

8/25/81

POWER SALES CONTRACT

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through the

BONNEVILLE POWER ADMINISTRATION

and

PORTLAND GENERAL ELECTRIC COMPANY

Metered Requirements and Computed Requirements

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This POWER SALES CONTRACT, executed August 27, 1982 by the UNITED STATES OF AMERICA (Government), Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (Bonneville) and PORTLAND GENERAL ELECTRIC COMPANY (Purchaser), a corporation of the state of Oregon,

W I T N E S S E T H:

WHEREAS the Purchaser is an investor-owned utility serving electric power and energy to ultimate consumers within the Pacific Northwest; and

WHEREAS the Purchaser pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (P.L. 96-501) is entitled to purchase and Bonneville is authorized to sell electric power and energy to serve all or a portion of the Purchaser's firm load requirements; and

WHEREAS Bonneville is obligated to acquire sufficient resources to meet the electric power requirements placed on Bonneville consistent with implementing cost effective conservation measures and to protect, mitigate and enhance fish and wildlife consistent with P.L. 96-501;

WHEREAS Bonneville is authorized pursuant to law to dispose of electric power and energy generated at various federal hydroelectric projects in the Pacific Northwest or acquired from other resources, to construct and operate transmission facilities, to provide transmission and other services, and to enter into agreements to carry out such authority;

WHEREAS Bonneville is obligated to acquire sufficient resources to meet the electric power requirements placed on Bonneville consistent with implementing cost effective conservation measures and to protect, mitigate and enhance fish and wildlife consistent with P.L. 96-501;

WHEREAS Bonneville is required under section 4(g)(1) of P.L. 96-501 to maintain comprehensive programs to insure widespread public involvement in the formulation of regional power policies; and

WHEREAS Bonneville is authorized pursuant to law to dispose of electric power and energy generated at various federal hydroelectric projects in the Pacific Northwest or acquired from other resources, to construct and operate transmission facilities, to provide transmission and other services, and to enter into agreements to carry out such authority;

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

1. Termination of Prior Contract. The Prior Contract, if any, is hereby terminated as of the effective date of this contract. All liabilities accrued thereunder are hereby preserved until satisfied.
2. Term of Contract. This contract shall be effective on the first day of the next Billing Month following the date at least five calendar days after Bonneville acknowledges receipt of an executed contract and shall continue until 2400 hours on June 30, 2001. Bonneville shall acknowledge receipt of an executed contract upon receipt of a contract signed by the Purchaser and any authorizing resolution necessary for the execution of such contract.
3. Definitions.
 - (a) "Actual Computed Requirements" means the basis on which a designated Computed Requirements Purchaser, pursuant to section 17(c), purchases Firm Power from Bonneville.

(b) "Actual Firm Peak Load" and "Actual Firm Energy Load" mean the actual maximum integrated one-hour monthly peak and average monthly energy loads, respectively, of the Purchaser's system in the Pacific Northwest, for each Billing Month, after adjustment pursuant to section 17(e). Such actual loads shall not include any load to the extent that the Purchaser had a unilateral right to interrupt such load during such month, even if such load was not actually interrupted, but shall include the amount of any load which the Purchaser actually interrupted for the purpose of backing up or providing economic operation of its Firm Resources. In addition, any New Large Single Load or portion of such load shall not be included in the Purchaser's firm loads hereunder prior to the date Bonneville is obligated to supply such load with Firm Power pursuant to the terms of section 8(e). Contractual obligations of the Purchaser to utilities outside its normal service area may, if permitted by the terms of section 12(a), be included in the Purchaser's Firm Resources, but shall not be included in the Purchaser's Actual Firm Loads hereunder. Actual Firm Peak Load and Actual Firm Energy Load shall be referred to collectively as "Actual Firm Load."

(c) "Assured Peak Capability" and "Assured Energy Capability" mean the total of the firm peak and firm energy capabilities, respectively, for all of the Purchaser's Firm Resources, as determined pursuant to section 16, which the Purchaser can deliver on a firm basis to its loads. Assured Peak Capability and Assured Energy Capability shall be referred to collectively as "Assured Capability."

(d) "Billing Month," when used with respect to a Purchaser designated to purchase on the basis of Metered Requirements, means the interval between meter-reading dates which normally will be approximately 30 days. If service is for less or more than the normal billing month, the monthly charges stated in the applicable rate schedule shall be appropriately adjusted. Winter and summer periods identified in the rate schedules shall begin and end for a Purchaser with the beginning and ending of the Billing Month having meter-reading dates closest to the periods so identified.

When used with respect to a Purchaser designated to purchase on the basis of Computed Requirements, means a calendar month.

(e) "Computed Average Energy Requirement" means the amount by which the Purchaser's Actual Firm Energy Load for a month exceeds its Assured Energy Capability for such month, after adjustment pursuant to section 17(d). The term "average energy computed demand" as used in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit has the same meaning.

(f) "Computed Energy Maximum" means an amount of electric energy equal to the product of the Purchaser's Computed Average Energy Requirement for a month and the number of hours in such month.

(g) "Computed Maximum Requirements" means the hourly amounts of power Bonneville is obligated to deliver to the Purchaser during the Heavy Load Hours of a month, as defined in section 17(g)(1).

- (h) "Computed Peak Requirement" means the amount by which the Purchaser's Actual Firm Peak Load for a month exceeds its Assured Peak Capability for such month. The term "peak computed demand" as used in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit has the same meaning.
- (i) "Computed Requirements" means the basis on which the Purchaser, if so designated as specified in section 13, purchases from Bonneville its requirements for Firm Power which exceed its Assured Capability. The term "computed demand" as used in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit has the same meaning. All references to "Computed Requirements" shall be deemed to include Actual Computed Requirements, Planned Computed Requirements, and Contracted Requirements.
- (j) "Consumer" means an end user of electric power or energy.
- (k) "Contracted Requirements" means the basis on which a designated Computed Requirements Purchaser, pursuant to section 17(b), purchases Firm Power from Bonneville.
- (l) "Coordination Agreement" means the Agreement for Coordinated Operations among Power Systems of the Pacific Northwest (BPA Contract No. 14-03-48221), as amended or replaced.
- (m) "Critical Period" when used with respect to Firm Resources which are included in Coordination Agreement planning, means the same herein as

that term is defined in the Coordination Agreement; when used with respect to Firm Resources which are not included in Coordination Agreement planning means the one or more months in any one Operating Year in the historical streamflow period of record normally used for hydroelectric resource planning in the Pacific Northwest, during which the Purchaser's system of such Firm Resources, together with all of the Purchaser's Seasonal Storage which is not included in the Coordination Agreement planning, is able to produce the least energy in a monthly distribution, represented by the difference between the Purchaser's Estimated Firm Energy Load and that Estimated Firm Energy Load, if any, submitted under Coordination Agreement planning; provided, however, that for the Firm Resources of the Montana Power Company which are hydroelectric resources located on the Missouri River or its tributaries, the Critical Period so determined shall not be limited to the months in any one Operating Year.

- (n) "Customer" means any entity which contracts for the purchase of electric power or energy from Bonneville.

- (o) "Estimated Firm Peak Load" and "Estimated Firm Energy Load" mean the best estimate of the maximum integrated one-hour monthly peak and average monthly energy loads of the Purchaser's system in the Pacific Northwest which are equally likely to be less than or greater than the Purchaser's actual peak and energy loads in each month under normal weather conditions, except that the Purchaser may increase the largest of such monthly peak loads during the Operating Year to represent the peak load which is equally likely to be less than or greater than the

Purchaser's actual peak load during the Operating Year. Such system loads shall be reduced by any and all loads to the extent that the Purchaser has unilateral rights to interrupt deliveries to such load during each month of such Operating Year, excepting loads which the Purchaser has a right to interrupt for the purpose of backing up or providing economic operation of its Firm Resources. In addition, any New Large Single Load or portion of such load shall not be included in the Purchaser's firm loads hereunder prior to the date Bonneville is obligated to supply such load with Firm Power pursuant to the terms of section 8(e). Contractual obligations of the Purchaser to utilities outside its normal service area may, if permitted by the terms of section 12(a), be included in the Purchaser's Firm Resources, but shall not be included in the Purchaser's firm loads hereunder. Estimated Firm Peak Load and Estimated Firm Energy Load shall be referred to collectively as "Estimated Firm Load."

- (p) "Firm Capacity" means capacity which Bonneville assures will be available to the Purchaser in the amounts and during the period or periods specified in the contract except when operation of the generation or transmission facilities used by Bonneville to serve such Purchaser is suspended, interrupted, interfered with, curtailed or restricted as a result of the occurrence of any condition described in the Uncontrollable Forces or Continuity of Service sections of the General Contract Provisions Exhibit.
- (q) "Firm Energy" means electric energy which Bonneville assures will be available to the Purchaser during the period or periods specified in the

contract except when the operation of the generation or transmission facilities used by Bonneville to serve the Purchaser is suspended, interrupted, interfered with, curtailed, or restricted as a result of the occurrence of any condition described in the Uncontrollable Forces or Continuity of Service sections of the General Contract Provisions Exhibit.

(r) "Firm Peak Load Carrying Capability," "Firm Energy Load Carrying Capability" and "Firm Load Carrying Capability" mean the same herein as those terms are defined in the Coordination Agreement.

(s) "Firm Power" means electric power which Bonneville will make continuously available to the Purchaser on a Metered or Computed Requirements basis to meet its Actual Firm Loads except when restricted because the operation of generation or transmission facilities used by Bonneville to serve the Purchaser is suspended, interrupted, interfered with, curtailed or restricted as the result or the occurrence of any condition described in the Uncontrollable Forces or Continuity of Service sections of the General Contract Provisions Exhibit. Unless related to specific facilities serving the Purchaser, restrictions of Firm Power shall not be made until Bonneville has exercised its rights to restrict industrial firm power, modified firm power, and all other power subject to restriction in favor of the Purchaser. Firm Power shall be a collective reference to Firm Capacity and Firm Energy.

(t) "Firm Resource" means that portion of each of the generating resources or contractual resources of the Purchaser dedicated to the Purchaser's

Actual Firm Load as set forth in the Purchaser's Firm Resources Exhibit. The term Firm Resource includes the Purchaser's firm contractual obligations to utilities outside its normal service area, if any, as set forth in the Purchaser's Firm Resources Exhibit.

- (u) "Flexibility Account" means the account kept by the Purchaser which shows as of the end of each month of the Operating Year the accumulated balance of adjustments made by the Purchaser to its Assured Energy Capability. Such account shall be established and maintained pursuant to section 17(d).
- (v) "Heavy Load Hours" means those hours between 7 a.m. and 10 p.m., Monday through Saturday, or such other hours as may be specified in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit or its successor.
- (w) "Integrated Demand" means the number of kilowatts equal to the number of kilowatthours recorded by a meter during a clock-hour.
- (x) "Intra-Class Excess Entitlement" means the portion, if any, of the Purchaser's entitlement to Firm Capacity or Firm Energy from the Purchaser's entitlement of Federal base system resources, if any, and resources acquired by Bonneville from or on behalf of the Purchaser under P.L. 96-501 as determined in the Allocation Formulas Exhibit which is in excess of the amount of Firm Capacity or Firm Energy necessary to serve Bonneville's obligation to the Purchaser on a Metered or Computed Requirements basis for any Operating Year in a period of insufficiency.

- (y) "Light Load Hours" means those hours of the month which are not Heavy Load Hours.
- (z) "Measured Amounts", when used with respect to a Purchaser designated to purchase on the basis of Computed Requirements but which does not schedule amounts of power to be interchanged with Bonneville, means the amounts assigned to Firm Power purchased pursuant to this agreement in the tabulation of hourly interchange prepared by the Purchaser pursuant to section 17(h).

When used with respect to a Purchaser designated to purchase on the basis of Computed Requirements and which schedules amounts of power to be interchanged with Bonneville, means the hourly amounts of Firm Power requested by the Purchaser in accordance with section 17(g) and scheduled to the Purchaser in accordance with the provisions of section 18 of this agreement.

- (aa) "Measured Demand," when used with respect to a Purchaser designated to purchase on the basis of Metered Requirements, means the largest of the Integrated Demands for each Point of Delivery, adjusted as appropriate to such Point of Delivery, for Heavy Load Hours during a Billing Month.

When used with respect to a Purchaser designated to purchase on the basis of Computed Requirements, means the largest of the Measured Amounts for Heavy Load Hours during a month; provided, however, that if Bonneville has, pursuant to section 17(g)(1), limited its obligation to make power available to the Purchaser during such month below the

largest of the Measured Amounts for Heavy Load Hours in such month, the Measured Demand shall be the lowest level to which the Purchaser was so limited during such month.

(bb) "Measured Energy," when used with respect to a Purchaser designated to purchase on the basis of Metered Requirements, means the number of kilowatthours delivered to any Point of Delivery during a Billing Month. Such number of kilowatthours shall be the reading which is recorded during a Billing Month by a meter specifically installed to measure such kilowatthours and which is adjusted as appropriate to such Point of Delivery.

