

to reflect changes in the investment in facilities or in the Government's Annual Cost Ratios, or

(2) with regard to subsection (b)(2), to the extent that increase in costs of the Government makes a change necessary to provide proper compensation to the Government for use of its facilities, or

(3) with regard to subsection (c), if either party determines that a change is necessary to provide proper compensation for the use of its capacity, provided that such party shall not increase such compensation unless a similar increase is made in charges to all other utilities using such capacity;

provided, however, that the compensation charges specified in subsections (a) and (b)(1) of this section shall be changed whenever a substantial increase has been made in the investment in the facilities of either party.

8. Metering. Measurement of electric energy and reactive power and of the sixty-minute integrated demands for such electric energy flowing between the Government's facilities and the Company's facilities at the Grizzly and Malin substations shall be determined from measurements made by meters furnished and installed by the Government or the Company as agreed. Each party shall furnish and bear the installation cost of the current transformers and potential transformers, together with the wiring and related equipment, installed to measure the flow of power through the respective line terminal positions of each party hereto.

9. Payment of Bills. Bills for services performed hereunder shall be rendered monthly unless otherwise specified in the agreement and shall be payable at the office of the obligee. Failure to receive a bill shall not release the obligor from liability for payment. Charges under the agreement shall be rounded to whole dollar amounts, by elimination of any amount of less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

Bills not paid in full on or before the close of business of the thirtieth day after the date of the bill shall bear an additional charge of two percent (2%) of the amount unpaid. Thereafter a further charge of one-half of one percent ($\frac{1}{2}\%$) of the initial amount remaining unpaid shall be added on the first day of each succeeding calendar month until the amount due is paid in full.

Remittances received by mail will be accepted without assessment of the delayed payment charges referred to above provided the postmark indicates the payment was mailed on or before the thirtieth day after the date of the bill. If the thirtieth day after the date of the bill is a Sunday or a holiday, the next following business day shall be the last day on which payment may be made without addition of the delayed payment charge.

The obligee may, whenever a bill or a portion thereof remains unpaid subsequent to the thirtieth day after the date of the bill, and after giving thirty days' advance notice in writing, cancel this agreement, but such cancellation shall not affect the obligor's liability for any charges accrued prior thereto.

10. Arbitration. If the parties do not agree on the determination of any question of fact hereinafter stated, such determination will be made by arbitration. The party calling for arbitration shall serve notice in writing upon the other party, setting forth in detail the question or questions to be arbitrated and the arbitrator appointed by such party. The other party shall, within ten (10) days after the receipt of such notice, appoint a second arbitrator, and the two so appointed shall choose and appoint a third. In case such other party fails to appoint an arbitrator within said ten days, or in case the two so appointed fail for ten days to agree upon and appoint a third, the party calling for the arbitration, upon five (5) days' written notice delivered to the other party, shall apply to the person who at the time shall be the presiding judge of the United States Court of Appeals for the Ninth Circuit for appointment of the second or third arbitrator, as the case may be.

The determination of the question or questions submitted for arbitration shall be made by the arbitrators, or a majority thereof, and shall be binding on the parties. Each party shall pay for the services and expenses of the arbitrator appointed by or for it, and all other costs incurred in connection with the arbitration shall be paid equally by the parties thereto.

The questions of fact to be determined as provided in the preceding paragraph shall be: the correction of the measurements to be made as provided in section 12 hereof; any fact mentioned in section 14 hereof; and whether the Company has transmission facilities of sufficient capacity so that use of the Government's facilities is no longer required.

11. Tests of Meters. Each party to this agreement will, at its expense, test its meters mentioned in this agreement at least once each year, and, if requested to do so by the other party, will make additional tests or inspections of such meters, the expense of which will be paid by such other party unless such additional tests or inspections show such meters to be inaccurate as specified in section 12 hereof. Each party will give reasonable notice of the time when any such test or inspection is to be made to the other party who may have representatives present at such test or inspection. Metering equipment found to be defective or inaccurate in any degree shall be adjusted, repaired, or replaced to provide accurate metering.

12. Adjustment for Inaccurate Metering. If any meter mentioned in this contract fails to register, or if the measurement made by such meter during a test made as provided in section 11 hereof varies by more than one percent (1%) from the measurement made by the standard meter used in such test, adjustment shall be made correcting all measurements made by such inaccurate meter for (a) the actual period, not to exceed six months, during which such inaccurate measurements were made if such period can be determined, or (b) if not, the period immediately preceding the test of such meter which is equal to one-half the time from the date of the last preceding test of such meter. Such corrected measurements shall be used to recompute the amounts due for the electric energy made available under this contract during such period. If the total amount due for such period as recomputed varies from the total amount due as theretofore computed, the amount of the variance shall be paid to the party entitled thereto within thirty (30) days after the recomputation is made.

13. Continuity of Service.

(a) Either party may temporarily interrupt or reduce deliveries hereunder if such interruption or reduction is necessary or desirable in case of system emergencies, or in order to install equipment in, make repairs, replacements, investigations, and inspections of, or perform other maintenance work on, the electric system of such party. Except

in case of emergency and in order that the other party's operations will not be unreasonably interfered with, notice shall be given of any such interruption or reduction, the reason therefore, and the probable duration thereof.

(b) If the operation of either party's transmission system is suspended, interrupted, or interfered with as the result of the occurrence of any event which is specified in subsection (a) or any event which is reasonably beyond such party's control (including, but not limited to, the failure or breakdown of generating or transmission facilities, floods, fire, strikes, or acts of God or the public enemy), it shall not be obligated to make deliveries as provided in this agreement, during such time and to such extent as such suspension, interruption, or interference makes it reasonably impracticable to do so, and shall not be liable for any damages sustained by the other party as a result of the failure to make such deliveries during such time.

(c) If the operations of either party are interrupted or curtailed, such party shall exercise due diligence to reinstate such operations with reasonable dispatch.

4. Electric Disturbances. Each party shall protect, operate, and maintain its system to avoid or minimize the likelihood of electric disturbances originating in its system which may cause damage to or interference with the system of the other party, systems connected with such other

party's system, or facilities or other property in proximity to such other party's system. Each party will, at its expense, install such equipment as is necessary to limit such electric disturbances.

15. Permits.

(a) If any equipment or facilities of a party to this agreement is, or is to be by the terms of this agreement, located on the property of the other, a permit to install, test, maintain, inspect, replace and repair during the term of this agreement, and to remove at the expiration of said term, such equipment and facilities, together with the right of ingress to and egress from the location thereof at all reasonable times in such term, is hereby granted by the other party.

(b) Each party shall have the right to read, at all reasonable times, any and all meters mentioned in this agreement which are installed on the property of the other.

16. Ownership of Facilities.

(a) Ownership of any and all equipment, and of all salvageable facilities, installed by a party to this agreement on the property of the other, shall be and remain in such party.

(b) Each party shall identify all movable equipment and to the extent agreed upon by the operators of the parties, all other salvageable facilities which are installed by such party on the property of the other, by permanently affixing thereto suitable tags, stencils, stamps, or other

markers plainly stating the name of the owner of the equipment and facilities so identified.

17. Adjustment for Change of Conditions. If changes in conditions occur which substantially affect any factor, agreed upon by representatives designated by the parties to this agreement, for use in making adjustment for losses in transmission or transformation, such factor will be changed in a manner which will conform to such changes in conditions.

18. Assignment of Agreement. This agreement shall inure to the benefit of, and shall be binding upon the respective successors and assigns of the parties to this agreement; provided, however, that neither such agreement nor any interest therein shall be transferred or assigned by either party to any party other than the United States or an agency thereof without the written consent of the other.

