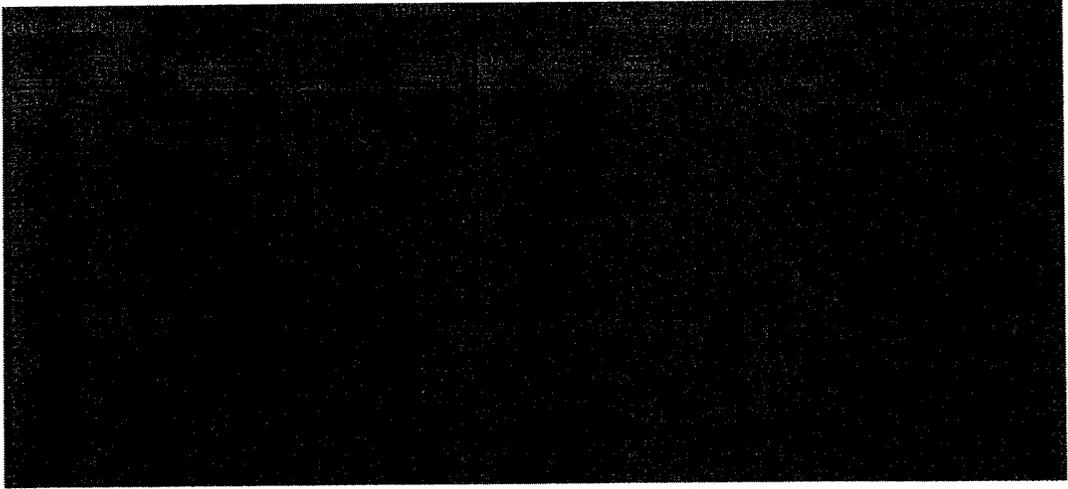


2.0. Exhibit C Total Resource Amounts Committed to Serve Total Retail Load

Contract Year	Declared Monthly Firm Output												Average		
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug		2-Aug	September
2001/2002															
HLH (MWh)															
LLH (MWh)															
MW's	2914.0	3297.9	3649.7	3734.8	3522.4	3337.3	3053.3	3033.5	2840.1	2747.6	2686.7	2731.4	2731.4	2752.7	2882.0
Peak (MW)	2950.2	4722.8	5154.6	5219.8	4987.0	4379.8	4005.5	4003.5	3645.0	3303.5	3184.3	3255.8	3255.8	3393.5	
2002/2003															
HLH (MWh)															
LLH (MWh)															
MW's	2593.8	2965.0	3043.3	3436.4	3221.5	3032.3	2742.3	2742.3	2524.8	2400.2	2370.0	2413.6	2413.6	2414.9	2544.3
Peak (MW)	3649.5	4438.4	4876.5	4954.8	4696.7	4088.8	3729.7	3729.7	3346.6	2997.9	2876.2	2949.1	2949.1	3089.8	
2003/2004															
HLH (MWh)															
LLH (MWh)															
MW's	2648.9	3048.4	3414.4	3499.8	3278.9	3065.3	2791.1	2791.1	2589.4	2473.2	2411.9	2461.9	2461.9	2463.2	2555.9
Peak (MW)	3727.0	4530.7	4990.1	5043.1	4780.4	4188.4	3775.8	3775.8	3406.0	3051.0	2927.1	3008.1	3008.1	3151.8	
2004/2005															
HLH (MWh)															
LLH (MWh)															
MW's	2701.9	3108.4	3482.7	3589.8	3344.5	3147.0	2846.9	2846.9	2620.8	2322.7	2490.1	2511.1	2511.1	2512.5	3048.4
Peak (MW)	3801.5	4621.3	5079.7	5144.0	4875.0	4251.8	3851.1	3851.1	3474.1	3112.0	2965.8	3068.2	3068.2	3214.8	
2005/2006															
HLH (MWh)															
LLH (MWh)															
MW's	2735.8	3171.6	3523.3	3641.2	3411.4	3209.9	2903.9	2903.9	2673.2	2573.1	2509.3	2581.3	2581.3	2582.7	3102.0
Peak (MW)	3677.8	4713.7	5181.3	5248.8	4973.5	4336.8	3928.1	3928.1	3543.8	3174.3	3045.4	3129.8	3129.8	3278.9	
2006/2007															
HLH (MWh)															
LLH (MWh)															
MW's	1582.8	1752.2	1909.7	1688.3	1670.1	1536.4	1601.8	1822.2	1489.9	1910.1	1920.3	1942.2	1829.2	1608.2	1726.2
Peak (MW)	2700.0	2974.0	2856.0	2943.0	2928.0	2802.0	2851.0	2810.0	2092.0	2697.0	2880.0	2977.0	2948.0	2786.0	
2007/2008															
HLH (MWh)															
LLH (MWh)															
MW's	1598.8	1762.2	1917.7	1714.3	1676.1	1556.4	1614.1	1746.2	1483.2	1896.6	1874.3	1916.2	1825.2	1612.2	1722.9
Peak (MW)	2814.0	3084.0	3071.0	3058.0	3038.0	2918.0	2782.0	2924.0	2208.0	2811.0	2940.0	2911.0	2885.0	2723.0	
2008/2009															
HLH (MWh)															
LLH (MWh)															
MW's	1603.8	1750.2	1919.7	1709.3	1706.9	1582.4	1556.1	1603.2	1476.3	1899.1	1908.3	1916.2	1825.2	1612.2	1722.9
Peak (MW)	2751.0	3021.0	3007.0	2990.0	2974.0	2853.0	2852.0	2814.0	2186.0	2745.0	2906.0	2911.0	2885.0	2723.0	
2009/2010															
HLH (MWh)															
LLH (MWh)															
MW's	1623.8	1750.2	1919.7	1709.3	1707.1	1586.4	1600.1	1718.2	1446.3	1894.6	1908.3	1916.2	1825.2	1612.2	1722.9
Peak (MW)	2751.0	3021.0	3007.0	2983.0	2974.0	2853.0	2899.0	2867.0	2136.0	2745.0	2908.0	2911.0	2885.0	2723.0	
2010/2011															
HLH (MWh)															
LLH (MWh)															
MW's	1603.8	1750.2	1919.7	1620.3	1618.1	1497.4	1511.1	1392.2	1359.3	1570.8	1584.3	1392.2	1501.2	1288.3	1657.2
Peak (MW)	2751.0	3021.0	3007.0	2698.0	2677.0	2750.0	2602.0	2519.0	2042.0	2403.0	2566.0	2599.0	2543.0	2381.0	