When used with respect to a Purchaser designated to purchase on the basis of Computed Requirements, means the sum of the Measured Amounts for all hours in a Billing Month, after adjustment, if any, for energy delivered to the Purchaser on the last day of the Billing Month and returned to Bonneville in the next Billing Month pursuant to section 2(a)(4) of the Power Scheduling Procedures Exhibit.

(cc) "Metered Requirements" means the basis on which the Purchaser, if so designated as specified in section 13, purchases from Bonneville its requirements for Firm Power.

(dd) "New Large Single Load" means any load associated with a new facility, an existing facility, or an expansion of an existing facility:

(1) which is not contracted for, or committed to, as determined by Bonneville, by a public body, cooperative, investor-owned utility, or Federal agency Customer prior to September 1, 1979, and

(2) which will result in an increase in power requirements of such Customer of ten average megawatts or more in any consecutive twelve-month period.

(ee) "Operating Year" means the period commencing each year on July 1 and ending the following June 30.

(ff) "Pacific Northwest" means the same herein as such term is defined in P.L. 96-501.

(gg) "Planned Computed Requirements" means the basis on which a designated Computed Requirements Purchaser, pursuant to the provisions of section 17(a), purchases Firm Power from Bonneville.

(hh) "Point of Delivery" means a point of delivery listed in the Points of Delivery Exhibit.

(ii) "Seasonal Storage" means the ability to store water in reservoirs and to thereby increase or decrease the planned or actual energy generation at hydroelectric facilities in one month and to compensate for such change in another month, either using the Purchaser's own facilities or the facilities of others which the Purchaser has firm rights to use pursuant to contracts.

(jj) "Year Preceding Insufficiency" means the Operating Year immediately preceding the initial Operating Year in a continuous period of one or more years for which Bonneville has issued a notice or notices of restriction in which Bonneville actually determines a final allocation of Firm Capacity or Firm Energy for any Purchaser in the public body and cooperative class or Federal agency class.

4. Exhibits; Interpretation. The rights and obligations of the parties hereunder shall be subject to and governed by this contract, including Exhibits A through L attached hereto and by this reference made a part of this contract in accordance with the specific provisions of this contract relating to each exhibit. This contract sets forth the entire agreement of the parties as of the effective date of the contract. The headings used in this contract are for convenient reference only, and shall not affect the interpretation of this contract.

5. Agreement as to Bonneville's Decision in Acquiring Resources to Serve Load.

(a) Bonneville agrees to serve the firm load obligations of the Purchaser placed upon Bonneville pursuant to this contract. Bonneville shall meet the load utilizing resources available to Bonneville or acquired by Bonneville in accordance with P.L. 75-329, P.L. 93-454, P.L. 96-501, and other applicable law. Bonneville's acquisition of resources under P.L. 96-501, to the extent appropriate, shall be consistent with the plan adopted by the Pacific Northwest Electric Power and Conservation Planning Council.

(b) Except as expressly provided in this contract and in applicable provisions of law, Bonneville's obligations under this contract are not contingent upon action taken or to be taken by the Purchaser.

To the extent that the Purchaser obligates Bonneville to serve all or a portion of its load growth pursuant to this contract in lieu of using Firm Resources to meet such load growth, the Purchaser and Bonneville recognize that resources must be made available by or on behalf of the Purchaser to Bonneville if Bonneville is to have the ability to meet its obligations hereunder. The Purchaser therefore agrees that it will use its best efforts either to serve its load growth using Firm Resources, or to make available for acquisition by Bonneville, in accordance with the conservation and resource priorities and other requirements of P.L. 96-501, resources equivalent to the load growth of the Purchaser which is served hereunder. Such resources will be made available to Bonneville pursuant to mutually agreeable contracts providing appropriate compensation to the Purchaser and other necessary terms. In making such resources available, the Purchaser may act individually or in cooperation with others.

The parties acknowledge that cost-effective conservation measures will be implemented in accordance with P.L. 96-501 and that Bonneville is required to give priority to the development and acquisition of certain types of resources under P.L. 96-501. The Purchaser agrees to make a good faith effort to cooperate with Bonneville in implementing and initiating the resource responsibilities placed on Bonneville, and providing services necessary thereto, pursuant to P.L. 96-501.

6. Interpretation of Fish and Wildlife Responsibilities.

In meeting its obligations under this contract, Bonneville affirms its obligations under Section 4 and 6 of P.L. 96-501 and other applicable law with respect to implementation of measures and objectives for the protection, mitigation, and enhancement of fish and wildlife, while assuring the Pacific

Northwest an adequate, efficient, economical, and reliable power supply. This contract shall not impair compliance with such obligations.

The Purchaser affirms its legal obligations related to fish and wildlife established in any license or order issued by the Federal Energy Regulatory Commission. This contract shall not expand, impair, or in any way alter the Purchaser's legal obligations related to fish and wildlife established in a license or order issued by the Federal Energy Regulatory Commission.

7. Allocation Provisions in the Event of Planning Insufficiency.

(a) Notice of Restriction. For purposes of issuing notices of restriction under this contract Bonneville's Customers shall be divided into three classes: (1) public body and cooperative; (2) Federal agency; and (3) investor-owned utility. If Bonneville determines for any Operating Year that it cannot on a planning basis acquire sufficient resources to fully supply Bonneville's estimated obligation to the Purchaser or any member of the Purchaser's class of Customers and Bonneville's estimated commitments to other Customers whose supply from Bonneville is not subject to restriction in favor of the Purchaser, Bonneville may issue a written notice of restriction to the Purchaser and its class of Customers for such Operating Year. Such notice shall be dated no earlier than provided for in paragraph (2) below and must be consistent with the provisions of paragraphs (3), (4), and (5) below. The notice of restriction may limit Bonneville's obligation in such Operating Year to supply Firm Power to the Purchaser pursuant to section 14 or section 17 below, as applicable.

The notice of restriction shall specify Bonneville's best estimate of the Purchaser's entitlement to Firm Capacity and Firm Energy for such Operating Year, Bonneville's estimate of the Purchaser's allocation, including the loads and resources on which such estimate is based and Bonneville's estimate of the

expected duration of any period of insufficiency. Any notice of restriction issued hereunder shall be subject to the following limitations:

(1) Notice periods shall not commence until the start of next Operating Year following the date a notice is issued.

(2) Bonneville shall not issue a notice of restriction to any class of Customers prior to December 5, 1985, to allow Bonneville a reasonable period of experience under P.L. 96-501.

(3) Any notice of restriction which limits Bonneville's obligation to supply Firm Energy to the Purchaser if it is a member of the public body and cooperative class or Federal agency class shall not be effective prior to the expiration of the eighth Operating Year following the commencement date applicable to such notice.

(4) Any notice of restriction which limits Bonneville's obligation to supply Firm Power if the Purchaser is a member of the investor-owned utility class or Firm Capacity if the Purchaser is a member of the public body and cooperative class or the Federal agency class shall not be effective prior to the expiration of the fifth Operating Year following the commencement date applicable to such notice.

(5) Any notice of restriction issued to the public body and cooperative class or Federal agency class shall not be effective prior to the Operating Year for which Bonneville estimates that its combined obligations to both classes to supply Firm Capacity or Firm Energy equal or exceed the firm peak capability or firm energy capability, respectively, of the Federal base system resources.

(6) A notice of restriction issued to any Purchaser under this section shall not be effective for any Operating Year to the extent Bonneville has not exercised its rights in a timely manner to restrict

Bonneville's obligations to other Customers whose supply from Bonneville is subject to restriction in favor of the Purchaser.

Bonneville shall use its best efforts to annually advise the Purchaser of Bonneville's estimate of the Purchaser's allocation of Firm Capacity and Firm Energy for any Operating Year for which a notice of restriction was issued. Such advisement shall include current estimates of the Purchaser's allocation of Firm Capacity and Firm Energy for all Operating Years for which a notice of restriction has been issued.

Notwithstanding the issuance of a notice of restriction to the Purchaser, Bonneville shall use its best efforts to acquire sufficient resources to supply in full its obligations to the Purchaser pursuant to section 14 or section 17 below, as applicable, and its similar obligations to the Purchaser's class of Customers. Bonneville may cancel a notice of restriction by giving written notice to the Purchaser and thereby reduce or eliminate the limits on Bonneville's obligation to supply Firm Capacity or Firm Energy to the Purchaser and its class of Customers at any time. Such cancellation shall be made whenever Bonneville determines it will have sufficient resources to supply in full its obligations to the Purchaser pursuant to section 14 or section 17 below, as applicable, and its similar obligations to such class of Customers. Any such cancellation shall be made only after Bonneville consults with the Purchaser and Bonneville's other Customers.

(b) Determination of Purchaser's Allocation.

The Purchaser's contractual entitlement to and allocation of Firm Capacity or Firm Energy shall be based on the formulas in the Allocation Formulas Exhibit. Such formulas shall be used for determining both estimated allocations and final allocations of Firm Capacity and Firm Energy based on the Purchaser's entitlement to firm peak capability and firm energy capability

determined under the formulas. In addition to the loads and resources which Bonneville would normally consider in establishing Bonneville's obligations to the Purchaser pursuant to section 14 or section 17, as applicable, Bonneville shall deduct the planning capability of the Purchaser's Firm Resources for Customers purchasing on a Metered Requirements basis in determining its obligation to the Purchaser pursuant to this section. The planning capability of the Purchaser's Firm Resources for Customers purchasing on Metered Requirements for the purpose of determining Bonneville's obligation to such Purchaser shall either be established by (1) a services agreement with Bonneville or another entity; (2) contracts for the delivery of amounts of power by Bonneville or other entities; or (3) a planning capability supplied by the Purchaser for each of its Firm Resources along with the data used to determine such planning capability. Planning capabilities supplied by the Purchaser shall be reasonable and in conformance with usual practices used by the Purchaser, Bonneville, and other Pacific Northwest utilities for resource planning.

Bonneville shall revise every notice of restriction which has not been cancelled by the January 1 prior to the Operating Year it becomes effective. Such revision shall specify either (1) that Bonneville shall be obligated to serve the Purchaser on a Metered Requirements basis pursuant to section 14 except that the output of the Purchaser's Firm Resources must be at least the planning capability of such resources determined in the paragraph above or to serve the Purchaser on a Computed Requirements basis pursuant to section 17 during the next Operating Year, as applicable; or (2) Bonneville's estimate of the Purchaser's allocation of Firm Capacity and Firm Energy available to serve the Purchaser's Actual Firm Loads for such Operating Year. Such estimated

allocation shall be determined using the best available estimates of loads and resource capabilities at that time.

Such estimated allocation shall establish Bonneville's obligations to the Purchaser and be used to determine the billing factors for demand and energy established by the Purchaser's allocation for each month of the Operating Year until a final allocation is issued. The billing factor for allocated demand for each month shall be based on monthly allocations of Firm Capacity based on amounts of firm peak capability determined from the formulas in the Allocations Formula Exhibit. The billing factor for allocated energy for each month shall be established from the yearly allocation of Firm Energy based on the amount of firm energy capability determined from the formulas in the Allocation Formulas Exhibit. If the Purchaser has sufficient Seasonal Storage to allocate its Assured Energy Capability among months of the Operating Year in the manner set forth in section 16(c)(2), the Purchaser shall substitute its yearly allocation of Firm Energy for its annual energy requirement on Bonneville to distribute its yearly allocation of Firm Energy among months of the Operating Year. Bonneville shall distribute the yearly allocation of Firm Energy among months for all other Purchasers using the same assumption as that used by Bonneville to constrain its loads to its resources in subsection (d) below to determine the firm capability of the Federal base system resources.

Bonneville shall determine the Purchaser's final allocation of Firm Capacity and Firm Energy as soon as practicable after August 15 of each Operating Year. Such allocation shall be based on the best available estimates of loads and resource capabilities and include any allocations to the Purchaser of Firm Capacity and Firm Energy under subsection (g) below. Such final allocation shall specify the Purchaser's allocations and billing factors for the remainder of the Operating Year with the billing factors

determined in the same manner as specified above under the estimated allocation.

Notwithstanding any allocations of Firm Capacity or Firm Energy established in this section by a notice of restriction, Bonneville shall use its best efforts to acquire sufficient resources to supply in full its obligations to the Purchaser pursuant to section 14 or section 17, as applicable, and its similar obligations to the Purchaser's class of Customers. Bonneville may suspend the limitations imposed by a notice of restriction during periods within the Operating Year such notice is effective. Any such suspension shall be made only after Bonneville consults with the Purchaser and Bonneville's other Customers.