19. Waiver of Default. Any waiver at any time by any party to this agreement of its rights with respect to any default of any other party thereto, or with respect to any other matter arising in connection with such agreement, shall not be considered a waiver with respect to any subsequent default or matter.

20. Interest of Member of Congress. No Member of or Delegate to Congress, or Resident Commissioner shall be

admitted to any share of this agreement or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to such agreement if made with a corporation for its general benefit.

21. Provisions Required by Statute or Executive Order.

The provisions which are required to be inserted by statute or executive order are attached hereto as Exhibit A and are hereby made a part of this agreement. The Company shall be "the Contractor" mentioned in said Exhibit A.

22. Applicability of Antitrust Laws. Nothing contained herein, nor the fact that this or any related agreement was entered into by or with any agency or instrumentality of the United States of America, shall be deemed or construed to relieve any person, including any of the parties to this agreement or to any related contract or agreement, from the operation of the antitrust laws to the extent such antitrust laws may be applicable thereto.

IN WITNESS WHEREOF, the parties hereto have executed

this agreement in several counterparts.

UNITED STATES OF AMERICA
Department of the Interior

(SEAL)

By S/ H. R. RICHMOND
Acting Bonneville Power Administrator

PORTLAND GENERAL ELECTRIC COMPANY

(SEAL)

By S/ FRANK M. WARREN
President

ATTEST:

S/ CLARENCE D. PHILLIPS

EXHIBIT B

Calculation of Compensation Charges

I. Compensation Charge for Use of the Company's Grizzly-Malin 500-kv Transmission Facilities

<u>Facility</u>	<u>Government's Annual Cost Ratios (%)</u>	<u>Investment</u>	<u>Annual Cost</u>
1. Grizzly-Malin Microwave System.	13.35	\$ 306,500	\$ 40,900
2. Grizzly 500-kv Terminal for Malin line.	8.69	675,000	58,700
3. Grizzly-Malin 500-kv line 179 miles.	5.07 2/	17,114,100	867,700
4. Sand Springs, Fort Rock, and Sycan Compensation Stations.	7.46	2,038,800	152,100
5. Malin Terminal for Grizzly-Malin line.	8.69	675,000	58,700
6. Malin Reactor 60 mva.	5.81	1,000,000	58,100
		Total	\$1,236,200

Compensation Charge = (1/2) x (1/12) x (\$1,236,200) = \$ 51,500/mo 1/

II. Compensation Charge for Use of the Government's John Day-Grizzly 500-kv Transmission Facilities

<u>Facility</u>	<u>Government's Annual Cost Ratios (%)</u>	<u>Investment</u>	<u>Annual Cost</u>
1. John Day-Grizzly Microwave System.	13.35	\$ 185,000	\$ 24,700
2. John Day 500-kv Terminal for Grizzly line.	8.69	675,000	58,700
3. John Day-Grizzly 500-kv line 89 miles.	4.95 3/	10,449,500 4/	517,300
4. Bakeoven Compensation Station.	6.96	1,069,400	74,400
5. Grizzly 500-kv Terminal for John Day line.	8.69	675,000	58,700
		Total	\$ 733,800

Compensation Charge = (1/2) x (1/12) x (\$733,800) = \$ 30,600/mo 1/

- 1/ This charge is based on estimated cost ratios and estimated investments and will be revised and applied retroactively based on revised cost ratios and actual investments as soon as practical after energization of the facilities.
- 2/ Includes O & M, A & G at \$390/mile.
- 3/ Includes O & M, A & G at \$340/mile.
- 4/ Average investment of first and second lines.



(AUTHENTICATED COPY)

Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

OFFICE OF THE ADMINISTRATOR

December 12, 1985

Ltr. Agr. Associated
with Contract No.
14-03-55063

Mr. W. J. Lindblad
President
Portland General Electric Company
121 SW Salmon Street
Portland, OR 97204

Dear Mr. Lindblad:

The United States, acting through the Bonneville Power Administration (BPA), is owner of the Federal portion of the Pacific Northwest Intertie (Intertie). On November 6, 1985, Portland General Electric Co. (PGE) filed applications with the Federal Energy Regulatory Commission (FERC), Docket Nos. EC86-4 and EL86-8, for authorization to sell a 10.71 percent undivided interest in PGE's portion of the Intertie and a 15 percent undivided interest in PGE's coal-fired Boardman Unit No. 1. Each sale would be made to a financial institution under sale-lease financing transactions. As part of the FERC filings, PGE also submitted contracts executed with San Diego Gas & Electric Co. (SDG&E) governing the provision of power and Intertie wheeling services by PGE to SDG&E. These transactions may require use of the Federal portion of the Intertie and assignment of certain contracts between PGE and BPA. BPA believes that Federal interests in the Intertie would be adversely affected by the transactions and has sought to protect those interests by protesting the transactions in an intervention filed with FERC.

BPA, PGE and SDG&E have negotiated a resolution of issues regarding Federal interests in the Intertie. In return for the commitments made by PGE and SDG&E to BPA in four contracts, BPA will withdraw its FERC intervention. The agreement contained in this letter is the single most important reason why BPA will withdraw its FERC intervention. However, BPA may renew its intervention for the purpose of participating in any hearing FERC might decide to hold in Docket Nos. EC86-4 and EL86-8.

PGE hereby agrees that it will not execute the transfer documents that consummate the sales of a 10.71 percent undivided interest in PGE's portion of the Intertie, described above, until it obtains BPA's approval, which states in writing that the documents are satisfactory to BPA. The final transfer

(AUTHENTICATED COPY)

PORTLAND GENERAL ELECTRIC COMPANY

121 S.W. SALMON STREET

PORTLAND, OREGON 97204

(503) 226-8875

WILLIAM J. LINDBLAD
PRESIDENT

December 12, 1985

Ltr. Agr. Associated
with Contract No.
14-03-55063

The Honorable Peter T. Johnson
Administrator
Bonneville Power Administration
1002 N.E. Holladay
Post Office Box 3621
Portland, Oregon 97208

Re: PGE - SDG&E Power Sale
Our File No. 05NB-015

Dear Sir:

Portland General Electric Company (PGE) and San Diego Gas and Electric Co. (SDG&E) have entered into a Long-Term Power Sale Agreement (Power Agreement) and a Long-Term Transmission Service Agreement (Transmission Agreement). PGE is seeking permission at FERC for a transfer of part of its Pacific Northwest Intertie transmission assets to a financial institution under a sale-lease financing transaction.

BPA has filed a Petition to Intervene in the FERC proceeding. PGE and SDG&E wish to have the Petition withdrawn.

PGE has requested BPA's consent to an assignment of PGE's interests in the Pacific Northwest Intertie Agreement and certain related transmission agreements.

Discussions between PGE, BPA and SDG&E over the last few days have established that BPA's concerns can be satisfied and all parties' objectives can be met as follows:

1. PGE and SDG&E have jointly made written representations (The Representations) to BPA concerning the meaning certain provisions of the Power Agreement and the Transmission Agreement.

2. BPA agrees to withdraw its petition to intervene in the FERC proceeding.
3. BPA and PGE have entered into a written extension (The Contract Extension) of Contract No. 14-03-55063.
4. PGE and BPA will enter into a written transmission contract (The Slatt-John Day Contract) providing transmission of power generated with respect to SDG&E's Entitlement at Boardman from Slatt to John Day without regard to the actual titleholder of the Boardman assets. PGE will elect the IR or FPT rate schedule to be applied to this transmission service and a contract incorporating that election shall be promptly negotiated by the parties.
5. BPA will grant a conditional consent (The Consent) to assignment by PGE of Contract No. 14-03-55063 and certain related contracts, including the Slatt to John Day Contract, Grizzly Substation Agreements and Malin Substation Agreements. A form of the Consent is attached.
6. PGE agrees not to take any action which would operate to allow the exercising of SDG&E's right of first refusal under § 9.1 of the Transmission Agreement.
7. PGE agrees that it will not execute the transfer documents regarding its proposed sale of intertie assets without obtaining BPA's approval, under terms specified in a separate agreement between PGE and BPA.