1(a)(1). PNCA Total Retail Load

MULTI - YEAR VERSION

Notes: Source is PSC's PNCA submittal dated 01/21/2008

DATA IN SHADED AREA EXTRACTED FROM PNCA, ESCALATED AT 2%

Contract Year:	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	Aug	2-Aug	September	Average
2001/2002															
LLH (MWh)															
MWh	2548	2929.8	3081.7	3366.8	3154.4	2969.3	2665.2	2885.3	2472.1	2379.8	2257.7	2363.4	2363.4	2364.7	2524.0
Peak (MW)	3522.2	4254.6	4789.6	4851.6	4599	4011.6	3632.5	3632.5	3277	2856.3	2646.3	2677.8	2677.8	2677.8	3025.5
2002/2003															
LLH (MWh)															
MWh	2593.8	2985	3143.3	3438.4	3221.5	3032.3	2742.3	2742.3	2524.8	2430.2	2270	2412.8	2413.6	2414.9	2578.3
Peak (MW)	3649.5	4436.4	4876.5	4954.6	4696.7	4096.8	3709.7	3709.7	3346.6	2997.9	2678.2	2649.1	2649.1	2649.1	3089.6
2003/2004															
LLH (MWh)															
MWh	2648.9	3048.4	3414.4	3499.8	3278.9	3085.3	2791.1	2791.1	2588.4	2473.2	2411.9	2481.872	2481.872	2481.872	2775.3
Peak (MW)	3727	4530.7	4960.1	5043.1	4780.4	4188.4	3775.6	3775.6	3408	3061	2827.1	3008.082	3008.082	3008.082	3310.5
2004/2005															
LLH (MWh)															
MWh	3008	3388	3537	3788	3545	3147	2885	2885	2621	2527	2463	2515	2515	2515	2820
Peak (MW)	4200	4720	5150	5240	4920	4225	3820	3820	3420	3120	2920	3020	3020	3020	3320
2005/2006															
LLH (MWh)															
MWh	2853	3170	3320	3570	3314	2980	2660	2660	2420	2320	2260	2310	2310	2310	2580
Peak (MW)	4120	4720	5110	5260	4920	4380	3880	3880	3520	3120	2920	3020	3020	3020	3320





1.a.2. Net Requirements

DO NOT USE / SEE WORD TABLE IN CONTRACT  
 PLACEHOLDER FOR MATHEMATICS

Notes: Net Requirements Using FNCA Load Data

Contract Year	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	1-Aug	2-Aug	September	Average
2001/2002															
HLH (MWh)															
LLH (MWh)															
MWa	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Peak (MW)	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
2002/2003															
HLH (MWh)															
LLH (MWh)															
MWa	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Peak (MW)	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
2003/2004															
HLH (MWh)															
LLH (MWh)															
MWa	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Peak (MW)	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
2004/2005															
HLH (MWh)															
LLH (MWh)															
MWa	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Peak (MW)	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
2005/2006															
HLH (MWh)															
LLH (MWh)															
MWa	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Peak (MW)	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
	October	November	December	January	February	March	April 1st	April 2nd	May	June	July	1-Aug	2-Aug	September	



**Insley, Gary - PTS-5**

---

**From:** Insley, Gary - PTS-5  
**Sent:** Friday, June 01, 2001 10:58 AM  
**To:** Hanlon, Doug - PTS-5  
**Cc:** Kitchen, Larry - PT-5; Miller, Mark - PT-5



PSE 12168 AA1 10  
yr Exh C\_no\_2...

with the change to PUGET instead of PUGET SOUND ENERGY

**Exhibit C**  
**NET REQUIREMENTS**

**1. ESTABLISHING NET REQUIREMENT**

**(a) Initial Net Requirement**

**(1) Total Retail Load Forecast**

The tables below shows the PBL approved forecast of PUGET's Total Retail Load. The Parties agree that this forecast shall not be subject to arbitration under section 14 of the body of this Agreement.

(2) **Initial Net Requirement**

PUGET's net requirement amounts are derived by taking the forecast of PUGET's Total Retail Load and subtracting from it the resource amounts that are committed to serve PUGET's Total Retail Load under section 2(c) of this exhibit and the amount of load served by known non-PUGET resources, if any, as established in section 3 of this exhibit.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year 2002												
Total MWh	0	0	0	0	0	0	0	0	0	0	0	0
Peak MW	0	0	0	0	0	0	0	0	0	0	0	0

(b) **Annual Update of Net Requirement**

(1) **Updated Forecast of Total Retail Load**

At least 60 days prior to the start of each Contract Year, PUGET shall provide PBL an updated monthly forecast of PUGET's Total Retail Load in sufficient detail to fill in the table below. Up to 30 days before the start of the Contract Year PBL may notify PUGET that PBL has determined that the forecast submitted when considered as a whole is not reasonable and that PBL will substitute a forecast of Total Retail Load that it considers reasonable to fill in the table below. The only issue arising under this section 1(b)(1) that is subject to arbitration under section 14 of body of this Agreement is whether PBL's forecast when considered as a whole was reasonable. Such arbitration shall not include the interpretation or application of BPA's policies to such load forecast. However, the Parties may mutually agree to mediate disputes regarding PBL's forecast. Prior to the start of the Contract Year this exhibit shall be revised to update the forecast in the table below.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year												
Total MWh	N/A											
Peak MW	N/A											

(2) **Review of Net Requirements Amounts**

PUGET's updated net requirement amounts are derived by taking the PUGET forecast of Total Retail Load established in section 1(b)(1) above and subtracting from it the resource amounts that are committed to serve PUGET's Total Retail Load under section 2(c) and the amount of load served by known non-PUGET resources, if any, as established in section 3 of this exhibit. The updated net requirement amounts shall be shown in the table below.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year												
Total MWh	N/A											

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Peak MW	N/A											

**2. CUSTOMER RESOURCES**

The amounts listed in the tables in this section are only for determining PUGET's net requirement under this Agreement and do not imply any specific resource operation, nor are the amounts intended to interfere with PUGET's decisions on how to operate its specific resources.

(a) **Declared Output of Specific PUGET Resources**

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

(b) **Unspecified Resource Amounts Committed To Serve Total Retail Load**

PUGET shall use its best efforts to meet the obligations to provide unspecified resources established in the provisions below. PUGET agrees that if such power is acquired from PBL under this Agreement, then the power provided will be subject to the Unauthorized Increase Charge.

(1) **Unspecified Resources for Balancing Net Requirements**

PUGET agrees to provide power from unspecified resources to serve Total Retail Load in amounts, and in periods, equal to its Total Retail Load not served through PUGET's power purchases committed to load under this Agreement, through resource amounts committed in section 2(a) above, through unspecified resource amounts established in section 2(b)(2) and section 2(b)(3) below, or through amounts in section 3 below. The amount in the table below shall be updated annually to show the amount, if any that the forecast established in section 1(b)(1) of this exhibit exceeds the sum of the following: the power amount established in section 4 of the body of this exhibit(as updated consistent with section 5 of this exhibit); and resource amounts committed for the upcoming Contract Year in sections 2(a), 2(b)(2), 2(b)(3), and 3 of this exhibit.

(2) **Specific Amounts Committed for Contract Term**

In addition to the resource amounts established in 2(a) above, PUGET agrees to serve its Total Retail Load with unspecified resources in the amounts listed in the table below.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year 2002												
Total MWh	0	0	0	0	0	0	0	0	0	0	0	0
Peak MW	0	0	0	0	0	0	0	0	0	0	0	0

(3) **Amounts Committed for 9(c) Decrements**

Below are the amounts of unspecified resources added consistent with BPA's 9(c) Policy and the requirements of section 4(c) of this exhibit.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year 2002												
Total MWh	0	0	0	0	0	0	0	0	0	0	0	0
Peak MW	0	0	0	0	0	0	0	0	0	0	0	0

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

PUGET commits the resources listed in sections 2(a) and 2(b) above to serve Total Retail Load amounts served by PUGET and not served with Contracted Power through this Agreement. The total amount of PUGET's resources are shown in the table below. These amounts shall be updated whenever sections 2(a) or 2(b) above are modified, consistent with section 4 of this exhibit.