(c) Federal Base System Resources. The firm capability of the Federal base system resources shall be calculated from:

(1) the firm capability of the Federal Columbia River Power System hydroelectric projects, existing or hereafter constructed;

(2) the firm capability of resources listed below acquired by Bonneville under long-term contracts in force on the effective date of P.L. 96-501:

	<u>Installed Capability</u> (MW)
(A) Hanford	860
(B) WNP No. 1	1250
(C) WNP No. 2	1100
(D) 70% of WNP No. 3	1240
(E) 30% of Trojan	1130
(F) Peak/Energy Exchange (PNW and PSW)	N/A
(G) Wind turbines	7.5; and

(3) the firm capability of resources acquired by Bonneville to replace reductions in the capability of the hydroelectric projects in the

event of loss of generation facilities at one or more hydroelectric projects, reductions in the capability of the hydroelectric projects due to constraints on the use of streamflows at such projects for the production of electric power and energy for such constraints which were not planned prior to December 5, 1980, or reductions in the firm capability of the contractual resources in (2) above.

(d) Determination of the Firm Capability of the Federal Base System Resources. The firm capability for a future Operating Year of the Federal base system resources shall be determined by using streamflows to generate electric power and energy within the constraints on use of the rivers due to irrigation withdrawals, navigation, recreation needs, minimum streamflows, fisheries and wildlife operations and other authorized uses. Such capability shall be determined by using such resources' contribution to Bonneville's Firm Load Carrying Capability. Such contribution shall be determined in the same manner as specified in section 16(b)(1) for determining the contribution to Assured Capability of the Firm Resource of a Customer which is included by such Customer in Coordination Agreement planning. Such contribution may be further adjusted to provide other appropriate adjustments for reserves which are in accordance with Coordination Agreement procedures to recognize regional planning uncertainties.

For purposes of this section 7, Bonneville shall determine the firm peak capability of the Federal base system resources by shaping all of Bonneville's firm resources to meet Bonneville's monthly obligations to supply all of the firm energy loads of its Customers. Such firm peak capability shall be such resources' proportional contribution to the monthly firm peak capability determined by shaping Bonneville's resources to meet its energy obligations.

If Bonneville has issued a notice of restriction to meet the energy loads of Customers, Bonneville shall, in determining the firm peak capability of the Federal base system resources for purposes of this section 7, develop the firm capability of its resources by constraining its loads to its resources based on the assumption that Bonneville's Customers to whom such notice applies will provide firm energy as a single class in equal amounts for each month in the Operating Year to meet the difference between Bonneville's Firm Energy obligation prior to restriction and Bonneville's limited Firm Energy obligations after restriction. Bonneville may change such assumption after consultation with its Customers.

The loads used to determine the contribution of resources to Bonneville's Firm Load Carrying Capability shall include the pumping loads of the U.S. Bureau of Reclamation which are authorized by law as obligations of the hydroelectric projects in (c)(1) above and the losses of electric energy resulting from delivery of electric power and energy to Bonneville's Customers in the Pacific Northwest. The firm capability of the Federal base system resources shall be reduced to meet such loads and the proportional share of such losses.

(e) Determination of Firm Capability of Acquired Resources. The firm capability of a resource acquired by Bonneville under P.L. 96-501 from or on behalf of the Purchaser shall be such resource's contribution to Bonneville's Firm Load Carrying Capability using the estimated peak and energy capability of such resource specified in the resource purchase agreement. The contribution of a resource to firm peak capability and firm energy capability shall be determined using the same loads and in the same manner as the Federal base system resources. The firm capability of such resources shall not include amounts of peak and energy capability specified in the resource

purchase agreement as a replacement for Federal base system resources or an amount purchased in lieu of an amount of electric power offered to Bonneville by another utility at such utility's average system cost.

Bonneville may rerate the peak and energy capability of a resource based on the actual performance of such resource by giving seven years' prior written notice of such adjustment. Such rerating shall be consistent with any terms of the resource purchase agreement and reflect actual operating experience.

(f) Principles for Allocating Intra-Class Excess Entitlements.

Bonneville shall allocate amounts of Intra-Class Excess Entitlements under the formulas in the Allocation Formulas Exhibit for each Operating Year in a period of insufficiency based on the following principles:

(1) If the sum of the Intra-Class Excess Entitlements for a class of Customers is greater than Bonneville's estimate for such Operating Year of the amounts needed to supply the Firm Capacity or Firm Energy requirements of the Customers of such class after providing such Customers their entitlement to the Federal base system resources, if any, and their entitlement to any resources acquired by Bonneville under P.L. 96-501 from or on behalf of such Customers, Bonneville shall supply Firm Capacity or Firm Energy to all Customers of such class pursuant to subsection (b)(1) above.

(2) If the sum of the Intra-Class Excess Entitlements for the public body and cooperative class or Federal agency class of Customers is less than Bonneville's respective estimate for such Operating Year of the amounts needed to supply the Firm Capacity or Firm Energy requirements of the Customers of such class after providing such Customers their entitlement to the Federal base system resources and their entitlement to

any resources acquired by Bonneville under P.L. 96-501 from or on behalf of such Customers, Bonneville shall use the Intra-Class Excess Entitlements for the public body and cooperative class or the Federal agency class to first meet its obligation to supply to each Customer of each class, respectively, an amount of Firm Capacity and Firm Energy equal to the amounts actually supplied by Bonneville in the Year Preceding Insufficiency.

(3) Bonneville shall allocate the sum of the Intra-Class Excess Entitlements for the investor-owned utility class of Customers and any amounts for the public body and cooperative class or Federal agency class remaining after Bonneville meets its respective obligations for such classes specified in paragraph (2) above in a pro rata manner based on formula F of the Allocation Formulas Exhibit.

Intra-Class Excess Entitlements shall be allocated on the basis of an allocation factor which establishes each Customer's entitlement on a pro rata basis to the sum for such Customer's class of the Intra-Class Excess Entitlements. Such allocation factor shall be established by starting with a factor determined by comparing the resources actually developed by each Customer to that amount of Firm Capacity or Firm Energy which each Customer needed to develop in order to meet its load growth and load-resource deficits, if any, existing in the year prior to enactment of P.L. 96-501, squaring the resulting factor for each Customer to increase the allocation of those Customers which have been the most successful in developing resources and adjusting the resulting factor so that the sum of such factors for all Customers in a class equals one. The resulting factor shall establish each Customer's allocation factor in such class.

Subject to the reduction specified in paragraph (4) below, the Intra-Class Excess Entitlements shall be allocated to fully meet the deficiencies of the Customers in a class or until the Intra-Class Excess Entitlements for such class are exhausted. If the Intra-Class Excess Entitlements are not exhausted in meeting the deficiencies of the Customers in a class as reduced by paragraph (4) below, such remaining amount of Intra-Class Excess Entitlements, which are the amounts remaining, if any, due to paragraph (4) below, shall be allocated by multiplying such remaining amount by each Customer's allocation factor until the Intra-Class Excess Entitlements for such class are exhausted.

(4) Bonneville shall reduce its obligation to the Purchaser under paragraph (3) above by Bonneville's estimate of the Firm Capacity or Firm Energy necessary to serve the amount which the Purchaser's Actual Firm Peak Loads or Actual Firm Energy Loads would have been reduced by cost-effective Bonneville conservation programs which the Purchaser declined to implement. Such reduction shall not be made to the extent Bonneville determines the Purchaser has implemented similar measures which accomplished the same purpose and were sufficiently comparable to the Bonneville programs to permit evaluation of their degree of effectiveness. Cost-effective shall be as defined in P.L. 96-501.

(g) Allocation of Additional Government Resources. Bonneville may allocate an additional amount of Firm Capacity or Firm Energy to the Purchaser from the Intra-Class Excess Entitlements of another class which are excess to the needs of such other class or from other resources available to Bonneville. Bonneville shall determine the methods for making such allocations after consultation with its Customers.

8. Determination of New Large Single Loads.

(a) Determination of a Facility. Bonneville and the Purchaser shall make a reasonable determination of what constitutes a single facility, for the purpose of identifying a New Large Single Load, based upon the following criteria: (1) whether the load is operated by a single Consumer; (2) whether the load is in a single location; (3) whether the load serves a manufacturing process which produces a single product or type of product; (4) whether separable portions of the load are interdependent; (5) whether the load is contracted for, served or billed as a single load under the individual Purchaser's customary billing and service policy; (6) consistent application of the foregoing criteria in similar fact situations; and (7) any other factors the parties determine to be relevant.

Bonneville shall show an increase in load associated with a Consumer's facility which has been determined to be a New Large Single Load on Table 1 of the New Large Single Load Determinations Exhibit. Bonneville shall show loads associated with a Consumer's facility which Bonneville has determined were contracted for, or committed to prior to September 1, 1979, on Table 2 of the New Large Single Load Determinations Exhibit. Bonneville shall have the unilateral right to amend Table 1 or make additions to Table 2 of such exhibit to reflect such determinations when made.

(b) Determination of Ten Average Megawatt Increase. An increase in load shall be considered a New Large Single Load if the energy consumption of the Consumer's load associated with a new facility, existing facility or expansion of an existing facility during the immediately past twelve-month period exceeds by ten average megawatts or more the Consumer's energy consumption for such new facility, existing facility or expansion of an existing facility for the consecutive twelve-month period one year earlier, or the amount of the

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

The contracted for, or committed to load as of September 1, 1979, shall be the maximum amount of energy specified in such contract or commitment, the maximum energy consumption of the load or the capacity limitation contained in such contract or commitment if energy is not specified or limited.

(c) Identification of Potential New Large Single Loads. The Purchaser shall make reasonable efforts to identify potential New Large Single Loads, and shall report to Bonneville (1) the addition of electrical equipment of ten MVA or more by a single Consumer; (2) the installation of additional transformation capacity of ten MVA or more by the Purchaser or a Consumer which is designed to serve a single facility; or (3) the potential change in operation of a facility which may result in an increase of ten average megawatts or more in a twelve-month period.

(d) Agreed Upon Monitored Loads. All of this subsection (d) except for the last paragraph regarding consultation on billing of New Large Single Loads shall not apply if the Purchaser is an investor-owned utility.

Based upon the available information concerning an increase in load, Bonneville and the Purchaser may agree that an increase in load associated with a new facility, existing facility or expansion of an existing facility should be considered a New Large Single Load from the date of commencement of commercial operation of such increase in load. If Bonneville and the Purchaser cannot determine or agree that the increase in load should be considered a New Large Single Load, the energy used by the facility shall be monitored and reported monthly by the Purchaser to Bonneville following the

commencement or the change in operation of the load. If requested, Bonneville and the Purchaser will agree to a Purchaser-specific monitoring procedure.

When Bonneville and the Purchaser cannot determine at the outset that an increase in load will become a New Large Single Load, the Purchaser shall have the option of backbilling or rebating during said load's first year of commercial operation. At the end of the first year of commercial operation a determination will be made whether or not the increase is a New Large Single Load. Whether the Purchaser chooses backbilling or rebating, the load shall be monitored for a twelve-month period. The energy used by the load during such period shall be compared to the energy used during the preceding twelve-month period one year earlier, or the amount of the contracted for, or committed to load as of September 1, 1979.

Under backbilling the Purchaser shall be billed for the increase in load at the Priority Firm Power Rate Schedule or its successor rate schedule during any consecutive twelve-month monitoring period. If the energy consumption of the increase in load reaches 87,600,000 kWh within any consecutive twelve-month monitoring period, the increase in load becomes a New Large Single Load. The Purchaser shall be backbilled for the difference between the Priority Firm Power Rate Schedule actually charged and the New Resource Firm Power Rate Schedule in effect during the monitoring period with interest from the date the increase in load becomes a New Large Single Load; the Purchaser shall then be billed at the New Resource Firm Power Rate Schedule or its successor rate schedule for the New Large Single Load thereafter. If the increase in load does not reach 87,600,000 kWh within any consecutive twelve-month monitoring period, the Purchaser continues to be billed for the entire increase in load at the Priority Firm Power Rate Schedule or its successor.

Under rebating, the Purchaser shall be billed for the increase in load at the New Resource Firm Power Rate Schedule or its successor rate schedule during the monitoring period. If the increase in load reaches 87,600,000 kWh within any consecutive twelve-month monitoring period, the increase in load becomes a New Large Single Load and billing at the New Resource Firm Power Rate Schedule or its successor rate schedule for that load continues thereafter. If the increase does not reach 87,600,000 kWh during any consecutive twelve-month monitoring period, the load shall not be classified a New Large Single Load. The rate schedule applicable to such load becomes the Priority Firm Power Rate Schedule or its successor rate schedule. At the Purchaser's option, Bonneville shall (1) rebate to the Purchaser the difference between the New Resource Firm Power Rate Schedule actually charged during the monitoring period and the Priority Firm Power Rate Schedule in effect during the monitoring period plus interest; or (2) shall make such adjustment to the Purchaser's next wholesale power bill.

Bonneville shall establish billing procedures for New Large Single Loads in consultation with the Purchaser.