Very truly yours,

/s/ W. J. Lindblad

Accepted:

/s/ Robert E Ratcliffe
Bonneville Power Administration
Acting Administrator



Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

OFFICE OF THE ADMINISTRATOR

In reply refer to: APR

December 28, 1985

Mr. Richard E. Dyer
Vice President
Portland General Electric Company
121 S.W. Salmon Street
Portland, OR. 97204

Dear Mr. Dyer:

Portland General Electric Co. ("PGE") will sell an undivided interest in certain transmission assets (the "Transmission Assets") owned by PGE to J. Henry Schroder Bank & Trust Company in its capacity as owner trustee under a trust agreement for the benefit of General Electric Credit Corporation ("GECC"). The proposed sale of the Transmission Assets is an integral part of a leveraged lease financing (the "Transaction") among PGE, GECC and certain other financial institutions (the "Lenders").

The Transmission Assets are an integral part of the Pacific Northwest Intertie (the "Intertie"). Bonneville Power Administration ("BPA"), as owner of a significant portion of the Intertie, has a material interest in the ownership, operation and disposition of the Intertie. PGE has requested BPA's consent to the Transaction, as a condition to the Transaction. BPA, on the terms and subject to the restrictions of this agreement, is willing to give such consent. Terms defined in the Participation Agreement among J. Henry Schroder Bank & Trust Company, The Chase Manhattan Bank, General Electric Credit Corporation, certain Loan Participants identified in the Participation Agreement, Fale-Safe, Incorporated, and Portland General Electric Company (the "Participation Agreement") shall have the same meaning in this agreement between PGE and BPA. Accordingly, PGE and BPA agree as follows.

1. PGE acknowledges that BPA is a third party beneficiary of Section 21 of the Participation Agreement.

2. Pursuant to the terms of the Lease, the Lessee has the right, under certain conditions, to extend the term of the Lease and/or to purchase the Transmission Assets. The Lessee must give notice of its intention to exercise this right no later than 11 months prior to termination of the Lease. The

2

Lessee has assigned this right to PGE pursuant to the terms of the PGE-Lessee Agreement. In the event that PGE elects not to exercise its right, as the Lessee's assignee, to renew the Lease or to purchase the Transmission Assets, BPA shall have the right to cause PGE to purchase the Transmission Assets on behalf of BPA, by giving PGE a written request to that effect at least 10 days prior to the time PGE would be required to give notice under the Lease. To facilitate BPA's decision to exercise its rights under this paragraph, PGE shall give the BPA Administrator a written notice of its intentions, at least 18 months prior to termination of the Lease, after which BPA and PGE shall enter into good faith negotiations regarding the terms of purchase. BPA's written request to PGE shall operate to effect the following:

A. PGE shall be required to purchase the Transmission Assets in accordance with the terms of the Lease.

B. BPA shall be obliged to lease the Transmission Assets from PGE for the then-estimated remaining useful life of such assets. BPA shall also be obliged to lease an undivided interest, of the same percentage, in PGE's capacitor stations, substation equipment, right-of-way easements and fee interests in land, both jointly and severally owned (the "Associated Property") for a like term.

C. Except as provided in Paragraph 2(D), BPA shall pay to PGE monthly, for the duration of the lease term specified in Paragraph 2(B), a lease rate calculated to cover all of PGE's costs of ownership of the Transmission Assets (based on the cost to PGE under the purchase options specified in the Lease) and of the Associated Property (based on original cost to PGE) taking into account the cost of equity and debt capital, depreciation, improvements, operating expenses, taxes and other costs, net of any revenues, consistent with regulatory cost recognition by the Federal Energy Regulatory Commission. If neither BPA nor its assignee exercises the purchase right in Paragraph 2(D), such lease payments shall continue for the full term of the Lease.

D. Instead of entering into, or continuing, the lease specified in Paragraphs 2(B) and 2(C), BPA shall have a right to purchase, to the extent such right is not inconsistent with any right of first refusal in any third party effective on the date of this Agreement, both the Transmission Assets and the Associated Property. Such right may be assigned by BPA to any assignee so long as

PGE's rights hereunder are not diminished thereby. The price shall be equal the cost of Transmission Assets paid by PGE under the terms of the Lease purchase option, less depreciation recorded on PGE's books subsequent to the time of purchase by PGE, plus PGE's original cost for the Associated Property, less depreciation shown on PGE's books. BPA's right to purchase shall last for three years from the time PGE gives its notice to BPA, unless extended by mutual agreement of BPA and PGE.

3. Whenever PGE receives any notice pursuant to any of the Operative Documents, PGE shall immediately cause a copy of such notice to be sent directly to the BPA Administrator.

4. PGE and BPA agree to amend Amendment No. 1 to Contracts Nos. 14-03-55063 and DE-MS79-848P91883 by extending its term until December 12, 1988. Paragraph No. 1 to such Amendment No. 1, entitled "Bonneville Consent To Transfer," shall only be effective until the earlier of December 12, 1988 or the time, if any, that BPA shall have been found, in accordance with Paragraph 1(d) thereof, to have acted unreasonably in withholding consent from a PGE proposal to sell, lease, transfer, or assign any PGE interest in the Pacific Northwest Intertie; provided, however, that withholding consent shall always be reasonable unless and until BPA has had the opportunity to review material changes to all documents comprising any sale, lease, transfer or assignment. In determining whether to grant consent to future transfers, BPA shall consider all material facts and BPA shall not be bound to the terms on which consent was granted to the instant sale of a 10.714% undivided interest in the Transmission Assets owned by PGE to J. Henry Schroder Bank & Trust Company, in its capacity as owner trustee under a trust agreement for the benefit of GECC.

5. PGE warrants that BPA has been shown all material changes to all transfer documents comprising the sale of a 10.714% undivided interest in the Transmission Assets owned by PGE to J. Henry Schroder Bank & Trust Company, in its capacity as owner trustee under a trust agreement for the benefit of GECC, and the Transaction among PGE, GECC and the Lenders. Based on this PGE warranty, and in fulfillment of the BPA right of approval contained in the PGE/BPA letter agreement of December 12, 1985, BPA hereby states that such transfer documents are satisfactory to it. BPA's representative shall attend the closing and shall retain possession of all executed copies of this agreement until he or she has been satisfied that the terms of all transfer documents submitted at the closing have been reviewed and approved by BPA.

documents shall warrant that PGE has obtained BPA's approval as a condition to PGE's execution thereof. PGE will provide BPA with copies of all revisions to draft transfer documents as soon as they become available to PGE. BPA and PGE shall each designate representatives to continue negotiations regarding the transfer documents. BPA shall act in good faith to identify any documents or parts of documents in which BPA does not have a material interest, so that parties to the transfer documents may keep BPA representatives better informed on the progress of their negotiations. BPA shall be required to grant or refuse its approval only after PGE has provided it a minimum of 72 hours in which to review all material changes to all transfer documents. If, after reviewing the transfer documents, BPA refuses to give its approval, PGE shall not execute the transfer documents and Contract No. 14-03-55063 (Amendment No. 1) shall be rescinded.

The agreement contained in this letter shall continue to apply unless PGE withdraws its applications in Federal Energy Regulatory Commission Docket Nos. EC86-4 and EL86-8.

If you agree with the above language, please execute this contract between BPA and PGE in the space provided below.