(d) **PUGET Resources Not Used to Serve Total Retail Load**

**3. NON-PUGET GENERATING RESOURCES**

Known non-PUGET resources, if any, greater than 1 MW that provide power to serve PUGET's Total Retail Load or such resources that otherwise connect to PUGET's distribution system are listed below.

Generating Resource Name	Resource Type	Nameplate Capability
<i>None At This Time.</i>		<i>0 MW</i>

The amounts in the table below establish the total amount of non-PUGET resources that the Parties agree are to be applied to serve PUGET's Total Retail Load to calculate PUGET's net requirement. These amounts may only be modified consistent with section 4 of this exhibit.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Contract Year 2002												
Total MWh	0	0	0	0	0	0	0	0	0	0	0	0
Peak MW	0	0	0	0	0	0	0	0	0	0	0	0

**4. CHANGES TO RESOURCE AMOUNTS**

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

PUGET may add new renewable resources to section 2(a) of this exhibit according to the terms of this provision. PUGET 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 PUGET'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 Renewable Discount, subject to any applicable limits established in BPA's policy on net requirements under section 5(b) of the Northwest Power Act. PUGET 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 PUGET would have received for such power if PUGET had not chosen to apply a resource under this provision.

(b) **Resource Additions for a BPA Insufficiency Notice**

In lieu of the unspecified resource amounts established in 2(b)(1), PUGET shall add resources to section 2(a) or 2(b)(2) to replace amounts of Contracted Power BPA notifies PUGET will not be provided due to a notice under section 14(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 PUGET 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 PUGET 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(b)(3). 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. When a decrement under the BPA 9(c) Policy occurs within the Contract Year: (1) the monthly amounts in section 1(b)(2) shall be reduced by how much the monthly amounts added to section 2(b)(3) exceed the corresponding monthly amounts in section 2(b)(1); and (2) the Contracted Power provided by PBL shall also be reduced within the Contract Year consistent with such changes in section 1(b)(2), through the terms of section 5 below.

(d) **Permanent Resource Removal**

The resource amounts established in section 2 of this exhibit may be removed permanently by PUGET 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 PUGET has met PBL's standards for a permanent removal, the exhibit will be revised to show the agreed resource changes. Determinations by PBL on the permanent removal of a resource are not subject to arbitration under section 13 of the body of this Agreement.

(e) **Changes to Non-PUGET Resources**

PUGET shall annually update the information established for non-PUGET 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) **Annual Retail Load Loss and Resource Removal**

PUGET may reduce the resource amounts established in sections 2(a) and 2(b) above by up to the amount of load loss PUGET reasonably expects in the upcoming Contract Year consistent with the requirements of this section. PUGET shall notify PBL at least 60 days prior to the applicable Contract Year, identifying the total monthly MWh amounts of load loss. Reductions in resource amounts shall apply first to unspecified resources established in sections 2(b)(1) and 2(b)(2) of this exhibit. Additional reductions shall apply to specific resources in section 2(a) of this exhibit identified by PUGET in the notice. The Parties shall revise this exhibit prior to the start of the Contract Year to make the changes in the resources and shall establish those changes in tables below which shall identify the specific changes that were made to the resources. The resource changes shall only apply for one Contract Year. Prior to the start of the subsequent Contract Year this exhibit shall be revised to add back the resources shown in tables below to the applicable provisions in section 2 of this exhibit, except for amounts PUGET requests to

remove under this provision for the following Contract Year. Resources removed under this provision continue to be subject to the 9(c) Policy.

(g) **Revisions for Changes in Resource Output**

Up to 60 days prior to the start of a Contract Year PUGET may request changes to the monthly distribution of the capabilities of specific resources listed in section 2 of this exhibit. PUGET must demonstrate to PBL's satisfaction that an adjustment is appropriate. When PBL decides to grant a request to revise resource amounts PBL shall revise section 2 of this exhibit to show the changes to the resource. PBL shall approve changes to monthly distributions when the changes to resources included in the Pacific Northwest Coordination Agreement (PNCA) are due to operational changes reflected in PNCA planning. PBL shall revise section 2 of this exhibit to show such changes to the resource.

**5. REDUCTION OF BLOCK PURCHASE AMOUNTS**

The hourly amounts of power provided under this Agreement shall be reduced in any Contract Year when the sum of the monthly net requirement amounts established in section 1(b)(2) above is less than 8,760 hours (8,784 in leap years) multiplied by the corresponding hourly amount established in section 4 of the body of this Agreement. The reduction shall be made by reducing the hourly amount provided in each hour of the Contract Year. The hourly amounts shall also be reduced when resource amounts not already used to calculate the monthly values in section 1(b)(2) are added pursuant to section 4(c) above during the Contract Year. Reduced amounts are subject to payments as established in section 5 of the body of this Agreement. If such a reduction occurs this exhibit will be revised to include a table below with the updated values. When a table is included below it shall supersede the table in section 4 of the body of this Agreement.

**6. RESOURCE DECLARATIONS**

The resource capabilities set forth in sections 2(a) and (b) of this exhibit are dedicated to serving PUGET'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 sections 2(b)(1) and 2(b)(2) above may be discontinued from use in serving PUGET's firm load upon the termination or expiration of this Agreement. The resources established in sections 2(d) and 3 above are not used to serve PUGET'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.

**7. REVISIONS**

When required PUGET shall submit a revised Exhibit C, Net Requirements, to PBL at least 60 days prior to each Contract Year. As long as PUGET's submittal is consistent with the requirements of this exhibit PBL shall accept it as submitted. If PUGET 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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**Insley, Gary - PTS-5**

**From:** Hanlon, Doug - PTS-5  
**Sent:** Friday, June 01, 2001 12:14 PM  
**To:** 'Kari, Don-BEL'  
**Cc:** @Faulkner, Doug-PSE; Kitchen, Larry - PT-5; Casad, Kurt R - LP-7; Miller, Mark - PT-5; Insley, Gary - PTS-5  
**Subject:** AMENDED SETTLEMENT AGREEMENT + BLOCK SALE AGREEMENT



10885.doc



10886.doc

Good afternoon, Don and Doug. Attached are (1) a redlined version of the Amended Settlement Agreement, and (2) a clean version of the Block Sale Agreement.

I did not redline the Block Sale Agreement, because there were so few changes. Those changes are: (1) changed section 13, ("Governing Law and Dispute Resolution") to arbitration, (2) restored section 16 ("Termination"), and (3) dropped in a revised Exhibit C.

NOTE: These agreements have NOT yet been reviewed by Kurt Casad and other internal stakeholders.

Larry is out this afternoon, and I will be leaving at 3:00. But I will incorporate your comments, if any, on Monday morning and turn these around to you for your Monday afternoon submittal to the WUTC.

Have a nice week-end -- Doug

-----Original Message-----

From: Kari, Don-BEL [mailto:Karid@PerkinsCoie.com]  
Sent: Thursday, May 31, 2001 5:03 PM  
To: 'dwhanlon@bpa.gov'  
Cc: @Faulkner, Doug-PSE  
Subject: FW: Draft PSE:BPA Amended Settlement Agmt

> -----Original Message-----

> From: Kari, Don-BEL  
> Sent: Thursday, May 31, 2001 1:17 PM  
> To: 'krccasad@bpa.gov'  
> Subject: Draft PSE:BPA Amended Settlement Agmt  
>  
>  
>  
> <<BA011510047.DOC>>

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Contract No. 01PB-10885  
05/306/1/01

**AMENDED  
SETTLEMENT AGREEMENT**  
executed by the  
**BONNEVILLE POWER ADMINISTRATION**  
and  
**PUGET SOUND ENERGY, INC.**

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This AMENDED SETTLEMENT AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and PUGET SOUND ENERGY, INC. (Puget). Puget is a corporation organized under the laws of the State of Washington. BPA and Puget are sometimes referred to in the singular as "Party" or in the plural as "Parties."