(e) Service To New Large Single Loads. Subject to the limitations of section 9, Bonneville shall supply Firm Power to serve the Purchaser's New Large Single Loads unless the Purchaser agrees to serve all or a portion of a New Large Single Load either (1) prior to the execution of this contract, or (2) at the time the Purchaser notifies Bonneville of such load pursuant to section 8(c) and 9(c), or to section 9 if the Purchaser wishes to serve all or a portion of such New Large Single Load with resources other than Firm Resources. That portion of such New Large Single Load which the Purchaser wishes to serve with resources other than Firm Resources shall be treated as a load which Bonneville is not obligated to serve and shall not be included in

the Purchaser's Actual Firm Loads until the Purchaser requests Bonneville to supply Firm Power for that portion of such load and Bonneville agrees to supply the remaining portion of such power. Bonneville shall treat each request for additional power supply under section 9 as though the Purchaser had requested service for the entire New Large Single Load.

If a Consumer of a Purchaser provides a renewable or cogeneration resource to serve all or a portion of a load associated with a facility which would otherwise be a New Large Single Load, and thereby reduces the demand on the Purchaser, that portion of such load on the Purchaser, if any, shall not be a New Large Single Load, unless the load or portion thereof on the Purchaser is ten average megawatts or more; provided, however, that if a Consumer sells, displaces or removes a resource or portion thereof from service to the Consumer's load at such facility, all such load shall be a New Large Single Load unless Bonneville, after consultation with the Purchaser and the Consumer, determines that uncontrollable events prevent service to the Consumer's load by such resource.

(f) Normalization of Consumer's Load. For the sole purpose of computing the increase in energy consumption between any two consecutive twelve-month periods of comparison under this section 8, reductions in the Consumer's load associated with a facility during the first twelve-month period of comparison due to unusual events reasonably beyond the control of the Consumer shall be determined, and the energy consumption shall be computed as if such reductions had not occurred.

(g) Changes in Load. If an increase in load becomes a New Large Single Load, such increase shall, subject to the last paragraph of this subsection, remain a New Large Single Load and all subsequent increases in such load or portion thereof shall also be considered a New Large Single Load.

Load reductions to a Consumer's load of a facility shall be on a last on, first off basis. Any load reductions made by a Consumer of a facility shall first reduce that portion of the Consumer's load of that facility which has been identified as a New Large Single Load.

If a Consumer with a New Large Single Load physically and permanently removes equipment which imposes a load at a facility identified as a New Large Single Load, the Consumer's load may be reclassified as no longer being a New Large Single Load if Bonneville determines such equipment imposed a load equivalent to the original increase in load at such facility which caused such load to be classified as a New Large Single Load.

(h) Renewal, Relocation, and Transfer. The following events shall not cause a load to be considered a New Large Single Load if such event does not result in an increase in power requirements of a Consumer on the Purchaser of ten average megawatts or more during any consecutive twelve-month period as herein above provided: (1) renewal or replacement of a contract between the Purchaser and the Consumer based on the original commitment or contract if the capacity specified in the new contract does not exceed the capacity specified in the contract being renewed or replaced; (2) relocation, replacement, or renovation of a Consumer's facility within the Purchaser's service area; and (3) transfer of a facility to a successor in interest provided that the service or product associated with the facility is essentially unchanged.

(i) Compliance. Bonneville and the Purchaser agree that should a Purchaser fail to report a New Large Single Load of which the Purchaser has, or reasonably should have had knowledge, such Purchaser shall be backbilled from the date the increase in load became a New Large Single Load. For this subsection only, such backbilling shall include the following costs: (1) the difference between the Priority Firm Power Rate Schedule or its successor rate

schedule and the New Resource Firm Power Rate Schedule or its successor rate schedule; (2) interest charges on the backbilled amount determined at Bonneville's prevailing interest rate; and (3) a late payment charge on the backbilled amount.

9. Limitation on Increases of Single Loads.

(a) The limitations of this section shall apply only to industrial facilities of Consumers. Such facilities are defined as those facilities whose primary function falls into one of the following categories, as defined in the Standard Industrial Classification Manual (1972), U.S.O.M.B.:

- (1) Agriculture, Forestry, and Fishing;
- (2) Mining;
- (3) Construction;
- (4) Manufacturing;
- (5) Transportation, Communications, Electric, Gas and Sanitary

Services; and

(6) Wholesale Trade. Such facilities do not include those facilities whose primary function falls into one of the following categories:

- (1) Finance, Insurance, and Real Estate;
- (2) Retail Trade;
- (3) Services; and
- (4) Public Administration

(b) The Purchaser shall notify Bonneville as soon as possible if service by the Purchaser to a new facility of a Consumer or additional service to an existing facility of a Consumer is reasonably expected to result in an increase of 35 average megawatts or more within any twelve-month period or an increase of 75 average megawatts or more within any sixty-month period in the

Purchaser's Actual Firm Energy Loads for such period in what would otherwise be the Purchaser's Actual Firm Energy Loads for such period. Bonneville shall be obligated to supply the increased load with Firm Energy on the earlier of (1) the date Bonneville determines and notifies the Purchaser that Firm Energy is available to supply such increase; or (2) seven years from the date of the Purchaser's notice to Bonneville. The foregoing limitations notwithstanding, Bonneville shall use its best efforts to acquire Firm Energy to serve such increased load at the time requested by the Purchaser.

(c) The Purchaser shall notify Bonneville when service by the Purchaser to a new facility of a Consumer or additional service to an existing facility of a Consumer is reasonably expected to result in an increase of ten average megawatts or more within any twelve-month period in the Purchaser's Actual Firm Energy Loads for such period in what would otherwise be the Purchaser's Actual Firm Energy Loads for such period. Bonneville shall be obligated to supply the increased load with Firm Energy two years from the date of the Purchaser's notice to Bonneville subject to the limitations in subsection (b) above. Notice by the Purchaser to Bonneville that a monitoring plan needs to be established for the facility of a Consumer pursuant to section 8(d) shall be deemed to be notice under this subsection.

(d) If the Purchaser has a resource other than a Firm Resource which it has identified to serve all or a portion of an increase in load, the portion served by such resource shall be excluded in determining whether the limitations of subsection (b) above apply to such increase in load. If the Purchaser identifies such a resource, Bonneville and the Purchaser shall agree on the portion of such load which such resource is capable of serving. If the Purchaser subsequently includes such resource in its Firm Resources Exhibit pursuant to section 12, the portion of such increase in load to be served by

such resource as agreed pursuant to the preceding sentence shall not be treated as a load which Bonneville is not obligated to serve pursuant to section 8(e) and shall be included in the Purchaser's Actual Firm Load.

(e) The limitations of subsection (b) above shall not apply if the Purchaser has developed adequate resources to meet its load growth including the increase in load resulting from service to a new facility of a Consumer or additional service to an existing facility of a Consumer and replace reductions in its Firm Resources which are included as 5(b)(1)(A) resources in its Firm Resources Exhibit. The Purchaser shall be deemed to have built adequate resources for Bonneville to supply such increase in load if the Purchaser has developed resources which were dedicated to its load or sold to Bonneville equal to the sum of (1) reductions in 5(b)(1)(A) resources between the '79-80 Operating Year and the date specified in subsection (b)(2) above, and (2) growth in Actual Firm Energy Load between (A) the '82-83 Operating Year and the date specified in (b)(2) above for public bodies, cooperatives and Federal agencies or (B) the '79-80 Operating Year and the date specified in (b)(2) above for investor-owned utilities.

(f) Bonneville shall reduce the notice period specified in subsection (c) above for 100 average megawatts of load for which the Purchaser or other Customers under similar contracts have requested service for loads from 10 to 35 average megawatts during any Operating Year. The notice period for such requests shall be the period necessary to include service to such loads in the New Resources Firm Power Rate. If Bonneville receives more than one request from the Purchaser and other Customers under similar contracts to serve increases in load which exceed the foregoing limitations, Bonneville shall allocate its available power supply among such competing requests in the order that written notice of request for service was first received.

(g) The foregoing limitations shall not apply to increases in load which were contracted for or committed to as of September 5, 1981. The determination whether a load was contracted for or committed to as of September 5, 1981, shall be made by Bonneville.

10. Planning and Operating Information.

(a) General Information Requests. Bonneville and Purchaser agree to cooperate in the full exchange of such planning and operating information as may be reasonably necessary for the timely and efficient performance of the parties' obligations or the exercise of rights under this contract. Such information shall be provided pursuant to subsection (b) below on a timely basis and no reasonable request shall be refused, including requests to provide information or data in a specified manner or on a special form.

(b) Provision of Information. To the extent such information can be provided at a nominal cost each party agrees to provide the information. Otherwise, a party may respond to a request for information (1) by providing the information subject to reimbursement of reasonable expenses necessarily incurred; or (2) to the extent the supplying party finds the timing or effort of meeting an information request burdensome, by offering the requesting party access to the sources from which the information can be obtained.

(c) Provision of Statistical Data. Bonneville and the Purchaser agree to cooperate in the full exchange of data showing kilowatthours generated at each party's generating facilities as shown on Federal Energy Regulatory Commission reports Form 1 and 12, as may be subsequently amended or superseded, including purchases from generating facilities on the Purchaser's system, sales of energy, demands therefor if available, by class of Consumer and revenues derived therefrom, the Purchaser's annual report to its stockholders and Bonneville's annual report. If the Purchaser is not required

by the Federal Energy Regulatory Commission to file Form 1 or Form 12 reports, the Purchaser shall provide such equivalent information as Bonneville requires on a form provided by Bonneville or on one provided by the Purchaser which is acceptable to Bonneville.

(d) Long-Range Planning. Bonneville and the Purchaser agree to provide information necessary to develop their long range generation, transmission and distribution plans. Bonneville shall use its best efforts to supply annually to the Purchaser a load-resource document showing its load-resource balance, its program for acquisition of resources and the firm loads it expects to supply for at least ten years. Bonneville shall provide additional customer service facilities to supply electric power or energy to the Purchaser in accordance with the Customer Service Objectives Exhibit and applicable Customer Service Policy.

11. Compensation Program for Regional Curtailment of Firm Loads.

(a) The parties agree to commence negotiations as soon as practicable to develop a comprehensive agreement among utilities in the Pacific Northwest to buy and sell electric energy made available due to curtailments in consumption or from resources on a party's system during periods when governmental bodies having the authority to do so have so ordered such curtailments or sales.

(b) (1) If the Bonneville Power Administrator and the governor of the State encompassing the Purchaser's service area publicly appeal for curtailments of electric power consumption or if mandatory curtailments of electric power consumption in the Purchaser's service area are ordered by governmental bodies having the authority to so order, Bonneville shall compensate the Purchaser as provided in this section for any reduction in Bonneville's obligation to supply Firm Power to the Purchaser. If the Purchaser's service area extends into more than one State and all of such

States do not participate in the curtailments described above, the procedures of this section shall be applied only to those loads in service areas in the participating States.

Compensation under this section shall not be available to the Purchaser during any Operating Year that the Purchaser is purchasing Firm Power from Bonneville on a Computed Requirements basis. The compensation under this section may be reduced partially or in its entirety as described in paragraph (4) below.

Compensation shall begin with the first full month following such appeal for curtailment or ordered curtailment. Compensation shall end with the month during which the Bonneville Power Administrator and the appropriate State political leaders publicly indicate that a need for curtailment no longer exists or such State officials rescind an order for curtailment.

(2) Bonneville shall pay the Purchaser each month an amount equal to the product of the rate set forth in this paragraph and the amount of load curtailment determined in paragraph (3) below unless such amount of load curtailment is reduced partially or in its entirety as set forth in paragraph (4) below. Such rate shall be the amount per kilowatthour by which the Purchaser's average revenue from retail sales of electric energy exceeds the wholesale firm power rate the Purchaser would have paid Bonneville for the increment of energy determined pursuant to paragraph (3) below.

(3) The amount of regional load curtailment on the Purchaser's system during a month shall be deemed to be the amount, if any, by which the Purchaser's Estimated Firm Energy load, after adjustment as specified below, exceeds the Purchaser's Actual Firm Energy Load for such month

after adjustment, if any, as set forth below. If the Purchaser does not regularly publish an Estimated Firm Energy Load, such Purchaser's Estimated Firm Energy Load for purposes of this section shall be the Purchaser's component of Bonneville's latest published estimate of its firm energy loads.

The Purchaser's most recently published Estimated Firm Energy Load shall be used herein to determine amounts of regional load curtailment in conjunction with information submitted by the Purchaser to Bonneville as soon as possible following the end of each month in which a regional load curtailment program is in effect. Such information shall be provided for each such month and for the three most recent, but not necessarily consecutive, months in which a regional load curtailment program was not in effect. Such information shall include: (A) the Purchaser's Actual Firm Energy Load for such months; and (B) detail on any separately identifiable significant changes in the Purchaser's Actual Firm Energy Load from its Estimated Firm Energy Load which were not the result of a regional load curtailment program.

The Purchaser's Actual Firm Energy Loads for all months used for calculations herein shall be adjusted to reflect only those loads in the Purchaser's service area which are in States participating in the regional curtailment program. Such adjustment shall be made by subtracting the portion of the Purchaser's Actual Firm Energy Load in States which are not participating in the regional curtailment program from the Purchaser's Actual Firm Energy Load for such month. Such adjustment may be changed monthly to reflect changes in the States which are participating in the regional curtailment program.