Sincerely,

/s/ Robert E Ratcliffe
Robert E. Ratcliffe
Acting Administrator

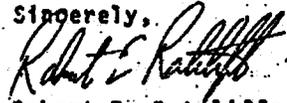
ACCEPTED:
PORTLAND GENERAL ELECTRIC CO.

By: /s/ W. J. Lindblad
WILLIAM LINDBLAD
President

Date Dec 12, 1985

6. BPA and PGE represent that this negotiated agreement, drafted by both of them, has been duly authorized and executed and shall become the valid and binding obligation of BPA and PGE effective upon closing the sale of a 10.714% undivided interest in the Transmission Assets and the Transaction among PGE, GECC and the Lenders.

Sincerely,



Robert E. Ratcliffe
Acting Administrator

ACCEPTED:
PORTLAND GENERAL ELECTRIC COMPANY

By 

Title Vice President, Power Supply

Date December 23, 1985

December 9, 1985

Mr. W.J. Lindblad
President
Portland General Electric Company
121 S.W. Salmon Street
Portland, Oregon 97204

Re: Conditional Consent To Assignment Of Certain Transmission Rights

Dear Mr. Lindblad:

You have requested Bonneville Power Administration (BPA) consent to assignments of Portland General Electric Co. (PGE) rights under the following contracts between PGE and BPA: Contract Nos. [Capacity Exchange], [Extension], [Grizzly], [Malin], and [Slatt to John Day] as amended, renewed or replaced. You have represented that the assignments will act as security for PGE's agreement to provide certain services involving the Grizzly and Malin Substations, and as support for PGE's representation and warranty that transmission service will be available to transmit the power purchased by San Diego Gas & Electric Co. (SDG&E) under its Long Term Power Sale and Transmission Agreements, executed by PGE and SDG&E on November 5, 1985.

BPA is willing and hereby does grant its consent subject to the following three conditions:

1. No assignments or any subsequent assignments shall be made to any entity generating, transmitting or distributing, or selling electric power outside the Pacific Northwest (as such term is defined in P.L. 96-501) and not also generating, transmitting or distributing, or selling electric power within the Pacific Northwest.
2. No assignments or any subsequent assignments shall be made except for the purpose of providing transmission service to transmit the power purchased by San Diego Gas & Electric Co. (SDG&E) under its Long Term Power Sale and Transmission Agreements, executed by PGE and SDG&E on November 5, 1985.
3. BPA must be given at least 60 days written notice of any subsequent assignment of any of the contracts identified above.

Violation or attempted violation of any of these three conditions shall, if uncured for 30 days after written notice by BPA, operate to revoke such consent.

Sincerely,

Robert E. Ratcliffe
Acting Administrator

2#
[Handwritten signature]
June 4, 1969

PCC

Mr. A. J. Porter, Vice President
Portland General Electric Company
621 S. W. Alder Street
Portland, Oregon 97208

Dear Art:

As requested in your letter of May 23, 1969, we are hereby granting a further extension of the date for notice by the Company regarding the use of the "Oregon BC Line" pursuant to section 4(b) of Intertie Contract No. 14-03-55063 from July 1, 1969 to July 1, 1974.

Sincerely yours,

Bernard Goldhammer
Assistant Administrator
for Power Management

cc:
F. W. Razor - PC
Official File - PCC ✓

PCC:DWFranswa:lc 6-4-69

PORTLAND GENERAL ELECTRIC COMPANY

ELECTRIC BUILDING

PORTLAND, OREGON 97205

A. J. PORTER
VICE PRESIDENT

May 23, 1969

OFFICIAL FILE COPY	
No.	Date
	5/26/69
Class.	
Referred To:	P
Action Taken:	
<input checked="" type="checkbox"/> ANS.	<input type="checkbox"/> NO REPLY
By B/B	Date 6-4-69

Mr. Bernard Goldhammer
Assistant Administrator for
Power Management
Bonneville Power Administration
P. O. Box 3621
Portland, Oregon 97208

Dear Bernie,

Please refer to your letter of July 14, 1967 which granted an extension of the date to July 1, 1969 for giving notice by the Company regarding the use of the "Oregon DC Line" pursuant to contract No. 14-03-55063.

In view of the continuing delay in the scheduled date for construction and completion of the Celilo-Hoover line, it is requested that a further extension until July 1, 1974 be granted for the giving of such notice.

Sincerely

AJ Porter

AJP/ms

Roser

PORTLAND GENERAL ELECTRIC COMPANY

ELECTRIC BUILDING
PORTLAND, OREGON 97205

A. J. PORTER
VICE PRESIDENT

July 7, 1967

OFFICIAL FILE COPY	
No.	Date
	7-10-67
Class.	
Referred to:	
<i>[Signature]</i>	
Action Taken:	
<input checked="" type="checkbox"/> ANS.	<input type="checkbox"/> NO. REPLY.
By LGH	Date 7-17

Mr. Bernard Goldhammer
Assistant Administrator for
Power Management
Bonneville Power Administration
P. O. Box 3621
Portland, Oregon 97208

Dear Mr. Goldhammer,

Please refer to contract No. 14-03-55063, dated December 30, 1965, between Bonneville Power Administrator and Portland General Electric Company. Section 4(b) of the contract provides that the Company has the right to use capacity in the "Oregon DC Line" as requested in a written notice to be given to the Administrator not later than July 1, 1967. As you know, negotiations with utilities in the Pacific Southwest have not progressed as rapidly as originally anticipated, and, as a consequence, the scheduled date for completion of the Big Eddy-Hoover circuit has been delayed.

Due to these circumstances beyond our control, it is requested that the date for giving the notice specified in Section 4(b) of the subject contract be extended to July 1, 1969.

Sincerely

AJ Porter

AJP/ms

MA
P
~~ACE~~

July 14, 1967

Mr. A. J. Porter, Vice President
Portland General Electric Company
621 S. W. Alder Street
Portland, Oregon 97205

Dear Mr. Porter:

As requested in your letter of July 7, we are extending
the date for notice by the Company regarding the use of
the "Oregon DC Line" pursuant to Intertie Contract No.
14-03-55063 from July 1, 1967 to July 1, 1969.

Sincerely yours,

Bernard Goldhammer
Assistant Administrator
for Power Management

cc:
F. W. Razor 4-14
OF 4-15 ✓
LGHittle:lo 7-14-67

(AUTHENTICATED COPY)

Supplemental Agreement No. 1 to
Contract No. 14-03-55063

December 22, 1965

Mr. Frank M. Warren, President
Portland General Electric Company
621 S. W. Alder Street
Portland, Oregon 97205

Dear Mr. Warren:

I propose by this letter that Section 22 of Contract No. 14-03-55063 be deleted as of the effective date of said agreement.

If this proposal is satisfactory to you, please sign one copy in the designated space and return it to me. The other copies are for your files.

Sincerely yours,

S/ CHARLES F. LUCE

Administrator

(SEAL)

ACCEPTED:

S/ FRANK M. WARREN
President



(AUTHENTICATED COPY)

Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

DEC 13 1985

In reply refer to: PKT

Amendment No. 1 to
Contracts Nos. 14-03-55063
and DE-MS79-84BP91883
Effective Date: December 13, 1985

Mr. Richard E. Dyer
Vice President
Portland General Electric Company
121 SW. Salmon Street
Portland, OR 97204

Dear Mr. Dyer:

On December 30, 1965, Portland General Electric Company (Company) and the Bonneville Power Administration (Bonneville) executed Contract No. 14-03-55063 (Exchange Capacity Agreement) which, among other things, provides for the Company and Bonneville to exchange the use of one-half of the capacity in their respective portions of the John Day-Malin No. 2 Line. The term of this Exchange Capacity Agreement is for twenty (20) years commencing on the date of execution. On September 24, 1984, the parties entered into a settlement letter agreement, Contract No. DE-MS79-84BP91883 (Settlement Letter), regarding disputes over interpretation of the Exchange Capacity Agreement. Both the Exchange Capacity Agreement and the Settlement Letter will expire on December 30, 1985, unless extended by this Amendment.