## RECITALS

The Northwest Power Act establishes a Residential Exchange Program to provide benefits to residential and small farm consumers of Pacific Northwest utilities.

BPA implements the Residential Exchange Program through the offer, when requested, of a Residential Purchase and Sale Agreement.

On October 31, 2000, BPA and Puget entered into Contract No. 01PB-12162 (the "Settlement Agreement"), for the purpose of settling the Parties' dispute over implementation of rights and obligations for the Residential Exchange Program under the Northwest Power Act, and such Settlement Agreement provides, among other things, for BPA to provide Puget with Firm Power and Monetary Benefits to settle the Residential Exchange Program.

The term of the Settlement Agreement continues through September 30, 2006.

Since the execution of the Settlement Agreement, BPA and Puget have agreed that BPA will, rather than deliver Firm Power to Puget for the first 5 years of the Settlement Agreement, make cash payments to Puget during the period that begins October 1, 2001, and ends on September 30, 2006. BPA plans to use the Firm Power not sold to Puget to meet deficits in resources necessary to meet loads of publicly-owned and cooperative customers in its firm load obligations in the Pacific Northwest.

The Parties have also agreed to extend the term of the settlement under this Agreement through the period from October 1, 2006, through September 30, 2011, on the same terms and conditions as are in the corresponding Residential Exchange Settlement Agreements and Firm Power Block Sales Agreements for other investor-owned utilities for such period.

The Parties acknowledge that issues have been raised regarding the Settlement Agreement and the Parties wish to affirm their intent to settle their obligations during the period from July 1, 2001, through September 30, 2011, under or arising out of section 5(c) of the Northwest Power Act.

BPA and Puget desire to enter into this Agreement in order to supersede the Settlement Agreement in its entirety for the purpose of replacing the delivery of Firm Power by BPA to Puget with cash payments, extending the term of the Settlement Agreement until September 30, 2011, and affirming their intent to settle the Parties' rights and obligations during the period from July 1, 2001, through September 30, 2011, under or arising out of section 5(c) of the Northwest Power Act.

The Parties agree:

**1. TERM**

This Agreement takes effect on the date signed by the Parties. Performance of this Agreement by the Parties shall begin on July 1, 2001, and shall continue through September 30, 2011 (Expiration Date), unless terminated earlier pursuant to section 14 below.

**2. DEFINITIONS**

Capitalized terms not defined below shall be as defined in BPA's WP-02 General Rate Schedule Provisions (GRSPs).

- (a) "Contract Year" means each period during the term of this Agreement 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.
- (b) "Firm Power" means electric power that PBL will make continuously available to Puget under the Firm Power Block Power Sales Agreement.
- (c) "Firm Power Block Power Sales Agreement" means Contract No. 01PB-10886, attached to this Agreement as Exhibit A.
- (d) "Forward Flat-Block Price Forecast" means BPA's forecast of the wholesale market price for the purchase of additional amounts of power at 100 percent annual load factor established in the same BPA power rate case as that which established the RL rate and for the period of the RL Rate established in a BPA power rate case Record of Decision (ROD) as finally approved by the Federal Energy Regulatory Commission and affirmed, if appealed, by the United States Court of Appeals for the Ninth Circuit.
- (e) "Lowest PF Rate" means the lowest applicable cost-based power rate provided under the applicable PF rate schedule as applied to purchases of Firm Power by BPA's preference customers at 100 percent annual load factor. The applicable power rate shall be: (1) the PF rate for the same period as the adjustment to monthly cash payments and credit to balancing accounts in section 4(b)(1); or (2) the PF rate for the same period as the RL Rate for the Firm Power purchases provided under the Firm Power Block Power Sales Agreement.
- (f) "Monetary Benefit" means the monetary settlement benefits provided under this Agreement as determined pursuant to the methodology described in section 4(c) below.
- (g) "Northwest Power Act" means the Pacific Northwest Electric Power Planning and Conservation Act, P.L. 96-501.

- (h) "Qualified Entity" means an entity authorized under state law or by order of the applicable state regulatory authority to serve all or a portion of Puget's Residential Load.
- (i) "RL Rate" means the then-current applicable Residential Load Firm Power rate schedule.
- (j) "Residential Exchange Program" means the program established under section 5(c) of the Northwest Power Act.
- (k) "Residential Load" means the load eligible to receive benefits under this Agreement, as such load is defined in Exhibit B.
- (l) "Residential Purchase and Sale Agreement," or "RPSA," means an agreement between BPA and a Pacific Northwest utility that implements the Residential Exchange Program.

### 3. EFFECT ON EXISTING AGREEMENTS AND SECTION 5(c) OBLIGATIONS

(a) **Existing Settlement Agreement**

This Agreement replaces and supersedes in its entirety the Settlement Agreement including the Firm Power Block Sales Agreement executed by BPA and Puget (RL only), Contract No. 12168 attached as Exhibit A to the Settlement Agreement (Existing Agreements).

(b) **Satisfaction of Section 5(c) Obligations**

BPA shall, in full and complete satisfaction of all of its obligations during the period from July 1, 2001, through September 30, 2011, under or arising out of section 5(c) of the Northwest Power Act, provide to Puget: (1) cash payments for the period that begins July 1, 2001, and ends on September 30, 2001, pursuant to section 3(e) of this Agreement; (2) beginning October 1, 2001, through September 30, 2006, cash payments under section 4(b)(1) and Monetary Benefit payments pursuant to section 4(c) of this Agreement; and (3) beginning October 1, 2006, through September 30, 2011, Firm Power or Monetary Benefit payments, or both, pursuant to section 4 and 5 of this Agreement. Puget agrees that the cash payments, Firm Power or Monetary Benefits, or both, provided under this Agreement satisfy all of BPA's obligations during the period from July 1, 2001, through September 30, 2011, under or arising out of section 5(c) of the Northwest Power Act.

(c) **Invalidity**

In the event the United States Court of Appeals for the Ninth Circuit finally determines, after all appeals or requests for reconsideration, that this Agreement (or section 4(a), section 4(b)(1), section 4(c), or section 5 of this Agreement) is unlawful, void, or unenforceable, then the provisions of section 3(b) above shall be of no further force or effect, and the Parties intend

and agree that: (1) the cash payments pursuant to section 3(e), section 4(b)(1) or section 5; the Firm Power; and Monetary Benefits provided prior to such final determination shall be retained by Puget; and (2) the satisfaction of BPA's obligations to Puget under section 5(c) of the Northwest Power Act prior to such final determination shall be preserved, to the maximum extent permitted by law. The Parties specifically acknowledge and agree that, in the event of such final determination, the provisions of section 3(b) above shall not be effective for any period if and to the extent the cash payments, Firm Power and Monetary Benefits with respect to such period are not retained by Puget. This section 3(c) shall survive notwithstanding any determination that any other provision of this Agreement (or the exhibits) is unlawful, void, or unenforceable.