The Purchaser's Estimated Firm Energy Load for all months for which information was requested above shall first be adjusted to reflect separately identifiable changes in load which were not the result of a regional load curtailment program. The Estimated Firm Energy Load shall then be adjusted in the manner specified for Actual Firm Energy Loads above to reflect only those loads in the Purchaser's service area which are in States participating in the regional curtailment program. An adjusted Estimated Firm Energy Load for each month in which a regional load curtailment program is in effect shall then be determined by multiplying the Estimated Firm Energy Load for such month, as adjusted above, by the ratios of the Purchaser's Actual Firm Energy Load, as adjusted above, to its Estimated Firm Energy Load, as adjusted above, for the three most recent, but not necessarily consecutive, months in which a regional load curtailment program was not in effect.

(4) If regional curtailment has been requested after July 1, 1983, because Bonneville is unable to acquire sufficient resources to meet its firm obligations, Bonneville shall reduce the amount of load curtailment determined in paragraph (3) above during any month if the Purchaser's load growth after July 1, 1983, as specified in subparagraph (A) below exceeds the amount of resources which the Purchaser has dedicated to its own load or made available to Bonneville as specified in subparagraph (B) below. Such amount of load curtailment for each month shall be reduced partially or in its entirety by the amount which (A) exceeds (B) below:

(A) the excess of the Purchaser's Actual Firm Energy Load in average megawatts over the Purchaser's Actual Firm Energy Load in average megawatts for the same month during the '82-'83 Operating Year; and

(B) the annual firm energy capability in average megawatts of (i) resources acquired by Bonneville from the Purchaser under P.L. 96-501; and (ii) the portion of the Purchaser's Firm Resources which are included as 5(b)(1)(B) resources in its Firm Resources Exhibit. Such resources shall not include conservation programs to the extent such programs have been reflected in the Purchaser's Actual Firm Energy Load in subparagraph (A) above.

12. Purchaser's Firm Resources.

(a) Each of the Purchaser's Firm Resources which the Purchaser anticipates will be used during the initial seven Operating Years under this agreement either (1) to calculate its Assured Peak Capability and Assured Energy Capability if the Purchaser is purchasing on a Computed Requirements basis; or (2) to serve its Actual Firm Load if the Purchaser is purchasing on a Metered Requirements basis shall be identified in the initial Firm Resources Exhibit attached hereto on the effective date of this contract. Contracts under which the Purchaser is obligated to deliver, transfer or exchange power with another utility and which either: (1) were in effect on or before December 5, 1980; (2) have been approved for inclusion as Firm Resources in writing by Bonneville; or (3) would not increase Bonneville's total firm obligations to supply power shall be treated as negative Firm Resources. The Firm Resources Exhibit shall separately show those Firm Resources described by section 5(b)(1)(A) and those described by section 5(b)(1)(B) of P.L. 96-501.

(b) Prior to January 1 of each year, the Purchaser shall prepare and submit to Bonneville a revised Firm Resources Exhibit. Each such exhibit shall delete the information applicable to the current Operating Year, show new information for the seventh succeeding Operating Year as permitted by this subsection, and show any changes for the first six Operating Years as are

permitted by this subsection (b). Such new Firm Resources Exhibit shall be prepared in the same format as the initial Firm Resources Exhibit or such other format as Bonneville and the Purchaser may agree upon. Such new Firm Resources Exhibit will supersede the prior Firm Resources Exhibit on the following July 1.

Changes in the Purchaser's Firm Resources Exhibit shall be permitted only if specifically provided for as follows:

(1) The peak capability of any Firm Resource may be added for the fifth year of the Firm Resources Exhibit and the energy capability of any Firm Resource may be added for the seventh year of the Firm Resources Exhibit, upon designation of the Purchaser.

(2) Any Firm Resource may be added for any Operating Year to the extent that such resource is in accordance with Bonneville's annual program which implements the plan of the Pacific Northwest Electric Power and Conservation Planning Council or P.L. 96-501.

(3) Any Firm Resource may be added in any Operating Year to the extent that Bonneville reasonably determines that it can market or otherwise dispose of any of its resulting firm load-resource surplus without sustaining an adverse economic effect. In determining the amount of such surplus, purchases which Bonneville is not committed to make at the time of such determination shall not be considered.

(4) Any Firm Resource which is a renewable or cogeneration resource and which has a planned capability for the generating facility of 50 average megawatts or less may be added beginning with the Operating Year for which the Purchaser had notice of the availability of such resource, but in no event earlier than the Operating Year commencing 30 months from the January 1 on which the Firm Resources Exhibit showing

such addition is submitted. If the owner or developer of a generating facility which is a qualifying facility requires the Purchaser to acquire the output of such facility pursuant to the provisions of P.L. 95-617 (PURPA), the planned capability of such generating facility may be added as a Firm Resource pursuant to this paragraph at the beginning of the Operating Year for which the Purchaser had notice of the availability of such resource; provided, however, that the Purchaser shall use its best efforts to provide the minimum notice of availability specified in this paragraph.

(5) Any Firm Resource in regard to which an irrevocable option to purchase has been granted in favor of Bonneville pursuant to a written, executed agreement may be added in any revised Firm Resources Exhibit submitted within 2 years after Bonneville declines for any reason to exercise its option to purchase pursuant to that agreement. Such Firm Resource may be included in such Firm Resources Exhibit for any Operating Year or Years up to the amounts offered to Bonneville in the agreement granting the option to Bonneville.

(6) Irrespective of whether or not an option had been granted in favor of Bonneville, any Firm Resource which has been offered to Bonneville pursuant to section 9(1)(3) of P.L. 96-501 and which is not accepted by Bonneville under the terms of the offer may be added effective on the date of commercial operation in any revised Firm Resources Exhibit upon a minimum of 2 years' written notice.

(7) Any Firm Resource may be added if and to the extent that Bonneville is expected to have an excess of firm load over its firm resources in the first Operating Year for which the Purchaser proposes to add such Firm Resource. Bonneville's expected firm load-resource balance

will be determined from the then latest publication of Bonneville's firm loads and planned firm resources issued by Bonneville; provided, however, that purchases by Bonneville which are shown in such publication but which Bonneville has not at the time of such determination made a commitment to purchase shall be removed from Bonneville's resources before such determination is made. Prior to the submittal of any Firm Resources Exhibit which includes such addition, the Purchaser shall notify Bonneville in writing of the times and amounts of Firm Resources it proposes to add pursuant to this paragraph. If the Purchaser and other Customers under similar contracts propose to add Firm Resources in excess of Bonneville's expected firm load-resource deficiency, Bonneville shall allocate the amount of Firm Resources which each such Purchaser may add giving priority among competing requests in the order that written notice of addition was first received. Bonneville shall notify the Purchaser in writing within 30 days after receipt of such notice of any limitation on the amount of Firm Resources which it may add.

(8) Any Firm Resource may be removed for any Operating Year if the use of such Firm Resource is permanently discontinued because of loss of resource or loss of contract rights resulting from factors beyond the reasonable control of the Purchaser and which the best efforts of the Purchaser are unable to remedy. Any Firm Resource may be removed if the use of such resource is permanently discontinued because of obsolescence or retirement to the extent and for the Operating Years that the Purchaser has consulted with Bonneville regarding such discontinuance and Bonneville has agreed in writing to such discontinuance. Lack of an adequate power supply to replace the discontinued resource shall not be sufficient reason for Bonneville to withhold its agreement to such discontinuance.

The peak capability of any Firm Resource to which the preceding portion of this paragraph (8) does not apply may be removed for the fifth Operating Year of the Firm Resources Exhibit and the energy capability of such resource may be removed for the seventh Operating Year.

Firm Resources which are returned to service subsequent to their removal pursuant to this paragraph (8) shall be treated as new resources for the purpose of this subsection (b).

(9) Any Firm Resource may be removed if and to the extent that Bonneville is expected to have an excess of firm resources over its firm load in the first Operating Year for which the Purchaser proposes to remove such Firm Resource. Bonneville's expected firm load-resource balance will be determined from the then latest publication of Bonneville's firm loads and planned firm resources issued by Bonneville. Prior to the submittal of any Firm Resources Exhibit which includes such removal, the Purchaser shall notify Bonneville in writing of the times and amounts of Firm Resources it proposes to remove pursuant to this paragraph. If the Purchaser and other Customers under similar contracts propose to remove Firm Resources in excess of Bonneville's expected firm load-resource surplus, Bonneville shall allocate the amount of Firm Resources which each such Purchaser may remove giving priority among competing requests in the order that written notice of removal was first received. Bonneville shall notify the Purchaser in writing within 30 days after the receipt of such notice of any limitation on the amount of Firm Resources which it may remove.

(10) Any Firm Resource may be removed from the Purchaser's Firm Resources Exhibit for any Operating Year or Years to the extent that equivalent peak and energy capability from another Firm Resource is added

to the Purchaser's Firm Resources Exhibit for such year or years. Such added resource shall be one which was not planned as of December 5, 1980, to meet the firm load growth in the Pacific Northwest or, if so planned, has been offered for sale to Bonneville and Bonneville has declined such offer.

(11) Any Firm Resource may be added or removed for any Operating Year to the extent that such Firm Resource is correspondingly removed from or added to the Firm Resources of other Bonneville Customers in such a manner that Bonneville's total firm obligations to supply power are not changed.

(12) Any Firm Resource may be removed for any Operating Year to the extent such resource was acquired by Bonneville from the Purchaser pursuant to a separate agreement or added for any Operating Year to the extent such resource was recovered from Bonneville by the Purchaser pursuant to a separate agreement.

(13) Any Firm Resource may be added or removed for any Operating Year to the extent that the Purchaser gains or loses the Firm Resource as the result of a withdrawal pursuant to agreements in existence on December 5, 1980, between the Purchaser and others and which provide for withdrawal of resources on shorter notice than the Purchaser must give Bonneville pursuant to the provisions of this section 12; provided, however, that the Purchaser shall not make any such addition or removal on any shorter notice pursuant to this paragraph (13) than the notice period provided for in the subject agreements.

(14) Any Firm Resource may be added or removed for any Operating Year if and to the extent that Bonneville has given prior written consent.

13. Designation of Basis for Purchasing Firm Power.

(a) If the Purchaser operates automatic generation control equipment and is thereby able to schedule amounts of power to be interchanged with Bonneville, it shall be designated to purchase Firm Power under this contract on the basis of Computed Requirements. Such Purchaser shall be subject to the definition of Measured Amounts for a Purchaser designated to purchase on the basis of Computed Requirements and which schedules amounts of power to be interchanged with Bonneville and to all of the provisions of this contract except sections 14 and 15. The Purchaser shall not discontinue the operation of automatic generation control equipment such that it is unable to schedule amounts of power to be interchanged with Bonneville unless it has requested that its designation for purchase under this contract be changed and Bonneville has determined that such change would not have a significant adverse effect on Bonneville and has agreed in writing to such change.

(b) If the Purchaser does not operate automatic generation control equipment but either: (1) has sold generation from its Firm Resources in such a manner as to increase Bonneville's obligation to deliver Firm Power to the Purchaser in an amount in excess of Bonneville's obligation prior to such sale or has notified Bonneville that it intends to do so; or (2) has Firm Resources in amounts set forth below which have the ability to redistribute generation among months in such a manner as to cause losses of power or revenue to Bonneville, it shall be designated to purchase Firm Power under this contract on the basis of Computed Requirements unless the Purchaser requests that it be designated to purchase on the basis of Metered Requirements and Bonneville agrees to such designation. Such Purchaser designated to purchase on the basis of Computed Requirements pursuant to this subsection shall be subject to the definition of Measured Amounts for a Purchaser which is designated to

purchase on the basis of Computed Requirements but which does not schedule amounts of power to be interchanged with Bonneville and to all of the provisions of this contract except sections 14(a) through (c), section 15 and section 18; provided, however, that section 2 of the Power Scheduling Procedures Exhibit shall apply to such Purchaser. The amounts of the Purchaser's Firm Resources referred to in (2) above are those which either: (1) total 50 megawatts or more of peak capability or include one or more units of 15 megawatts or more of peak capability; or (2) include portions of a generating unit which the Purchaser and other Customers under similar power sales contracts with Bonneville have included as Firm Resources totaling 50 megawatts or more of peak capability for all such Customers. In determining whether any of the Purchaser's Firm Resources have the ability to redistribute generation among months in such a manner as to cause losses of power or revenue to Bonneville, Bonneville shall exclude any Firm Resource in regard to which the Purchaser has entered into either: (1) a separate agreement with Bonneville under which Bonneville assumes control of the generation of the Firm Resource and provides the Purchaser with an equivalent amount of Firm Power; or (2) an agreement with another utility or joint operating agency which has been approved in writing by Bonneville for the purpose of this determination.

(c) If the Purchaser is not designated to purchase on the basis of Computed Requirements pursuant to subsections (a) or (b) above, the Purchaser shall be designated to purchase Firm Power under this contract on the basis of Metered Requirements. Such Purchaser shall be subject to the definition of Measured Demand and Measured Energy for a Purchaser designated to purchase on the basis of Metered Requirements and to all of the provisions of this contract except sections 16, 17, 18 and 19.