By this Amendment, Bonneville and the Company hereby extend the terms and conditions of the Exchange Capacity Agreement and the Settlement Letter except with respect to Section 5 of the Exchange Capacity Agreement concerning the Company Priority Rights and with respect to the specific modifications set forth below, for a period of 1 year from the Effective Date of this Amendment. If, prior to January 1, 1986, Bonneville refuses approval of documents transferring the Company Intertie Interests as defined herein, this Amendment will terminate on the date of Bonneville's refusal.

By this Amendment, Bonneville and the Company also hereby agree to maintain the same prerogatives each party had prior to this Amendment to use of the excess capacity of the other party, except for the expiration of the Company's Priority Rights under Section 5 of the Exchange Capacity Agreement (deleted pursuant to Section 2, below). Bonneville's prerogatives to use the Company's excess capacity are subject to the Exchange Capacity Agreement, Section 4(d), and the Company's prerogatives to use Bonneville's excess capacity are subject to Bonneville's current Intertie Access Policy, as it may be replaced or

2

modified. Nothing herein or in any other agreement shall be interpreted as requiring Bonneville or the Company to renew or extend the provisions of this Amendment.

Accordingly, Bonneville and the Company agree to the following terms and conditions:

1. The following sections are added to and made a part of the Exchange Capacity Agreement:

"1. Bonneville Consent to Transfer. Before the Company sells, leases, transfers, or assigns any portion of its interest in the Pacific Northwest Intertie ("Intertie Interest") during the term of this Amendment and after December 31, 1985, it must first obtain Bonneville's consent to the transaction. Such consent shall not be unreasonably withheld. "Intertie Interest" is defined as all, or any portion of, the Company's Pacific Northwest Intertie conductors, towers, substations and capacitors (including replacements, additions and improvements). "Intertie Interest" also includes all, or any portion of, the Company's contract rights including rights the Company has to use portions of the Pacific Northwest Intertie owned by any other entity. The following terms shall govern the Company's requests for consent to transfer and Bonneville's action on such request:

"(a) No later than 60 days before the Company files any requests with Federal Energy Regulatory Commission (FERC) for approval of any sale, lease, transfer or assignment of an Intertie Interest, it shall submit a written request for consent to Bonneville's Administrator, accompanied by copies of all documents the Company proposes to file with FERC, whether in final or draft form. Additional or revised documents shall be made available to Bonneville by the Company when they become available to the Company. In addition, the Company shall provide full disclosure to Bonneville of all documents comprising the sale, lease, transfer or assignment which are not to be filed with FERC, if any.

"(b) Upon tendering such written request to Bonneville, the Company and Bonneville shall enter into good faith negotiations to resolve any problems that might cause Bonneville to withhold its consent. The Company shall make its employees available to answer any questions Bonneville may have regarding any aspect of the proposed sale, lease, transfer, or assignment.

"(c) Bonneville shall grant or withhold consent in a written decision provided to the Company within 60 days of receipt of information provided under subsection (a) above; or consent shall be deemed granted. If consent is withheld, such written decision shall include a statement of reasons. Bonneville agrees that its determination of whether it will consent to any

sale or transfer of Intertie Interests will not be based upon competitive marketing considerations between Bonneville and the Company.

"(d) In the event of an irreconcilable difference over a proposed sale, lease, transfer or assignment, the Company and Bonneville agree to seek expedited review of a Bonneville decision to withhold consent.

"2. Bonneville recognizes that the Company intends, as part of its independent marketing efforts, to transfer a total of 200 MW of its Intertie Interests. Bonneville will not unreasonably withhold consent, so as to restrict or interfere with the Company's efforts to effect such transfers.

"3. Bonneville and the Company recognize that the extension of this agreement in its amended form establishes no precedent and settles no issue with respect to any subsequent arrangements."

2. Deletions and Replacements.

a. Effective 2400 hours, December 29, 1985, the following portions of the Exchange Capacity Agreement shall be deleted in their entirety: Sections 4(b), 4(c), 5, 6(b), 7(c), 7(d), 7(e), and 7(f).

b. Effective 2400 hours, December 29, 1985, subsections 7(a) and 7(b), and Exhibit B (Compensation Charges) of the Exchange Capacity Agreement shall be deleted and replaced by the following:

"(a) As compensation for transmission services provided through use of rights under subsection 4(d), the Company and Bonneville agree to pay each other respectively at either Bonneville's then applicable Southern Intertie Transmission (IS) Rate or the rate in effect under Contract No. 14-03-73155 (Exportable Agreement) in accordance with the terms and conditions of Exhibit B.

"(b) The charges specified in subsection (a) may be changed if either party determines that a change is necessary to provide proper compensation for the use of its capacity, provided that such party shall not increase such compensation unless a similar increase is made in charges to all other utilities using such capacity."

Exhibit B, Transmission Charges and Applicable Transmission Rate Schedules are hereby incorporated herein.

3. Ratification. Notwithstanding the Effective Date and the effective date as stated above in subsection 2(b), during the period beginning 2400 hours January 31, 1984, and continuing until 2400 hours December 29, 1985, the parties provided wheeling compensation to each other in accordance with subsection 7(a) of the Exchange Capacity Agreement as such subsection appears in this Amendment.

If the terms of this Amendment are satisfactory, please sign and return one copy of this letter.

Sincerely,

/s/ Robert E Ratcliffe
Acting Administrator

ACCEPTED:

PORTLAND GENERAL ELECTRIC COMPANY

By /s/ RE Dyer

Title VICE PRESIDENT, POWER SUPPLY

Date Dec 13, 1985

(WP-PKT-0543e)

Exhibit B
Page 1 of 1
Amendment No. 1 to
Contract No. 14-03-55063
Effective at 2400 hours on
December 11, 1985

TRANSMISSION CHARGES AND APPLICABLE TRANSMISSION RATE SCHEDULES.

Exportable Agreement - Charges for transactions on the Pacific Northwest Intertie under the Exportable Agreement (Contract No. 14-03-73155) shall be at the rate specified in such agreement and shall be applied to the Company's use of Bonneville's intertie facilities or to other utilities' use of the Company's intertie facilities. The rate applicable to the Company's Exportable Energy shall be Bonneville's then current Southern Intertie Transmission Rate. Nothing in this agreement is meant to modify the terms and conditions of the Exportable Agreement.

All other transactions on the Pacific Northwest Intertie not covered by the exchange of capacity as provided in subsection 4(a) of this agreement shall be billed in accordance with Bonneville's then current Southern Intertie Transmission Rate.

(WP-PKT-0543e)

2#

[Handwritten signature]

June 4, 1969

PCC

Mr. A. J. Porter, Vice President
Portland General Electric Company
621 S. W. Alder Street
Portland, Oregon 97205

Dear Art:

As requested in your letter of May 23, 1969, we are hereby granting a further extension of the date for notice by the Company regarding the use of the "Oregon DC Line" pursuant to section 4(b) of Intertie Contract No. 14-03-55063 from July 1, 1969 to July 1, 1974.