(d) **Negotiation of New Agreement if this Agreement Held Invalid**

If this Agreement (or section 4(a), section 4(b)(1), section 4(c), or section 5 of this Agreement) is finally determined to be unlawful, void, or unenforceable as described in section 3(c) above, then both Parties agree to negotiate in good faith a new, mutually acceptable agreement that would, until the end of its term, be in satisfaction of BPA's obligations under or arising out of section 5(c) of the Northwest Power Act. The term of such new agreement would continue for the remaining term of this Agreement.

(e) **Payments by BPA for the Period Beginning July 1, 2001, and Continuing through September 30, 2001**

For the three calendar month period that begins July 1, 2001, and continues through September 30, 2001, BPA shall pay Puget \$12,461,895. Payment for each of these calendar months shall be in equal amounts of \$4,153,965 and shall be paid on or before the last business day of each such month. BPA shall pay by electronic funds transfer using Puget's established procedures.

**4. SETTLEMENT BENEFITS**

(a) **Total Benefits**

(1) **October 1, 2001, through September 30, 2006**

BPA shall provide to Puget a total benefit comprised of cash payments under section 4(b)(1) and Monetary Benefit under section 4(c), which is expressed in annual average megawatts (aMW). The Monetary Benefit is specified in section 4(c)(1).

(2) **October 1, 2006, through September 30, 2011**

BPA shall provide to Puget a total benefit comprised of Firm Power and Monetary Benefit, both of which are expressed in annual aMW. This total benefit is as follows:

<u>Period of Time</u>	Total of Firm Power and Monetary Benefit for Puget <u>(annual aMW)</u>	Washington <u>(annual aMW)</u>
10/1/06 through 9/30/11	648	648

The allocation and disposition of this total benefit between Firm Power and Monetary Benefit is described in sections 4(b) and 4(c) below.

**(b) Cash Payments and Firm Power Sale Portion of Total Benefits**

**(1) Cash Payments**

BPA shall make monthly cash payments to Puget as follows:

**(A) October 1, 2001, through September 30, 2002**

During the period that begins October 1, 2001, and continues through September 30, 2002, BPA shall pay Puget monthly amounts equal to:

<b>Payment Type</b>	<b>Monthly Amount (\$)</b>
Total Payment	\$9,722,140 <sup>∗</sup>

<sup>∗</sup>If it is determined that one or more load reduction contingency provisions under sections 4(b)(1)(D)(i), 4(b)(1)(D)(ii), 4(b)(1)(D)(iii), 4(b)(1)(D)(iv), and 4(b)(1)(D)(v) have occurred, then this total monthly payment shall be increased to \$10,208,320 on the earliest date specified in an applicable section.

**(B) October 1, 2002, through September 30, 2006**

During the period that begins October 1, 2002, and continues through September 30, 2006, BPA shall pay Puget monthly amounts equal to:

<b>Payment Type</b>	<b>Monthly Amount (\$)</b>
Base Payment	\$12,671,749 <sup>∗</sup>
Reduction of Risk Discount	\$2,463,429
Net Payment:	\$10,208,320 <sup>∗</sup>

<sup>∗</sup>This Base Payment amount (which shall be equal to \$12,706,466 during a leap year) is the monthly amount subject to reduction by the Reduction of Risk Discount.

<sup>∗</sup>If, by December 1, 2001: (i) Puget, after the date of execution of this Agreement, enters into a settlement agreement with a substantial portion or more of BPA's publicly-owned utility and cooperative customers (the sufficiency of such group to be solely determined by Puget) that has the effect of waiving and dismissing legal challenges

to this Agreement; (ii) if Puget has entered into a Settlement Agreement described in (i) above and fails to dismiss its legal challenges, if any, to: (a) the Residential Purchase and Sale Agreement Record of Decision (ROD); (b) the Power Subscription Strategy RODs, including the Residential Exchange Program Settlement ROD; and (c) the application of the 7(b)(2) surcharge to BPA's WP-02 rates; or (iii) legislation having the effect of the legislation described in Exhibit C is enacted prior to December 1, 2001, then ~~this the Base~~ Payment shall be reduced by the Reduction of Risk Discount to this Net Payment amount of \$10,208,320 (\$10,236,288 during a leap year).

**(C) Cash Payment Adjustments Due to Application of Safety-Net Cost Recovery Adjustment Clause (SN CRAC) and Dividend Distribution Clause (DDC) to BPA Firm Power Sales**

**(i) Adjustment to Cash Payments Resulting from SN CRAC and SN CRAC Balancing Account**

In the event of imposition of the SN CRAC to BPA's firm power sales, BPA shall reduce the monthly payment to Puget in section 4(b)(1)(A) or section 4(b)(1)(B) above by an amount of ~~SN CRAC~~ equal to the hours in the month times the mills/kilowatthour (kWh) increase in the Lowest PF Rate at 100 percent load factor above the maximum millage amount allowed for the Lowest PF Rate for such month under the Financial-Based CRAC, times 331 aMW in Contract Year 2002 and 368 aMW in each year of Contract Years 2003 through 2006. BPA shall record the amounts of reduction in such monthly payments in a SN CRAC balancing account (the "SN CRAC Account").

**(ii) DDC Balancing Account**

If BPA makes a monthly DDC payment as established in the WP-02 rate case, BPA shall calculate the amount BPA would have paid to a purchaser of 331 aMW of power in Contract Year 2002 and 368 aMW in each year of Contract Years 2003 through 2006 at the Lowest PF Rate at 100 percent load factor. BPA shall record each such monthly amount in a DDC balancing account (the "DDC Account").

**(iii) Adjustment to Cash Payments Resulting from Amounts in SN CRAC Account and DDC Account**

If and to the extent in any month during the period after September 30, 2001 and prior to October 1, 2006, there ~~is~~ are balances in both the SN CRAC Account and the DDC Account, BPA shall be obligated to pay to Puget an amount equal to the lesser of the balance in such month ~~of~~ in the SN CRAC Account and ~~of~~ the DDC Account. Such payment shall be made no later than nine months after such obligation arises and shall be deemed (whether or not such payment becomes due after September 30, ~~2001~~2006) to be an increase in the monthly payment to Puget pursuant to this section 4(b). BPA shall record any such increase in monthly payments as a reduction to the balance of the SN CRAC Account and of the DDC Account, as of the date the obligation to pay such increase arises.

**(D) Load Reduction Contingency**

- (i) As of the execution date of this Agreement, the BPA Administrator has not issued any final rate decisions in Docket No. WP-02. In the event that the Load-Based (LB) CRAC, materially consistent with the Joint Customer Group and BPA staff proposal is not adopted in the Administrator's Final Supplemental Record of Decision, (a) the load reduction contingency in this section 4(b)(1)(D)(i) has occurred, and (b) the payments under section 4(b)(1)(A) of this Agreement will increase effective October 1, 2001.
- (ii) If, in calculating the LB CRAC (excluding true-ups) applicable for the period October 1, 2001, through March 31, 2002, pursuant to section F(1) of the GRSPs, BPA is able to meet either: criterion (a) below (through contracts executed no later than 7 calendar days prior to the final workshop explaining the calculation of the LB CRAC for the period from October 1, 2001, through March 31, 2002), or criterion (b) below, then the load reduction contingency has not occurred and the payments under section 4(b)(1)(A) of this Agreement will not thereby increase. If BPA is unable to meet both criterion (a) and criterion (b) below, then the load reduction contingency has occurred and the payments under section 4(b)(1)(A) of this Agreement will increase October 1, 2001.