(d) If the Purchaser operates any Firm Resources or other resources within Bonneville's automatic generation control areas, Bonneville shall provide generation control services including planned outage reserves, forced outage reserves, spinning reserves and frequency control to the extent the Purchaser does not otherwise arrange to provide such services. The Purchaser shall pay Bonneville for such services at the charges set forth in Section II of the Service Charges Exhibit. Section II of the Service Charges Exhibit shall be revised upon determination by Bonneville that any charge contained therein must be changed to properly compensate Bonneville for reasonable costs incurred by Bonneville to provide such services. The charges set forth in Section II of the Service Charges Exhibit shall not be increased more frequently than once a year. Bonneville shall provide the Purchaser and other Customers with a reasonable opportunity of not less than 90 days to comment prior to the effective date of such proposed revised charges. Revised charges shall take effect on the date specified by Bonneville in its written notice to the Purchaser of its intention to revise these charges.

(e) If the Purchaser's electrical system is interconnected with the electrical system of one or more other utilities which are interconnected directly or indirectly with the Bonneville electrical system and if such Purchaser does not operate automatic generation control equipment, the Purchaser shall: (1) submit to Bonneville the amounts of power scheduled to be interchanged between the Purchaser and such other utilities in accordance with the provisions of section 1 of the Power Scheduling Procedures Exhibit; and (2) install and operate at its expense at interconnections which are normally operated closed the equipment necessary to supply Bonneville with telemetered signals indicating: (A) continuously the actual rate of power flowing on each of the interconnections between the Purchaser and such other

utilities; and (B) at the end of each hour the amount of power which has flowed on each such interconnection during each clock hour.

(f) If Bonneville determines that the Purchaser shall be designated to purchase on a Computed Requirements basis due to a sale of generation, Bonneville shall promptly notify the Purchaser in writing, and such change in designation shall be effective on the July 1 following such notice. If Bonneville determines that the Purchaser shall be designated to purchase on a Computed Requirements basis due to the Purchaser's notice to Bonneville of intent to sell generation, Bonneville shall promptly notify the Purchaser in writing, and such change in designation shall be effective on the July 1 preceding the date of such sale as specified in the Purchaser's notice.

Following January 1 of each year Bonneville shall review the revised Firm Resources Exhibit submitted by the Purchaser on such January 1 to determine whether any of the Firm Resources added or removed are sufficient to change the Purchaser's designation between subsections (b) and (c) above. If Bonneville determines a change in designation is indicated by the provisions of such subsections, Bonneville shall promptly notify the Purchaser in writing, and such change in designation shall be effective on the July 1 immediately preceding the date that the Firm Resource addition or removal is indicated in the Purchaser's revised Firm Resources Exhibit. If the Purchaser would have been designated to purchase on a Computed Requirements basis due to its addition of Firm Resources in the amounts specified in section 13(b) above, but the Purchaser has requested and Bonneville has agreed not to make such designation, Bonneville shall not thereafter designate the Purchaser to purchase on a Computed Requirements basis due to such addition of such Firm Resources on less than two years' notice.

14. Purchaser's Metered Requirements and Amount of Power Sold.

(a) Bonneville shall make Firm Power available to the Purchaser and the Purchaser shall purchase from Bonneville in accordance with the provisions of this contract at the Points of Delivery, Firm Power to meet the Purchaser's Actual Firm Loads less the output, if any, from the Purchaser's Firm Resources unless Bonneville's obligation to make Firm Power available is limited under the terms of section 7. For the purpose of this subsection, the output from the Purchaser's Firm Resources means the amounts of power delivered to Bonneville for the Purchaser pursuant to contracts with entities other than Bonneville which are Firm Resources of the Purchaser, amounts of power which Bonneville is obligated to deliver to the Purchaser pursuant to contracts other than this contract which are Firm Resources of the Purchaser, and either (1) the firm peak and energy capability of each of the Purchaser's Firm Resources in regard to which the Purchaser has a services agreement with Bonneville or another entity if such agreement is approved in writing by Bonneville; or (2) the entire variable output, if any, of each of the Purchaser's Firm Resources in regard to which no such agreement exists with Bonneville or any other entity.

(b) The Purchaser may request and Bonneville shall provide services to ensure that the entire output of the Purchaser's Firm Resources does not exceed the Purchaser's Actual Firm Load in any hour of the Operating Year unless Bonneville determines such services cannot be furnished without substantial interference with its power marketing program, applicable operating limitations or existing contractual obligations. Such services shall include but not be limited to the following:

- (1) transmission;
- (2) load factoring;

- (3) seasonal storage;
- (4) scheduling and management; and
- (5) services specified in section 13(d).

Bonneville shall enter into agreements to provide any or all of these services. Charges for such services shall be set forth in such agreements.

(c) The Purchaser may request and Bonneville shall provide services to establish a planning capability for any or all of the Purchaser's Firm Resources unless Bonneville determines such services cannot be furnished without substantial interference with its power marketing program, applicable operating limitations or existing contractual obligations. The planning capability of such resource or resources shall be the monthly amounts of peak capability and energy capability determined under the applicable services agreement. Such services shall be provided at the charges set forth in such agreement to recover the costs of such services less a credit established in such agreement to compensate the Purchaser for the output of such resources in excess of the firm planning capability.

(d) Bonneville may from time to time request that the Purchaser operate its Firm Resources or other resources which are within Bonneville's automatic generation control area or arrange to receive power available to it under contracts in such a manner as to assist Bonneville in meeting its total loads. If so requested the Purchaser shall fully comply with such request to the extent that the output of such resources or such contract rights are not otherwise committed and can be controlled by the Purchaser. If, as a result of such compliance the Purchaser reasonably and necessarily incurs any additional costs or loss of revenue, the Purchaser may submit to Bonneville an itemized statement of such additional costs or loss of revenue and Bonneville shall pay the Purchaser for such additional costs or loss of revenue.

Additional costs may include, but shall not be limited to, fuel costs, operating and maintenance costs or costs of power it purchases from Bonneville under this contract less any billing amounts not incurred by the Purchaser under this contract which would have been payable to Bonneville if Bonneville had not made such request.

15. Metered Requirements Payment for Power Sold.

(a) The Purchaser shall pay Bonneville each Billing Month for the Firm Power delivered hereunder at the rate specified in subsection (b) below from the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit. Such payment shall be in accordance with the terms of such rate schedule and the General Contract Provisions Exhibit. The Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit shall be changed in accordance with the provisions of the Equitable Adjustment of Rates section of the General Contract Provisions Exhibit.

(b) If the Purchaser is a public body, cooperative or Federal agency, payment shall be at the Priority Firm Power Rate for the Purchaser's Measured Demand and Measured Energy for such Billing Month; provided, however, that, after determining the billing factors for Firm Power delivered hereunder, the New Resource Firm Power Rate Schedule shall be substituted for the Priority Firm Power Rate Schedule for that portion of the Purchaser's billing demands, if any, identified pursuant to section 8 for service to New Large Single Loads. If the Purchaser is an investor-owned utility, payment shall be at the New Resource Firm Power Rate for the Purchaser's Measured Demand and Measured Energy. If the Purchaser's Measured Demand or Measured Energy exceed Bonneville's obligations, as set forth in section 14(a), to make Firm Power available to the Purchaser, such excess shall be treated as power that cannot be assigned to a class of power which Bonneville delivers on such hour

pursuant to contracts between Bonneville and the Purchaser or to a type of power which the Purchaser acquires from sources other than Bonneville which Bonneville delivers during such hour.

(c) Bonneville shall pay the Purchaser amounts which reimburse the Purchaser for additional costs incurred pursuant to section 14(d). Such payments shall be net billed, if possible, pursuant to the Net Billing section of the General Contract Provisions Exhibit on the next power bill after the Purchaser submits an itemized statement of such costs.

(d) Bonneville shall pay the Purchaser amounts which compensate the Purchaser for reductions in Bonneville's obligation to supply Firm Power as set forth in section 11(b). Such payments shall be net billed, if possible, pursuant to the Net Billing section of the General Contract Provisions Exhibit on the next power bill after the Purchaser submits the information required by section 11(b)(3).

(e) The Purchaser shall pay Bonneville each month for any service charges assessed pursuant to section 13(d) at the applicable charge or charges, if any, specified in section II in the Service Charges Exhibit. Such payments shall be net billed, if possible, pursuant to the Net Billing section of the General Contract Provisions Exhibit.

16. Determination of Purchaser's Assured Capability.

(a) On or before the effective date of this contract, and thereafter, on or before July 1 of each year, the Purchaser shall submit an Assured Capability Exhibit showing its Assured Peak Capability and Assured Energy Capability for each month of such Operating Year, calculated in the manner described in this section. If the Purchaser is a party to the Coordination Agreement, such exhibit shall be an estimated exhibit until such time as the final regulation data are available under the Coordination Agreement. The

Purchaser shall submit a final Assured Capability Exhibit based on such final data within 15 days of the date on which such final data are available under the Coordination Agreement.

In the event the Assured Capabilities of the estimated and final exhibits differ, the Purchaser shall change its monthly Assured Capabilities to reflect such differences and may adjust its Flexibility Account up to the limits permitted in section 17(d). To the extent that the Purchaser is unable to make such adjustments because of the limits of section 17(d), the Purchaser shall not be liable for any payment at the rates for reserve power or unauthorized increase. Notwithstanding the provisions of section 19(b)(1)(B), the provisions of the Relief from Overrun Exhibit shall not be applied if the Purchaser does not adjust its Flexibility Account to reflect such differences up to the limits permitted by section 17(d).

(b) For the purpose of determining Assured Capability, the Purchaser shall use its best efforts to plan the use of its Firm Resources shown in the Firm Resources Exhibit with the objective of placing on Bonneville the least monthly requirements for energy, and, to the extent consistent with such objective, the least monthly requirements for capacity, except as otherwise permitted in this subsection (b) and in subsection (c) below. For the purpose of determining Assured Capability, the Purchaser shall allocate its Assured Energy Capability among months and years in a manner consistent with subsection (c) below. The Purchaser's Assured Peak Capability and Assured Energy Capability shall be the sum of the amounts determined in paragraphs (1) and (2) below.

(1) The Purchaser's Assured Capabilities shall equal the amounts determined by adjusting the Purchaser's Firm Load Carrying Capability for all Firm Resources or portions of Firm Resources of the Purchaser

developed in accordance with Coordination Agreement planning for each month for the subject Operating Year in the manner described below.

(A) The Purchaser's Firm Peak Load Carrying Capability shall be reduced by the peak capabilities of those generating resources or portions of generating resources which are included in Coordination Agreement planning but which are not included in the Purchaser's Firm Resources Exhibit. Further adjustment shall be made by adding to the Firm Peak Load Carrying Capability any reserves attributable to such resources under Coordination Agreement planning. The Purchaser's Firm Energy Load Carrying Capability shall be reduced by the energy capabilities of those generating resources which are included in Coordination Agreement planning but which are not included in the Purchaser's Firm Resources Exhibit. Further adjustments shall be made to accommodate restoration and reserves attributable to such resources under Coordination Agreement Planning. The Purchaser may provide a procedure for calculating sustained peaking adjustment in conformance with subsection (d) below. Upon Bonneville's agreement with such procedure the Firm Peak Load Carrying Capability shall be further reduced to reflect loss of peak capabilities due to sustained peak requirements to the extent that such loss is not accounted for in Coordination Agreement planning.

(B) In determining the Purchaser's Assured Capabilities the monthly peak and energy which the Purchaser plans to obtain on a firm basis under each contract set forth in the Purchaser's Firm Resources Exhibit and which is not included in the Purchaser's Firm Load Carrying Capability shall be added to the Purchaser's Firm Peak Load

Carrying Capability and Firm Energy Load Carrying Capability, respectively.

(C) In determining the Purchaser's Assured Capabilities the monthly peak and energy which the Purchaser is obligated to deliver pursuant to each contract set forth in the Purchaser's Firm Resources Exhibit shall be subtracted from the Purchaser's Firm Peak Load Carrying Capability and Firm Energy Load Carrying Capability, respectively.

The Purchaser's Assured Capabilities determined under this paragraph (1) shall equal the amounts determined in subparagraphs (A) plus (B) minus (C).

(2) The Purchaser's Assured Capabilities for all Firm Resources or portions of Firm Resources of the Purchaser which are not included in Coordination Agreement planning for each month for the subject Operating Year shall equal the amounts determined in the manner described below.

(A) The contribution of hydroelectric generating resources to the Purchaser's Assured Energy Capability in the months of the Operating Year which are within the Critical Period shall be the energy capability which can be produced by such resources by combining the release of all of the Purchaser's Seasonal Storage with Critical Period streamflow conditions. In the months in the Operating Year which are outside the Critical Period, such contribution shall be the lesser of (i) the energy capability of such resources during each such month; or (ii) the product of the Purchaser's Estimated Firm Energy Load in each such month and the ratio of the energy capability of such resources during the months of the Operating Year which are within the Critical Period to the

Purchaser's Estimated Firm Energy Load in such months. Such energy capabilities shall be reduced for an energy reserve for generating unit forced outages equal to 5 percent of the energy capability of each hydroelectric generating resource during each month in which the energy capability of such resource is greater than 85 percent of its peak capability as shown on the Purchaser's Firm Resources Exhibit.