Sincerely yours,

Bernard Goldhammer
Assistant Administrator
for Power Management

cc:
F. W. Raser - PC
Official File - PCC ✓

PCC:DWFranswa:lc 6-4-69

Roser

PORTLAND GENERAL ELECTRIC COMPANY
ELECTRIC BUILDING
PORTLAND, OREGON 97205

A. J. PORTER
VICE PRESIDENT

July 7, 1967

OFFICIAL FILE COPY	
No.	Date
	7-10-67
Class.	
Referred to:	
<i>[Signature]</i>	
Action taken:	
<input checked="" type="checkbox"/> ANS.	<input type="checkbox"/> NO. REPLY.
By LGH	Date 7-17

Mr. Bernard Goldhammer
Assistant Administrator for
Power Management
Bonneville Power Administration
P. O. Box 3621
Portland, Oregon 97208

Dear Mr. Goldhammer,

Please refer to contract No. 14-03-55063, dated December 30, 1965, between Bonneville Power Administrator and Portland General Electric Company. Section 4(b) of the contract provides that the Company has the right to use capacity in the "Oregon DC Line" as requested in a written notice to be given to the Administrator not later than July 1, 1967. As you know, negotiations with utilities in the Pacific Southwest have not progressed as rapidly as originally anticipated, and, as a consequence, the scheduled date for completion of the Big Eddy-Hoover circuit has been delayed.

Due to these circumstances beyond our control, it is requested that the date for giving the notice specified in Section 4(b) of the subject contract be extended to July 1, 1969.

Sincerely

AJ Porter

AJP/ms

~~HA~~
P
~~AWF~~

July 14, 1967

Mr. A. J. Porter, Vice President
Portland General Electric Company
621 S. W. Alder Street
Portland, Oregon 97205

Dear Mr. Porter:

As requested in your letter of July 7, we are extending the date for notice by the Company regarding the use of the "Oregon DC Line" pursuant to Intertie Contract No. 14-03-55063 from July 1, 1967 to July 1, 1969.

Sincerely yours,

Bernard Goldhammer
Assistant Administrator
for Power Management

cc:
F. W. Razor 4-14
OF 4-15 ✓

LGHittle:lo 7-14-67

PORTLAND GENERAL ELECTRIC COMPANY

ELECTRIC BUILDING

PORTLAND, OREGON 97205

A. J. PORTER
VICE PRESIDENT

May 23, 1969

OFFICIAL FILE COPY	
No.	Date
	5/26/69
Class.	
Referred To:	P
Action Taken:	
<input checked="" type="checkbox"/> ANS.	<input type="checkbox"/> NO REPLY
By BK	Date 6-4-69

Mr. Bernard Goldhammer
Assistant Administrator for
Power Management
Bonneville Power Administration
P. O. Box 3621
Portland, Oregon 97208

Dear Bernie,

Please refer to your letter of July 14, 1967 which granted an extension of the date to July 1, 1969 for giving notice by the Company regarding the use of the "Oregon DC Line" pursuant to contract No. 14-03-55063.

In view of the continuing delay in the scheduled date for construction and completion of the Celilo-Hoover line, it is requested that a further extension until July 1, 1974 be granted for the giving of such notice.

Sincerely

AJ Porter

AJP/ms

1-16-79

AMENDATORY AGREEMENT

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through the

BONNEVILLE POWER ADMINISTRATION

and

PACIFIC POWER & LIGHT COMPANY

This AMENDATORY AGREEMENT, executed _____, 1979, by the UNITED STATES OF AMERICA (Government), Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (Bonneville), and PACIFIC POWER & LIGHT COMPANY (Company), a corporation of the State of Maine,

W I T N E S S E T H :

WHEREAS the parties hereto, on December 30, 1966, executed an agreement (Contract No. 14-03-56379 which as amended is hereinafter referred to as "Intertie Agreement") providing, among other things, for transmission and exchange of capacity on the 500 kV John Day-Malin transmission facilities (Transmission Lines); and

WHEREAS the parties hereto, on August 9, 1973, executed an Exchange Agreement (Contract No. 14-03-29245, which as amended or replaced is called "Exchange Agreement") providing among other matters for exchange account entries; and

IN WITNESS WHEREOF, the parties hereto have executed this amendatory agreement in several counterparts.

UNITED STATES OF AMERICA
Department of Energy

By _____
Bonneville Power Administrator

PACIFIC POWER & LIGHT COMPANY

(SEAL)

By _____
Title _____

ATTEST:

By _____

Title _____

01111/01111

(AUTHENTICATED COPY)

Amendatory Agreement No. 2 to
Contract No. 14-03-56379

9-11-79

AMENDATORY AGREEMENT

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through the

BONNEVILLE POWER ADMINISTRATION

and

PACIFIC POWER & LIGHT COMPANY

This AMENDATORY AGREEMENT, executed September 27, 1979, by the UNITED STATES OF AMERICA (Government), Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (Bonneville), and PACIFIC POWER & LIGHT COMPANY (Company), a corporation of the State of Maine,

W I T N E S S E T H :

WHEREAS the parties hereto, on December 30, 1966, executed an agreement (Contract No. 14-03-56379, which as the same may be amended is hereinafter referred to as "Intertie Priority Agreement") providing, among other matters, for transmission and exchange of capacity on the 500 kV John Day-Malin transmission facilities (Transmission Lines); and

WHEREAS the parties hereto, on August 9, 1973, executed an Exchange Agreement (Contract No. 14-03-29245, which as the same may be amended or replaced is hereinafter referred to as "Exchange Agreement") providing, among other matters, for exchange account entries; and

WHEREAS the parties expect to execute a transmission agreement (Contract No. DE-MS79-79BP90042, which as the same may be amended is called "Interim Agreement") providing for transmission of the Company's Wyoming thermal generation projects (Wyoming Projects) to its loads in the Pacific Northwest, and expect to further amend the transmission agreement (Contract No. 14-03-26811, which as the same may be amended or replaced is hereinafter referred to as "Vantage Agreement") providing for transmission of electric power and energy between the Mid-Columbia area and the Company's Main Subsystem; and

WHEREAS the parties expect to execute new agreements providing for transmission of electric energy by Bonneville to the Company from the Priest Rapids Development and Wyoming Project; and

WHEREAS the Federal Power Commission, on June 10, 1977, conditionally approved new transmission rate schedules which are applicable to the transmission services provided for in the Intertie Priority Agreement; and

WHEREAS the parties hereto desire to amend the Intertie Priority Agreement to incorporate such new transmission rate schedules and to make related necessary revisions; 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. Effective Date of Agreement. This amendatory agreement shall be effective as of 2400 hours on May 31, 1979.

2. Amendment of Intertie Priority Agreement. The Intertie Priority Agreement is hereby amended as follows:

(a) Prior Exhibit A, Provisions Required by Statute or Executive Order, is deleted.

(b) Supplemental Agreement No. 1 to the Intertie Priority Agreement is hereby terminated as of the effective date of this agreement, but all liabilities accrued thereunder shall be and are hereby preserved until satisfied.

(c) Section 1 is amended by adding the following:

"(g) 'Gathering Schedule' means the schedule referred to in section 3 of the Vantage Agreement which is the Single Schedule submitted pursuant to the Interim Agreement or the Mid-Columbia Schedule as defined in the Vantage Agreement, whichever is applicable."

(d) Section 5 is deleted and replaced by the following:

"5. Exchange of Electric Energy.