- (a) BPA includes in the calculation of the LB CRAC (excluding true-ups) no more than 2,200 aMW (including all purchases made by BPA prior to April 10, 2001), per month of market power purchases for meeting LB CRAC augmentation on average for the period October 1, 2001, to March 31, 2002, where market power purchases for purposes of calculating the application of this contingency clause do not include: (1) power buy-backs of public agency and cooperative customers, investor-owned utilities (IOUs), or direct service industrial customers (DSIs); or (2) power purchases from public agency and cooperative customers, IOUs, or DSIs to the extent such buy-backs and purchases were executed between April 10, 2001, and the final date for execution of contracts used in the calculation of the LB CRAC for the period from October 1, 2001, through March 31, 2002.
- (b) The rate after application of the LB CRAC (excluding all true-ups) is no more than 1.87 times the PF, RL, and IPTAC rates.

In the event that contracts executed between April 10, 2001, and the final date for execution of contracts used in the calculation of the LB CRAC (excluding true-ups) for the period from October 1, 2001, through March 31, 2002, exceed the amount necessary to reduce market power purchases below 2,200 aMW per month in criterion (a), such additional load reductions shall be used to reduce the level of the LB CRAC.

- (iii) If, in calculating the LB CRAC (excluding true-ups) applicable for the period April 1, 2002, through September 30, 2002, pursuant to section F(1) of the GRSPs, BPA is able to meet either: criterion (a) below (through contracts executed no later than 7 calendar days prior to the final workshop explaining the calculation of the LB CRAC for the period from October 1, 2001, through March 31, 2002), or criterion (b) below, then the load reduction contingency has not occurred and the payments under section 4(b)(1)(A) of this Agreement will not thereby increase. If BPA is unable to meet both criterion (a) and criterion (b) below, then the load reduction contingency has occurred and the payments under

section 4(b)(1)(A) of this Agreement will increase effective April 1, 2002.

- (a) BPA includes in the calculation of the LB CRAC (excluding true-ups) no more than 2,200 aMW (including all purchases made by BPA prior to April 10, 2001), per month of market power purchases for meeting LB CRAC augmentation on average for the period April 1, 2002, to September 30, 2002, where market power purchases for purposes of calculating the application of this contingency clause do not include: (1) power buy-backs of public agency and cooperative customers, IOUs, or DSIs; or (2) power purchases from public agency and cooperative customers, IOUs, or DSIs to the extent such buy-backs and purchases were executed between April 10, 2001, and the final date for execution of contracts used in the calculation of the LB CRAC for the period from October 1, 2001, through March 31, 2002, or are extensions of such buy-backs or purchases that were executed prior to April 10, 2001, and are extended prior to calculation of the LB CRAC for the period from April 1, 2002, through September 30, 2002.
- (b) The rate after application of the LB CRAC (excluding all true-ups) is no more than 1.87 times the PF, RL, and IPTAC rates.

In the event that contracts executed between April 10, 2001, and the final date for execution of contracts used in the calculation of the LB CRAC (excluding true-ups) for the period from October 1, 2001, through March 31, 2002, or extensions of buy-backs or purchases that were executed prior to April 10, 2001, and are extended prior to calculation of the LB CRAC for the period from April 1, 2002, through September 30, 2002, exceed the amount necessary to reduce market power purchases below 2,200 aMW per month in criterion (a), such additional load reductions shall be used to reduce the level of the LB CRAC.

- (iv) If, during the period October 1, 2001, through September 30, 2002, the amount of power forecast to be delivered by BPA to the DSIs in the calculation of the

LB CRAC (excluding true-ups) exceeds 400 aMW per month on average for any six month period used in calculating the LB CRAC, then the load reduction contingency has occurred and the payments under section 4(b)(1)(A) of this Agreement will increase effective on the first day of such six-month period used in the calculation of the LB CRAC.

- (v) If the amount of power actually delivered to the DSIs exceeds 400 aMW per month on average for any six-month period as determined by BPA through written notice to its customers or during the true-up of the LB CRAC, then the load reduction contingency has occurred and the payments under section 4(b)(1)(A) of this Agreement will increase effective on the first day of the month following such determination.

**(E) No Other Adjustments to Cash Payments**

Except as provided for in sections 4(b)(1)(A), 4(b)(1)(B), 4(b)(1)(C), and 4(b)(1)(D) above, there shall be no other adjustments to the cash payment amounts under this section 4(b)(1) of this Agreement.

**(2) October 1, 2006, through September 30, 2011**

- (A) Subject to the terms of this Agreement, BPA shall, no later than October 1, 2005, notify Puget in writing of the amount of Firm Power in annual aMW that will be provided to Puget during the period that begins October 1, 2006, and ends on September 30, 2011. The terms and conditions for this sale shall also be as provided for in the Firm Power Block Power Sales Agreement, and such agreement shall be amended by the Parties to reflect the amount of Firm Power to be sold during such period. BPA shall not offer an amount of Firm Power that exceeds Puget's net requirement at the time of the notice issued pursuant to this section. Prior to issuing such notice, BPA shall consult with Puget regarding its desire for Firm Power or Monetary Benefits.

- (B) If Puget does not purchase any Firm Power during the period from October 1, 2001, through September 30, 2006, Puget shall establish an initial net requirement under Exhibit C of the Firm Power Block Power Sales Agreement by August 1, 2005, for Contract Year 2007. Puget shall execute a contract including the terms and conditions of the Firm Power Block Power Sales Agreement, and the information provided on net

requirements under this section by January 1, 2006, if BPA notifies Puget under section 4(b)(2)(A) that a portion of its benefits under section 4(a) will be provided as Firm Power.

(BC) If the RL Rate calculated at 100 percent annual load factor for the period from October 1, 2006, through September 30, 2011, exceeds the Lowest PF Rate for the same 100 percent annual load factor during such period, Puget may, by written notice to BPA within 30 days after BPA published its power rate case ROD, notify BPA that it will convert its entire Firm Power purchase under the Firm Power Block Power Sales Agreement to Monetary Benefits, pursuant to section 4(c) below (except as provided in section 5(a)(6) below), for the remaining term of this Agreement.

(c) **Monetary Benefit Portion of Total Benefits**

(1) **Amount of Monetary Benefit**

(A) **October 1, 2001, through September 30, 2006**

BPA shall provide the following Monetary Benefits expressed in annual aMW to Puget for the period that begins October 1, 2001, and continues through September 30, 2006.

<u>Period of Time</u>	<u>Monetary Benefit (annual aMW)</u>	<u>Washington (annual aMW)</u>
10/1/01, through 9/30/06	332	332

(B) **October 1, 2006, through September 30, 2011**

BPA shall, no later than October 1, 2005, notify Puget in writing of the amount of Monetary Benefit expressed in annual aMW, for which payments will be made to Puget during the period that begins October 1, 2006, and continues through September 30, 2011.

(2) **Determination of Monetary Benefit Monthly Payment Amounts**

(A) **October 1, 2001, through September 30, 2006**

The Monetary Benefit monthly payment amounts shall be determined in accordance with the following formula:

$$MP = \frac{(FBPF - RL) \times MB \times 8,760 \text{ hours (8,784 hours in leap years)}}{12 \text{ months}}$$

Where:

MP = Monthly Payment Amount

FBPF = Forward Flat-Block Price Forecast established in the same BPA power rate case as that which established the RL Rate during the period beginning October 1, 2001, through September 30, 2006.