(B) The contribution of generating resources other than hydroelectric generating resources to the Purchaser's Assured Energy Capability shall be the energy capabilities distributed among months of the Operating Year in a manner which takes into account planned and unplanned outages and which equals the product of the peak capability and the annual plant factor shown in the Firm Resources Exhibit for such Firm Resource. In preparing the Firm Resources Exhibit the Purchaser shall use reasonable estimates based on adverse availability of fuel (fossil, wind, solar, etc.), and the effects of planned and unplanned outages on the energy capabilities of such resources.

(C) The contribution of hydroelectric resources to the Purchaser's Assured Peak Capability shall be the peak capability of each Firm Resource as set forth in the Firm Resources Exhibit after appropriate reduction in each month of the Operating Year to reflect the operation of such resources to produce the energy capability determined pursuant to (A) above. The contribution of generating resources other than hydroelectric resources to the Purchaser's Assured Peak Capability shall be the peak capability of each Firm Resource as set forth in the Firm Resources Exhibit after appropriate reduction in each month of the Operating Year in which an outage is

planned to reflect such planned outages. The sum of such contribution from all generating resources of the Purchaser shall be reduced by the amount of reserves necessary to result in a 5 percent probability of loss of load in the Operating Year due to generator forced outages. Individual unit forced outage rates, peak load probabilities, and other information needed to make the loss of load probability computation will be the same as is used in the Coordination Agreement or such other information as is agreed upon by the Purchaser and Bonneville.

(D) The contribution of each of the Purchaser's contractual resources to the Purchaser's Assured Capability in each month of the Operating Year shall be the monthly peak and energy which the Purchaser plans to obtain on a firm basis under each contract set forth on the Purchaser's Firm Resources Exhibit.

(E) The contribution of each of the Purchaser's contractual obligations to the Purchaser's Assured Capability in each month of the Operating Year shall be the monthly peak and energy which the Purchaser is obligated to deliver under each contract set forth on the Purchaser's Firm Resources Exhibit.

The Purchaser's Assured Energy Capability determined under this paragraph (2) shall equal the amounts determined in subparagraphs (A) plus (B) plus (D) minus (E). The Purchaser's Assured Peak Capability shall equal the amounts determined in subparagraphs (C) plus (D) minus (E).

(c) If and to the extent that the Purchaser has Seasonal Storage, the Purchaser shall, for the purpose of determining Assured Capability, allocate

its Assured Energy Capability among months and years in accordance with the following limitations:

(1) The Purchaser shall allocate its Assured Energy Capability among years in the Critical Period in a manner which results in annual energy requirements on Bonneville which increase between such years in amounts not greater than the amount by which the Purchaser's Estimated Firm Energy Load increases between such years plus the amount by which the total energy capability of the Purchaser's Firm Resources decreases between such years as a result of resource removals pursuant to section 12. Annual average amounts for years in which the Critical Period begins or ends shall be the average of the appropriate amounts in the months which are within the Critical Period.

(2) The Purchaser shall allocate its annual Assured Energy Capability among months of each Operating Year in a manner which results in a requirement on Bonneville each month equal to or between the amounts determined by (A) or (B): (A) One-twelfth of the Purchaser's total annual energy requirement on Bonneville for that Operating Year; and (B) a fraction of the Purchaser's total annual energy requirement on Bonneville obtained by dividing the Estimated Firm Energy Load for that month by the total of the twelve Estimated Firm Energy Loads for that Operating Year; provided, however, for years in which the Critical Period begins or ends, such monthly and annual Estimated Firm Loads shall be only for the months within the Critical Period. If requested by the Purchaser and if Bonneville agrees, the Purchaser may allocate its annual Assured Energy Capability so as to place monthly requirements on Bonneville other than those determined by (A) or (B) above to reflect a period of planned

thermal maintenance or other causes. The Purchaser's annual energy requirement on Bonneville shall not be changed by such reallocation.

(d) Methods used for calculating peak and energy capabilities of Firm Resources shall be the usual methods used by the Purchaser, Bonneville, and other Pacific Northwest utilities for such purpose. Operating constraints, including but not limited to such nonpower constraints as irrigation, navigation, flood control, recreation, and fish and wildlife obligations, and data relating water flow, head, energy, peak capability, usable peak capability and other variables to each other shall be supplied by the Purchaser for each of its Firm Resources when such data are first needed pursuant to this contract and may be revised by the Purchaser from time to time but such revisions shall not include reductions amounting to discontinued use unless permitted by section 12(b)(8). Such constraints and data shall be reasonable and in conformance with the usual practices used by the Purchaser, Bonneville, and other Pacific Northwest utilities for resource planning.

(e) Bonneville may require that the capabilities of any of the Purchaser's Firm Resources be verified by test or other substantiating data acceptable to Bonneville. Such verification shall not be required more often than once each year.

(f) The Purchaser shall provide and demonstrate to Bonneville at its request that the Purchaser has firm transmission capacity, either through its own facilities or through contracts, in amounts sufficient to transmit to its firm load or the firm load of others through contractual exchanges of resource capabilities the peak capability of each Firm Resource claimed in the Purchaser's Firm Resources Exhibit.

17. Purchaser's Computed Requirements and Amount of Power Sold.

(a) Prior to May 15 of each year, the Purchaser may request in writing that Bonneville sell to it during the Operating Year beginning on the next July 1 on a Planned Computed Requirements basis as provided for in this subsection (a). The Purchaser shall also submit with such request its Estimated Firm Load for such Operating Year. If the Purchaser submits such a request, Bonneville shall approve such request by July 1 unless Bonneville determines that the Purchaser's Estimated Firm Load does not conform to the definition in this agreement. In the event such a request has been made by the Purchaser prior to February 1, Bonneville shall notify the Purchaser of its approval or disapproval of such request prior to March 15. If such request is not approved by Bonneville, it shall identify specific deficiencies in the Purchaser's Estimated Firm Load and the Purchaser may submit a revised request, including revised Estimated Firm Load. If the Purchaser's request or revised request is approved by Bonneville, the Purchaser shall, prior to July 1, prepare an addendum to its Assured Capability Exhibit setting forth for each month of the Operating Year: (1) the Estimated Firm Load which has been agreed upon by Bonneville and the Purchaser; (2) the Purchaser's Computed Average Energy Requirements; and (3) the Purchaser's Computed Peak Requirements. The Estimated Firm Load set forth in such addendum shall be deemed to be the Purchaser's Actual Firm Load during such Operating Year for the purpose of determining the Purchaser's Computed Peak Requirements and Computed Average Energy Requirements and for the purpose of determining whether the Purchaser is using its purchase from Bonneville for resale.

(b) On or before the effective date of this contract, and thereafter, as provided in paragraph (1) below, the Purchaser may request in writing to purchase on the basis of Contracted Requirements by submitting the data and

proposed schedule of Contracted Requirements purchases of peak and energy pursuant to paragraph (2) below. Bonneville shall approve such request and schedule of Contracted Requirements purchases unless Bonneville determines that the Purchaser's Estimated Firm Loads do not conform to the definitions in this contract or that the proposed schedule of purchases does not conform to the requirements of this subsection (b), or that the Purchaser has failed to comply with the provisions of paragraph (9) below. If Bonneville determines that the Purchasers' Estimated Firm Loads do not conform to the definitions in this contract or that the proposed schedule of purchases does not conform to the requirements of this subsection (b), Bonneville shall notify the Purchaser of the specific deficiencies and the Purchaser may submit revised data or revised schedule of Contracted Requirements purchases.

If the Purchaser determines that its estimated Assured Capability, together with the assured capability of resources it has acquired on a firm basis will be sufficient to meet its Estimated Firm Loads, after taking into account the effect of any conservation or direct application renewable resource measures paid for by Bonneville directly or through billing credits, the proposed schedule of Contracted Requirements purchases submitted by the Purchaser with its request to purchase on the basis of Contracted Requirements pursuant to this subsection (b) shall be equal to zero. Bonneville shall approve or disapprove such request on the same basis as any other request to purchase on the basis of Contracted Requirements.

(1) The Purchaser may request that it begin to purchase on a Contracted Requirements basis at the time of submittal of any revised Firm Resources Exhibit. Such request shall become effective, if approved by Bonneville pursuant to this subsection (b), for the seventh Operating Year of such exhibit, or for an earlier Operating Year if Bonneville is

expected to have an excess of firm load over its firm resources in the first Operating Year for which the Purchaser requests to purchase on a Contracted Requirements basis. Bonneville's expected firm load-resource balance and the priority of competing requests for purposes of allocating the availability of this paragraph (1) shall be determined in the manner described in section 12(b)(7) above.

The Purchaser may elect to cease purchasing on a Contracted Requirements basis at the time of submittal of any revised Firm Resources Exhibit. Such election shall become effective for the seventh Operating Year of such exhibit, or for an earlier Operating Year if Bonneville is expected to have an excess of firm resources over its firm load in the first Operating Year for which the Purchaser proposes to cease purchasing on a Contracted Requirements basis. Bonneville's expected firm load-resource balance and the priority of competing requests for purposes of allocating the availability of this paragraph (1) shall be determined in the manner described in section 12(b)(9) above.

(2) If the Purchaser requests to purchase on the basis of Contracted Requirements, it shall submit to Bonneville in the Purchaser's initial Firm Resources Exhibit in addition to data required in section 12(a), the Purchaser's annual Estimated Firm Peak Load, the annual average of Purchaser's Estimated Firm Energy Load, the estimated Assured Capabilities of the Purchaser's Firm Resources corresponding to the time period of such loads, and a schedule of annual Contracted Requirements purchases of peak and energy for each of the first seven Operating Years. If the Purchaser's Contracted Requirements peak purchase amount for any such Operating Year is based on its Estimated Firm Peak Load for the months June through November, such amount shall be the Purchaser's Contracted

Requirements peak purchase amounts for June through November and the Purchaser shall also submit a lower amount which is based on its Estimated Peak Load for the months December through May. With each revised Firm Resources Exhibit submitted in accordance with section 12(b), such Purchaser shall submit a new schedule deleting the amounts of Contracted Requirements peak and energy purchases for the current Operating Year and adding the amounts to be purchased in the seventh succeeding Operating Year together with Purchaser's annual Estimated Firm Peak Load and annual average Estimated Firm Energy Load in the seventh Operating Year, and new information on the estimated Assured Capability of all Firm Resources for which information is required under paragraph (3) below. Such revised Firm Resources Exhibits shall be prepared in the same format as the initial Firm Resources Exhibit or such other format as Bonneville and the Purchaser may agree upon.

(3) The amounts of power shown in the Purchaser's schedule of Contracted Requirements purchases, as submitted with the Firm Resources Exhibit for an Operating Year, shall not be less than an amount which, when added to the Purchaser's estimated Assured Capability, is sufficient to serve at least 90 percent of the Purchaser's Estimated Firm Load, nor greater than an amount which, when added to such estimated Assured Capability, is sufficient to serve 100 percent of the Purchaser's Estimated Firm Load.

A determination of conformance to the above limitations shall be made at the time the schedule is first submitted and shall not be revised thereafter except when such Estimated Firm Loads, Firm Resources, or Assured Capabilities are changed as specifically permitted by paragraphs (4) and (5) below. The Estimated Firm Load on which the Purchaser's

Contracted Requirements purchases for each Operating Year were based shall be deemed to be the Purchaser's Actual Firm Load during such Operating Year for the purpose of determining whether the Purchaser is using its purchase from Bonneville for resale.

(4) If the Purchaser makes a change in its Firm Resources as permitted by section 12(b), the Purchaser shall, at the time such change is submitted to Bonneville, make a change in its schedule of Contracted Requirements purchases shown in its Firm Resources Exhibit. Such change shall be equal and opposite to the change in the Purchaser's Assured Capability resulting from such change in Firm Resources.

(5) If the Purchaser's Estimated Firm Loads change for any Operating Year for which the Purchaser is purchasing on a Contracted Requirements basis, and if such change corresponds to changes in Purchaser's Firm Resources which are permitted by sections 12(b)(7), (9), and (11) (as though an increase in Estimated Firm Loads corresponds to a removal of Firm Resource and a decrease in Estimated Firm Loads corresponds to an addition to Firm Resource) the Purchaser may submit such changed loads to Bonneville at the time it submits a revised Firm Resources Exhibit and may, at such time, make an equivalent change in its schedule of Contracted Requirements purchases shown in its Firm Resources Exhibit.

(6) The schedule of Contracted Requirements purchases shown in the Purchaser's Firm Resources Exhibit may be changed for any Operating Year if and to the extent that Bonneville has given prior written consent.