"(a) Commencing at the time that delivery of power to any utility in California begins over the first 500 kV a-c John Day-Malin transmission line to be placed in regular operation, the Company shall schedule to Bonneville from its system, as defined in the Pacific Northwest Coordination Agreement executed as of September 15, 1964, (1) during each hour of the period prior to commercial operation of the Malin-Medford 500 kV transmission line, excess energy in amounts determined by (i) subtracting from the amounts the Company has scheduled for delivery to utilities in California for such hour at the California-Oregon border the sum of the amounts of electric energy that flows to the Malin substation through the Klamath Falls Interconnection, to Pacific Gas through other interconnections existing between the Company and Pacific Gas, and through any other

interconnection that may be made between the Company and any California utility, and (ii) increasing the remainder for losses between John Day and Malin substations; (2) during each hour of the period commencing on the Date of Commercial Operation of the Malin-Medford Interconnection and continuing until the Date of Commercial Operation of the Midpoint-Malin 500 kV transmission line, excess energy in amounts determined by (i) subtracting from the amounts the Company has scheduled for delivery to utilities in California for such hour at the California-Oregon border the sum of the amounts of electric energy that flows to the Malin substation determined by adding algebraically the amounts flowing through the Klamath Falls and Malin-Medford Interconnections, to Pacific Gas through other interconnections existing between the Company and Pacific Gas, and through any other interconnection that may be made between the Company and any California utility, and (ii) increasing the remainder for losses between John Day and Malin substations; and (3) during each hour of the period commencing with the Date of Commercial Operation of the Midpoint-Malin line, excess energy in amounts determined by (i) subtracting from the amounts the Company has scheduled for delivery to utilities in California for such hour up to 300 megawatts during each hour that the Midpoint-Malin Line is fully operational but not to exceed 800,000 megawatthours in a calendar year, and zero at all other hours, and (ii) increasing the remainder for losses between John Day and Malin substation; provided, however, that the amount of excess energy scheduled to Bonneville by the Company pursuant to (1), (2) and (3) above during any hour shall not exceed the number of kilowatthours which can be transmitted by use of the sum of (1) one-half the Excess Capacity for such hour, and (2) any part of the

half of such Excess Capacity which is not being used for transmission of energy for Portland General Electric Company under Contract No. 14-03-55063 as may be amended; provided, further, that to the extent that Excess Capacity which would be utilized by Bonneville to make excess energy available to the Company at the Malin substation during any hour, pursuant to subsection (b) of this section, is being utilized by Bonneville for delivery of Peaking Energy to a utility in California, and the Company does not schedule equivalent excess energy to such utility, the Company may schedule such equivalent excess energy to Bonneville in accordance with subsection (d) of this section instead of under this subsection (a).

"(b) In exchange for the excess energy which the Company makes available to Bonneville pursuant to subsection (a) of this section, Bonneville will, for each hour, make available to the Company at the Malin substation for delivery to utilities in California, an amount of energy determined pursuant to subsection (a) of this section before increasing such amounts for losses between the Malin and John Day substations.

"(c) Bonneville shall not be obligated to make energy available to the Company as provided in subsection (b) of this section, and the Company shall not have the right to make excess energy available to Bonneville pursuant to subsection (a) of this section, at any time during a calendar year when (1) the Company has delivered a total of 270,000,000 kilowatt-hours, not including deliveries to maintain the entitlement mentioned in subdivision (2) of this subsection, to utilities in California during such year over the Transmission Lines and the Company's own facilities and to Bonneville for credit pursuant to subsection (d) of this section, and (2) the Company currently has a 300,000,000 kilowatthour entitlement under the

Exchange Service Agreement with Pacific Gas dated January 5, 1962, or any amendment thereto; provided that the obligations of Bonneville hereunder shall not be increased by any such amendment.

"(d) If, during any hour, (1) Bonneville is scheduling any Federal Scheduled Energy, and (2) the amount of excess energy available from the Company's system exceeds the amount of excess energy scheduled by the Company to utilities in California during such hour after increasing such scheduled amounts for losses between the Malin and the John Day substations, the difference between such amounts of excess energy may be scheduled by the Company from its system to Bonneville; provided, however, that the Company shall not schedule for delivery to Bonneville during any hour pursuant to this subsection an amount of energy greater than the Federal Scheduled Energy for such hour, after increasing such sum for losses between the John Day and Malin substations, minus the lesser of: (1) 80 percent of such sum as adjusted for losses, or (2) the amount scheduled by Portland General Electric Company to Bonneville for credit during such hour pursuant to similar arrangements provided for in Contract No. 14-03-55063 after increasing such scheduled amount for losses between Malin and John Day substations.

Any excess energy scheduled by the Company to Bonneville pursuant to the immediately preceding paragraph shall be credited to the Company as provided in subsection (e) of this section after first reducing the amount of energy so scheduled for losses between the John Day and Malin substations.

If during any calendar week, the amount of energy credited to the Company together with the amount of energy credited to Portland General Electric Company during such week pursuant to similar arrangements in

Contract No. 14-03-55063 exceeds the amount of Federal Scheduled Energy which is not returned to Bonneville by utilities in California during such week, the amount of such excess shall be adjusted for losses between Malin and John Day substations, and the Company's portion of such adjusted excess shall be replaced to the Company and credited to Bonneville during the following week at such rates and times as the parties agree. The "Company's portion of such adjusted excess" shall be the amount of the Federal Scheduled Energy not returned in the aforesaid calendar week multiplied by the ratio which the total energy credited to the Company during such calendar week bears to the total energy credited to the Company and to Portland General Electric Company during such week; provided, however, that if energy not returned in such week is subsequently returned, the amount of such subsequently returned energy shall be multiplied by the ratio for such week above provided and, at Bonneville's option, the amount of energy equal to the product so obtained shall be replaced to the Company and credited to Bonneville in the manner above provided.

It is recognized that the terms and conditions of transactions involving energy which is delivered for use pursuant to section 3(b) of Public Law 88-552 may change from time to time, and the parties agree to modify this subsection (d) as required to conform to the terms of such transactions and to effectuate the purpose of this subsection (d).

Bonneville shall not be obligated to accept further schedules of energy from the Company pursuant to this subsection at any time in any calendar year when the amounts of energy credited to the Company as reduced by credits to Bonneville plus the amounts of energy scheduled by the Company to utilities in California equals the amount specified in subsection (c)(1) of this section.

"(e) The amount of excess energy scheduled by the Company for delivery to the Administrator pursuant to subsection (d) of this section shall, after reducing such amounts for losses between John Day and Malin substations, be credited to the Company in the Exchange Account established pursuant to the Exchange Agreement. Such credit shall be equal to the number of kilowatthours computed by multiplying the number of kilowatthours of such excess energy by the then applicable rate for nonfirm energy specified in Exhibit E, or such other rate as the parties may agree to, and dividing the product so obtained by 2.5 mills.

"(f) The Company shall notify Bonneville each week, at a time to be agreed upon by the parties, of the total amount of energy scheduled by the Company to utilities in California during the preceding calendar week and the amount of energy it expects to schedule to such utilities and to Bonneville for credit during the following calendar week. Bonneville, in determining the amount of Surplus Energy it has available for disposition to utilities in California during such following calendar week, will take into account the amount of energy which the Company notifies Bonneville that it expects to schedule to Bonneville for credit during such week.

"(g) The losses between Malin and John Day substations, as provided in subsection (a) above, shall be four percent for that portion of the Company's schedule each hour for which there is a concurrent and equivalent amount of power scheduled under the Gathering Schedule, such portion not to exceed the transmission demand under the Vantage Agreement. To the extent the excess energy scheduled under said subsection for such hour exceeds the concurrent Gathering Schedule but is less than the then effective transmission demand under the Vantage Agreement, that portion of

excess energy which exceeds the Gathering Schedule shall be assessed a loss equivalent to the sum of four percent and the percent determined by solving the equation in Exhibit D. To the extent the excess energy scheduled under said subsection for such hour exceeds the then effective transmission demand under the Vantage Agreement, that portion of excess energy shall be assessed the losses specified in section 2(b) of Exhibit A.