RL = The RL Rate calculated at 100 percent annual load factor.

MB = Monetary Benefit amount in annual aMW.

- (B) **October 1, 2006, through September 30, 2011**  
The Monetary Benefit monthly payment amounts shall be determined in accordance with the following formula:

$$MP = \frac{(FBPF - RL) \times MB \times 8,760 \text{ hours (8,784 hours in leap years)}}{12 \text{ months}}$$

Where:

MP = Monthly Payment Amount

FBPF = Forward Flat-Block Price Forecast established in the same BPA power rate case as that which established the RL Rate during the period beginning October 1, 2006, through September 30, 2011.

RL = The RL Rate calculated at 100 percent annual load factor.

MB = Monetary Benefit amount in annual aMW.

- (3) **~~Adjustments to RL Rate and Monetary Benefits Monthly Payment; Exception to Use of RL Rate in Sections 4(c)(2)(A) and 4(c)(2)(B)~~**

~~The RL Rate shall not for the purposes of this section 4(c) be subject to any increase due to any CRAC except for any amount of SN CRAC equal to the mills/kilowatthour (kWh) increase in the Lowest PF Rate at 100 percent load factor above the maximum millage amount allowed for the Lowest PF Rate for such month under the Financial~~

~~Based CRAC, in each year of the Contract Years 2002 through 2006. If BPA makes a monthly DDC payment as established in the WP 02 rate case, the Monetary Benefit monthly payment amounts shall be increased by the monthly amount BPA would have paid to a purchaser of 332 MW of power in each year of Contract Years 2002 through 2006 at the Lowest PF Rate at 100 percent load factor. If, for the purposes of the formulas shown in sections 4(c)(2)(A) and 4(c)(2)(B) above, there is: (i) no RL Rate in effect; or (ii) the RL Rate exceeds the Lowest PF Rate, then the Lowest PF Rate shall replace the RL Rate in such formulas. Use of the Lowest PF Rate in such event shall apply to Monetary Benefits provided in accordance with sections 4(b)(2)(BC) and 4(c)(1).~~

(d) **Payment Provisions**

BPA shall pay Puget the monthly cash payments as determined in section 4(b)(1), the Monetary Benefit as determined in section 4(c), and the monthly installments as determined in section 10. The monthly cash payments, Monetary Benefit, and monthly installments shall be netted against the monthly payment amounts Puget owes BPA for Firm Power purchased in accordance with section 4(b). If the monthly cash payment, Monetary Benefit, and monthly installment exceeds the monthly amount Puget owes BPA, then BPA shall pay Puget either: (A) on the due date of the bill issued under Exhibit A; or (B) if Puget is not purchasing power under the Firm Power Block Power Sales Agreement, within 30 days of the end of the calendar month for which cash payments and Monetary Benefits are paid (Due Date). After the Due Date, and for the purposes of this section 4(d), a late payment charge is calculated at a daily, simple interest rate determined 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 was received. BPA shall pay by electronic funds transfer using Puget's established procedures.

**5. CASH PAYMENTS IF FIRM POWER NOT DELIVERED**

(a) **Conditions Under Which Firm Power Not Delivered**

(1) **Amount of Firm Power Purchased Exceeds Net Requirement**

If, for any Contract Year, pursuant to section 5 of Exhibit C of the Firm Power Block Power Sales Agreement, there is a reduction in the hourly amounts of Firm Power provided during each hour of the Contract Year or a portion thereof, then the amount of such Firm Power reduction ("Excess Requirements Energy") shall be converted to cash payments as provided for in section 5(b) below.

- (2) **Firm Power Not Delivered Pursuant to Section 8(b)**  
If, pursuant to section 8(b) below, monthly amounts of Firm Power cannot be delivered, then such amounts of Firm Power shall be converted to cash payments as provided for in section 5(b) below.
- (3) **Insufficiency and Allocations**  
If, pursuant to section 14(b) of Exhibit A, there is a restriction of power deliveries under this Agreement, then such restricted amounts shall be converted to cash payments as provided in section 5(b) below.
- (4) **Termination or Decrement for Export of Regional Resource**  
If, pursuant to section 14(e)(3) of the Firm Power Block Power Sales Agreement, BPA terminates the Firm Power Block Power Sales Agreement, the amounts of Firm Power provided under such agreement shall be converted to cash payments as provided in section 5(b) below. If, pursuant to section 14(e)(3) of the Firm Power Block Power Sales Agreement, BPA decrements the amount of Contracted Power under the Firm Power Block Power Sales Agreement, then the amounts of Contracted Power provided under such agreement shall be converted to cash payments as provided in section 5(a)(1) above.
- (5) **Firm Power Not Delivered Due to a Monthly Purchase Deficiency**  
If, for any month, there is a Monthly Purchase Deficiency, as that term is defined in section 5 of the Firm Power Block Power Sales Agreement for reasons other than Excess Requirements Energy as defined in section 5(a)(1) above, then such amount(s) of Monthly Purchase Deficiency shall be converted to cash payments as provided in section 5(b) below.
- (6) **Block Power Sales Agreement Held Invalid**  
If any or all power deliveries under the Firm Block Power Sales Agreement are restricted due to such agreement being unlawful, void, or unenforceable, then such restricted amounts shall be converted to cash payments as provided in section 5(b) below.

(b) **Determination of Cash Payment Amounts**

(1) **Default Payment Option**

Cash payments pursuant to this section shall be made monthly according to the following formula:

$$FBNDP = (MIDC - WC - RL) \times MWH$$

Where:

FBNDP = Monthly Cash Payment Amount for Firm Power in MWh not delivered under sections 5(a)(1) through 5(a)(6) above.

MIDC = The average price for the month of the Dow Jones daily firm On-Peak index price at the Mid-C for HLH, and the Dow Jones daily firm Off-Peak index price at the Mid-C for LLH based on volume weighted amounts not delivered to Puget under Exhibit A. If, in the future, the Mid-C index is no longer available, or does not accurately reflect the value of daily firm energy, then it will be replaced with another prevailing index (or indices) that best represents the market price for firm power traded in eastern Washington.

WC = Wheeling Charge from Federal system generators to the Mid-C point of delivery based on the posted Point-to-Point tariff of BPA's transmission business or its successor over unconstrained paths plus any mandatory posted ancillary service charges and transmission losses for scheduled power under such tariff. If, in the future, the Point-to-Point tariff is no longer available, or does not accurately reflect the cost of wheeling power from Federal system generators to the Mid-C point of delivery, then it will be replaced with a tariff that best represents the cost of wheeling fixed amounts of power between known points over unconstrained transmission paths.

RL = The monthly RL rate calculated at 100 percent load factor for HLH and LLH periods.

MWH = Monthly amount of power that cannot be delivered, expressed in megawatthours for HLH and LLH periods.

(2) **Puget Offer of Put Right to BPA**

Rather than receive payments under the default option described in section 5(b)(1) above, Puget may elect to offer BPA a put right for amounts of power not delivered pursuant to sections 5(a)(1) through 5(a)(4), and section 5(a)(6) subject to the following terms:

- (A) No later than 10 days prior to the start of a month, Puget shall notify BPA if it desires to provide BPA with a put right for such month. Such put right shall provide BPA the right to sell the amount of power determined in sections 5(a)(1) through 5(a)(4), and section 5(a)(6) above at the Mid-C index price as specified in section 5(b)(2)(C) below for the applicable delivery period, and at the point of delivery described in section 5(b)(2)(D) below.
- (B) If BPA chooses to exercise the put, it must do so prior to 2 p.m. on the later of: (i) three business days prior to the end of the month; or (ii) the day prior to the last day of trading for that month on the New York Mercantile Exchange futures market, or the put right expires for that month.
- (C) If Puget offers BPA the put right for a given month, then BPA shall pay Puget a cash payment according to the following formula:

$$PRP = (MIDC - RL) \times MWH$$

Where:

PRP = Monthly Cash Payment Amount for Firm Power in MWh not delivered under sections 5(a)(1) through 5(a)(4), and section 5(a)(6).