(7) On or before July 1 of each Operating Year, the Purchaser shall prepare an Assured Capability Exhibit as provided for in section 16 above and shall allocate its annual Contracted Requirements energy purchase among months of such Operating Year in a manner which results in a

requirement on Bonneville each month equal to or between the amounts determined by (A) or (B): (A) One-twelfth of the Purchaser's annual Contracted Requirements energy purchase from Bonneville for that Operating Year; and (B) a fraction of such annual Contracted Requirements energy purchase obtained by dividing the Estimated Firm Energy Load for that month by the total of the twelve Estimated Firm Energy Loads for that Operating Year. If requested by the Purchaser and if Bonneville agrees, the Purchaser may allocate its annual Contracted Requirements energy purchase among months so as to place monthly requirements on Bonneville other than those determined by (A) or (B) above to reflect a period of planned thermal maintenance or other causes. The Purchaser's total Contracted Requirements purchase shall not be changed by such reallocation.

(8) For the purpose of determining the amount of power Bonneville shall make available to the Purchaser under this contract, the Purchaser's Contracted Requirements peak purchases shown in its schedule of such purchases submitted pursuant to paragraph (2) above shall be deemed to be the Purchaser's Computed Peak Requirement in each month of the Operating Year as specified in such schedule and the twelve monthly amounts of energy determined pursuant to paragraph (7) above shall be deemed to be the Purchaser's Computed Average Energy Requirement for each such month of the Operating Year.

(9) Prior to each Operating Year, a Contracted Requirements Purchaser shall acquire on a firm basis resources having an amount of assured capability, determined in the manner provided in section 16, which, together with the Assured Capability of its Firm Resources, determined in the manner provided in section 16, are sufficient to meet the excess of the Purchaser's then current Estimated Firm Loads for such

Operating Year as set forth in its submittal for such Operating Year, over the amount of its Contracted Requirements purchases from Bonneville as shown on the schedule of such purchases. For the purpose of determining whether the Purchaser is in compliance with the provisions of this paragraph (9), a portion of the Purchaser's loads equivalent to the following shall not be considered:

(A) resource capability lost temporarily or permanently due to circumstances beyond the reasonable control of the Purchaser, if such loss of resource could not have been reasonably anticipated by the Purchaser within sufficient time to make necessary replacement acquisitions, and

(B) the amount by which the Purchaser's then current Estimated Firm Loads exceed its Estimated Firm Loads as accepted by Bonneville under this subsection (b) if, after the date of such acceptance, such excess could not have been reasonably anticipated by the Purchaser within sufficient time to make necessary resource acquisitions.

In any event, the Purchaser shall be deemed to be in compliance with the provisions of this paragraph (9), unless Bonneville determines within 30 days of an initial request and thereafter by the later of July 1 of such year or 30 days after the date on which final regulation data are available under the Coordination Agreement for such year that the Purchaser does not have a firm load-resource balance within reasonable limits for such Operating Year.

In the event that the Purchaser is not in compliance with the provisions of this paragraph (9) for an Operating Year, Bonneville may disapprove the Purchaser's initial request and thereafter any future request by the Purchaser to purchase on the basis of Contracted

Requirements, unless Bonneville determines that the Purchaser can reasonably be expected to comply with the provisions of this paragraph (9).

(10) The schedule of power purchases shall not include for any Operating Year the amount of actual power savings resulting from conservation or direct application renewable resource measures paid for by Bonneville directly or through billing credits to the extent such reduction was not reflected in the Estimated Firm Energy and Estimated Firm Peak Loads used to determine the amounts of Firm Power to be made available pursuant to this subsection (b). The amount of actual power savings shall be agreed upon by the Purchaser and Bonneville at the time Bonneville agrees to pay for such measures, unless otherwise agreed by the parties. Such estimates may be revised prior to January 1 of any Operating Year for succeeding Operating Years upon agreement of Bonneville and the Purchaser. At the time such estimates are revised, an equivalent change shall be made in the schedule of Contracted Requirements power purchases.

(c) If the Purchaser does not request that Bonneville sell to it on the basis of Planned Computed Requirements or Contracted Requirements or if Bonneville disapproves such request, the Purchaser shall purchase on the basis of Actual Computed Requirements and its Computed Peak Requirement and Computed Average Energy Requirement shall be determined after the end of each month based on the Purchaser's Actual Firm Load.

(d) If the Purchaser purchases on the basis of Actual Computed Requirements and has Seasonal Storage, it may adjust its monthly Assured Energy Capability subject to the limitations of this subsection (d). The Purchaser shall keep a Flexibility Account which shall show as of the end of each month of the Operating Year the accumulated balance of adjustments made

by the Purchaser to its Assured Energy Capability. The Flexibility Account balance shall initially be zero on July 1 of each Operating Year; provided, however, that if a Purchaser begins to purchase on the basis of Actual Computed Requirements under this contract other than at the beginning of an Operating Year, the initial balance in the Flexibility Account shall be the same as if the Purchaser had been purchasing on the basis of Actual Computed Requirements from the beginning of such Operating Year. A reduction in the Assured Energy Capability in any month shall be accumulated as a positive number in the Flexibility Account and an increase in the Assured Energy Capability in any month shall be accumulated as a negative number in the Flexibility Account.

(1) The Purchaser shall make all adjustments to the Purchaser's Assured Energy Capability in accordance with the following:

(A) The Flexibility Account balance shall be brought to zero at the end of each Operating Year and at the end of the Critical Period if the Critical Period ends within the Operating Year.

(B) The Flexibility Account balance shall at no time have a larger negative balance than the sum of the following:

(i) For those Firm Resources which the Purchaser includes in Coordination Agreement planning, five percent of that portion of the Purchaser's Firm Energy Load Carrying Capability attributable to such Firm Resources as determined pursuant to section 16(b)(1)(A) remaining between the date of such balance and the date the Flexibility Account balance is required to be zero pursuant to subparagraph (A) above and;

(ii) For those Firm Resources which the Purchaser does not include in Coordination Agreement planning, five percent of the

energy capability of the hydroelectric resources and other than hydroelectric resources, as computed in section 16(b)(2)(A) and (B), remaining between the date of such balance and the date the Flexibility Account balance is required to be zero pursuant to subparagraph (A) above.

(C) The Flexibility Account shall at no time have a larger positive balance than the amount by which the Purchaser's Firm Resources and other arrangements are capable of supporting an increase in the Purchaser's Assured Energy Capability in the month or months in which the Purchaser intends to use such increased capability. At the end of each month for which the Purchaser's Flexibility Account has a positive balance, the Purchaser shall submit in writing to Bonneville documentation substantiating such increased capability.

(D) To the extent that the adjustments to the Flexibility Account are attributable to Firm Resources which the Purchaser includes in Coordination Agreement planning, such adjustments shall be the same as the adjustments which are reported monthly to Coordination Agreement parties pursuant to section 9(m) of the Coordination Agreement.

(2) If the Purchaser intends to adjust its Assured Energy Capability for any month, the Purchaser shall submit written notice to Bonneville within ten days of the last day of such month showing the Purchaser's best estimate of its Actual Firm Energy Load and a tentative adjusted Assured Energy Capability for such month. If no such notice is given within ten days after the end of such month, the Assured Energy Capability determined for such month prior to the Operating Year shall be applied to

such month and shall not be changed thereafter. If such notice has been submitted, the Purchaser shall submit a final adjusted Assured Energy Capability within 30 days of the last day of such month or such later date approved by Bonneville which shall not differ from the tentative adjusted Assured Energy Capability by more than the difference between the Purchaser's Actual Firm Energy Load for such month and the estimate of that load shown in such notice.

(e) If the Purchaser purchases on the basis of Actual Computed Requirements and the Purchaser's Firm Resources are unable to produce their Assured Capability, such Purchaser may implement a load curtailment program as provided in this subsection (e) to support the Assured Capability of its Firm Resources. The Purchaser shall notify Bonneville prior to implementing such a program and shall provide documentation to Bonneville of its actual implementation of the program at the end of each month such program is in effect. Such documentation shall be in the form of contracts, regulatory orders, filed tariffs, newspaper copy, media coverage, public information brochures, or other form sufficient to demonstrate to Bonneville the actual implementation of a load curtailment program. If Bonneville determines on the basis of such documentation that the Purchaser has implemented a load curtailment program, such program shall be reflected in the Purchaser's billing for each month such program is in effect in the following manner:

(1) If the Purchaser implements a load curtailment program to support its Assured Energy Capability, the Purchaser shall submit to Bonneville as soon as possible following the end of each such month:

(A) its Actual Firm Energy Load for such month; (B) detail on any separately identifiable significant changes in the Purchaser's Actual Firm Energy Load by which it is appropriate to adjust its Actual Firm Energy

Load for such month pursuant to paragraph (2)(A) below; and (C) detail sufficient to verify the amount of each load curtailment.

(2) If the Purchaser implements a load curtailment program to support its Assured Energy Capability and such program is implemented by means other than provided for in paragraph (4) below, the Purchaser's Estimated Firm Energy Load for each month in which a load curtailment program is in effect shall be adjusted in the following manner:

(A) The Purchaser's Estimated Firm Energy Load for all months pertinent to computation pursuant to this paragraph (2) shall be adjusted to reflect any separately identifiable significant changes in the Purchaser's Actual Firm Energy Load which were not a result of the Purchaser's load curtailment program.

(B) The Purchaser's Estimated Firm Energy Load, after adjustment pursuant to subparagraph (A) above, shall be further adjusted by deducting the amount of any load curtailment in the current month pursuant to paragraph (4) below from such adjusted Estimated Firm Energy Load for all months pertinent to computation pursuant to this paragraph (2). The amount deducted shall include any portion offered to and purchased by Bonneville.

(C) A further adjustment to Estimated Firm Energy Load for each month in which a load curtailment program is in effect shall be made by multiplying the Estimated Firm Energy Load for such month by the average of the ratios of the Purchaser's Actual Firm Energy Load to Estimated Firm Energy Load for the three most recent, but not necessarily consecutive, months in which no load curtailment program was in effect. Computations pursuant to this subparagraph (C) shall

use Estimated Firm Energy Loads after adjustment pursuant to subparagraphs (A) and (B) above.

(3) If the Purchaser implements a load curtailment program to support its Assured Peak Capability and such program is implemented by means other than provided in paragraph (4) below, the amount of any load curtailment resulting from such program shall be determined by a reasonable method agreed to by Bonneville and the Purchaser prior to the implementation of such program.

(4) If the Purchaser implements load curtailment measures with specific Consumers or wholesale purchasers which result in determinable reductions in its obligations to supply peak or energy, the Purchaser shall provide a method for documenting the amount of any load curtailment resulting from such arrangements. Such method shall be agreed upon by Bonneville, the Purchaser, and the Consumer or wholesale purchaser prior to the implementation of such measures. If the Purchaser implements such measures it: (A) shall offer Bonneville the opportunity to purchase any amount of such load curtailment which exceeds the Purchaser's estimate of the amount of the Purchaser's Assured Capability which the Purchaser's Firm Resources are unable to produce; and (B) may offer Bonneville the opportunity to purchase an additional portion of such load curtailment specified by the Purchaser. The Purchaser shall offer such opportunity to purchase and Bonneville shall accept or reject such offer prior to each month such program is in effect. If Bonneville accepts such offer, it shall pay the Purchaser an amount equal to the Purchaser's payment to the Consumer or wholesale purchaser for such month multiplied by the percentage of such arrangement offered to and accepted by Bonneville.

(5) The amount of the Purchaser's firm load curtailment to support the Purchaser's Assured Energy Capability which is attributable to such load curtailment program shall be deemed to be the sum of: (A) the product of (i) the amount, if any, by which the Purchaser's Estimated Firm Energy Load for such month, after adjustment pursuant to paragraph (2) above, exceeds the Purchaser's Actual Firm Energy Load for such month, and (ii) a fraction the numerator of which is the amount by which the Purchaser's Actual Firm Energy Load for such month exceeds its Measured Energy for such month and the denominator of which is the Purchaser's Actual Firm Energy Load for such month; and (B) the amount, if any, of load curtailment pursuant to paragraph (4) above less the portion, if any, offered to and purchased by Bonneville.

(6) The amount of the Purchaser's firm load curtailment to support the Purchaser's Assured Peak Capability which is attributable to such load curtailment program shall be deemed to be the sum of: (A) the amount, if any, of load curtailment pursuant to paragraph (3) above, and (B) the amount, if any, of load curtailment pursuant to paragraph (4) above less the portion, if any, offered to and purchased by Bonneville.

(7) For the purpose of determining the Purchaser's Computed Average Energy Requirement or Computed Peak Requirement during any month in which the Purchaser has implemented a load curtailment program, the Purchaser's Actual Firm Energy Load and Actual Firm Peak Load for such month shall be increased by the amount of load curtailment attributable to such program as determined pursuant to paragraph (5) and paragraph (6), above, respectively.

(f) The Purchaser's Computed Average Energy Requirement in each month of the Operating Year shall be the amount, if any, by which the Purchaser's