MIDC = The average price for the month of the Dow Jones daily firm On-Peak index price at the Mid-C for HLH, and the Dow Jones daily firm Off-Peak index price at the Mid-C for LLH based on volume weighted amounts not delivered to Puget under Exhibit A. If, in the future, the Mid-C index is no longer available, or does not accurately reflect the value of daily firm energy, then it will be replaced with another prevailing index (or indices) that best represents the market price for firm power traded in eastern Washington.

RL = The monthly RL rate calculated at 100 percent load factor.

MWH = Monthly amount of power that is offered by Puget as a put right, expressed in megawatthours.

(D) The point of delivery for power that is put to Puget will be the same point where BPA makes Firm Power available to Puget in the Firm Power Block Power Sales Agreement to wheel to its load.

(3) **Exception to Use of RL Rate in Sections 5(b)(1) and 5(b)(2)**  
If, for the purposes of the formulas shown in sections 5(b)(1) and 5(b)(2) above, there is: (i) no RL Rate in effect; or (ii) the RL Rate exceeds the Lowest PF Rate, then the Lowest PF Rate shall replace the RL Rate in such formulas. Use of the Lowest PF Rate in such event shall apply to cash payments provided in accordance with sections 5(a), 5(b)(1), and 5(b)(2).

(4) **Payment Provisions**  
If the monthly payment amount determined pursuant to the formulas in sections 5(b)(1) and 5(b)(2) is positive, then BPA shall pay Puget such amount; if any such amount is negative, then Puget shall pay BPA such amount. Monthly payment obligations under this section 5 shall appear as adjustments to BPA's payments or Puget's payments under section 4(d) above.

## 6. PASSTHROUGH OF BENEFITS

- (a) Except as otherwise provided in this Agreement, cash payment amounts, Firm Power, and Monetary Benefit amounts received by Puget from BPA under this Agreement shall be passed through, in full, to all residential and small farm consumers comprising the Residential Load, as either: (1) an adjustment in applicable retail rates; (2) monetary payments; or (3) as otherwise directed by the applicable State regulatory authority. It is specifically agreed that cash payment amounts and Monetary Benefit amounts received by Puget may be passed through to the Residential Load in the form of: (i) a specified amount of cash payment amounts and Monetary Benefit amounts received by Puget as a separate line item in Puget's retail rate schedules for the Residential Load; and (ii) with the balance of such cash payment amounts and Monetary Benefit amounts received by Puget passed through to the Residential Load in the form of a supplemental rider applicable to such rate schedules.
- (b) Monetary payments shall be distributed to the Residential Load in a timely manner, as set forth in this section 6(b). It is specifically acknowledged and agreed that such distribution of monetary payments may be made by Puget in advance of its receipt of such payments from BPA in an amount not to

exceed the expected receipt of such payments from BPA under this Agreement over the next 180 days. The amount of benefits held in the account described in section 6(c) below at any time shall not exceed the expected receipt of monetary payments from BPA under this Agreement over the next 180 days. If the annual monetary payment is less than \$600,000, then Puget may distribute benefits on a less frequent basis provided that distributions are made at least once each Contract Year.

- (c) Benefits shall be passed through consistent with procedures developed by Puget's State regulatory authority(s). Monetary Benefits and cash payments under section 3(e), section 4(b)(1), and section 5 shall be identified on Puget's books of account. Funds shall be held in an interest bearing account, and shall be maintained as restricted funds, unavailable for the operating or working capital needs of Puget, until Puget has passed through such funds for its Residential Load as a credit or credits on its bills. Benefits shall not be pooled with other monies of Puget for short-term investment purposes until Puget has passed through such funds for its Residential Load as a credit or credits on its bills. Firm Power shall be delivered monthly, and only to Residential Load.
- (d) Nothing in this Agreement shall require that any power be delivered on an unbundled basis to residential and small farm customers of Puget or that Puget provide retail wheeling of such power.

## 7. AUDIT RIGHTS

BPA retains the right to audit Puget at BPA's expense to determine whether the benefits provided to Puget under this Agreement were provided only to Puget's eligible Residential Load. BPA retains the right to take action consistent with the results of such audit to require the passthrough of such benefits to eligible Residential Load. BPA's right to conduct such audits of Puget with respect to a Contract Year shall expire 60 months after the end of such Contract Year. As long as BPA has the right to audit Puget pursuant to this Agreement, Puget agrees to maintain records and documents showing all transactions and other activities pertaining to the terms of this Agreement with respect to which BPA has audit rights.

## 8. ASSIGNMENT

- (a) Puget shall be required to assign benefits under this section 8 to BPA if another Qualified Entity serves Residential Load formerly served by Puget unless: (i) BPA has approved an agency agreement for such Qualified Entity under section 8(c); or (ii) BPA has approved a state program for the passthrough of benefits by a distribution utility under section 8(c).
- (b) 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 without the other Party's written consent. Such consent shall not be unreasonably withheld; **provided, however**, that Puget agrees it shall assign benefits under this Agreement subject to the following terms and conditions:

- (1) Puget shall quantify an amount of Residential Load each month served by Qualified Entities that would have been eligible to receive benefits if served by Puget, and provide written notice to BPA of such amount no later than five days prior to the beginning of a month. Such amount shall be determined in account months based on the amounts served by Puget and Qualified Entities in the last full calendar month prior to such written notice to BPA. An account month is the number of days of service to a Residential Load account during a month, divided by the number of days in such month.
  - (2) Based on the determination in section 8(b)(1) above, Puget shall assign to BPA during the month following such notice a share of the total benefits specified in section 4(a) above. Such share shall be the account months of Residential Load served by Qualified Entities divided by the account months of Residential Load of Puget that would be eligible to receive benefits, whether or not Puget continues to serve such Residential Load. For purposes of section 8(b)(1) and this section 8(b)(2), the Residential Load of Puget shall not include Residential Load receiving benefits over a new distribution system under section 8(d).
  - (3) The amounts of cash payments, Firm Power, and Monetary Benefit assigned to BPA shall be in the same proportion as Puget receives under this Agreement.
  - (4) If the passthrough of benefits is made to consumers under section 8(c) below, then Puget shall retain the cash payments and Monetary Benefits assigned to BPA under this section 8(b) and the amount of Firm Power determined under this section 8(b) to be assigned to BPA shall be retained by BPA and converted to dollars pursuant to section 5 above. Puget shall use such amount of dollars plus the Monetary Benefits and cash payments to provide benefits to individual residential and small farm consumers under section 8(c) below.
- (c) Puget may continue to pass through benefits to individual residential and small farm consumers under this Agreement not served by Puget: (i) if Puget is acting as the agent under an agreement entered into between Puget and a Qualified Entity which has been approved by Puget's applicable state regulatory authority and BPA; or (ii) BPA has approved a program developed