In addition, the losses between Malin and John Day substations, as provided in subsection (d) above, shall be equal to the losses specified in section 2(a)(1) of Exhibit A."

(e) Section 6 is deleted and replaced with the following:

"6. Payment by the Company. The Company shall pay Bonneville each month in accordance with the provisions of Exhibit B: (1) for use of the Government's facilities in making electric energy available to the Company at the Malin substation pursuant to section 5(b) hereof, at the charge specified in section 2(b) of Exhibit A per kilowatthour for the electric energy made available by the Company pursuant to section 5(a) hereof, reduced by a \$0.0005 per kilowatthour credit for transmission payments made under the Vantage Agreement; provided, however, that such payment shall not be reduced for that portion of energy scheduled hereunder in excess of the then effective transmission demand under the Vantage Agreement; and (2) at the charge specified in section 2(a)(1) of Exhibit A for the number of kilowatthours scheduled to Bonneville for such month pursuant to section 5(d) hereof.

Bonneville agrees that should it at any time during the term hereof, in any agreement with another entity in the Pacific Northwest, undertake to make available electric energy of the same class transmitted hereunder to

such other entity at the Malin substation for delivery to any Pacific Southwest Utilities at an effective transmission charge less than \$0.00075 per kilowatthour for transmission between John Day and Malin substations this agreement shall be amended, as of the effective date of such agreement with the other entity, to substitute such more favorable charge for that specified in this agreement."

(f) Sections 7 through 19 are deleted and replaced by the following:

"7. Exhibits. Schedule ET-1 Energy Transmission (Exhibit A); General Transmission Rate Schedule Provisions (Exhibit B); General Wheeling Provisions, GWP Form-3 (Exhibit C); Additional Losses Calculation (Exhibit D), Schedule H-5 Wholesale Non-Firm Energy Rate (Exhibit E) are hereby made a part of this agreement. Bonneville shall be the 'Transferor' mentioned in Exhibit C, and the Company shall be the 'Transferee' therein mentioned."

(g) The rate schedule attached hereto as Exhibit A has been conditionally confirmed and approved by the Federal Power Commission pursuant to Docket No. E-9563 and has subsequently received conditional approval by the designee of the Secretary of the Department of Energy to confirm and approve Bonneville's schedules of rates and charges for transmission of electric energy (Designee). If the final rate schedule which is confirmed and approved by the Designee is an amendment or modification of the initial rate schedule, such amended or modified rate schedule and associated general transmission rate schedule provisions shall be attached hereto and made a part of the Intertie Priority Agreement effective as of the date specified in the Designee's approval. The transmission charge specified in section 6 including the reduction for main grid charges in the transmission charge shall be recalculated according to the provisions of such amended or modified rate schedule and associated provisions, and Bonneville

shall prepare an amendment of section 6 incorporating the revised transmission charge and revised reduction, if any, which will become effective as of the date specified in the Designee's approval. Any overpayment made by the Company pursuant to the terms of the initial rate schedule shall be subject to retro-active adjustment with interest in accordance with the terms of the Designee's approval of such amended or modified rate schedule and associated provisions, and such adjustments shall be made to the Company's wholesale power bill as soon as reasonably practicable after the effective date of such rate schedule.

(h) If Bonneville determines that the charges specified in section 6 or any subsequent transmission charge specified in this agreement must be changed pursuant to sections 19 or 37 of Exhibit C, it shall prepare an amendment of section 6 incorporating such changes. Upon approval of the parties such amendment of section 6 shall become effective on the date specified therein.

(i) All references to "the Administrator" in the Intertie Priority Agreement are changed to "Bonneville."

3. Ratification of Interim Agreement. Commencing at 2400 hours on June 30, 1977, and continuing until the effective date of this agreement, Bonneville has provided transmission of the Company's excess energy to California utilities. The Company shall pay Bonneville for the transmission services so provided pursuant to the charges specified in this amendment; provided, however, that the credit specified in section 6 hereof was applicable to that portion of excess energy scheduled which did not exceed the sum of the then effective transmission demand under the Vantage Agreement and 250 megawatts, the then effective transmission demand under an interim Priest Rapids transmission agreement. The overpayment provisions of section 2(g) shall pertain to the payments made pursuant to this section.

The losses associated with the transmission services provided during the above referenced period were delivered to Bonneville by the Company.

IN WITNESS WHEREOF, the parties hereto have executed this amendatory agreement in several counterparts.

UNITED STATES OF AMERICA
Department of Energy

By S/ RAY FOLEEN
Acting Bonneville Power Administrator

PACIFIC POWER & LIGHT COMPANY

By S/ R. B. LISBAKKEN
Title Vice President

ATTEST:

By S/ DOLORES KIRBY
Title Assistant Secretary

EXHIBIT D
Amendatory Agreement No. 2
to Contract No. 14-03-56379
Effective at 2400 hours
on May 31, 1979

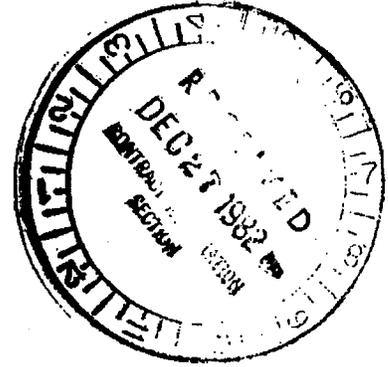
Additional Losses Calculation

$$La = \frac{Lp}{Wm} \times 68.0$$

where La = additional loss percent; and
Lp and Wm are the factors specified in Table 1 of Exhibit F
attached to the Vantage Agreement.



Portland General Electric Company



December 21, 1982

Peter T. Johnson, Administrator
Bonneville Power Administration
PO Box 3621
Portland, Or 97208

Dear Mr. Johnson:

The Bonneville Power Administration ("BPA") has offered to amend the second sentence of section 8(e) of the General Contract Provisions, Exhibit B in:

(i) Portland General Electric's Power Sales Contract with BPA, contract No. DE-MS79-81BP90425, and in

(ii) Portland General Electric's Residential Purchase and Sale Agreement with BPA, contract No. DE-MS79-81BP90603.

Portland General Electric agrees to waive that sentence in the two contracts, which reads:

"Bonneville shall develop in consultation with its utility customers and shall publish by July 1, 1983, methodologies as required for implementing section 7(b)(2)."

By this letter Portland General Electric does not agree to anything other than the waiver of the quoted sentence.

Very truly yours,

Glen E. Bredemeier
Vice President - Power Operations

0097/F/vc

Amendatory Agreement No. 2 to
Contract No. DE-MS79-81BP90425

8/10/82

AMENDATORY AGREEMENT

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through

BONNEVILLE POWER ADMINISTRATION

and

PORTLAND GENERAL ELECTRIC COMPANY

This AMENDATORY AGREEMENT, executed August 25, 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 Bonneville offered a power sales contract to the Purchaser on August 28, 1981, and the parties hereto have executed such power sales contract (Contract No. DE-MS79-81BP90425, which as amended is hereinafter referred to as "Power Sales Contract") providing for the sale and delivery of firm power and energy to the Purchaser; and

WHEREAS the parties hereto have agreed to the following amendments to the Power Sales Contract offered August 28, 1981; 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. Effective Date of Agreement. This amendatory agreement shall be effective on the later of 2400 hours on the date of execution or the effective date of the Power Sales Contract.

2. Amendment of Power Sales Contract. The Power Sales Contract is hereby amended as follows:

(a) Section 2 is amended by adding a new section 2(b) as follows:

"(b) This contract may be terminated by the Purchaser upon (i) 7 years' prior notice to Bonneville; (ii) concurrent submission by the Purchaser to Bonneville of a Firm Resource Exhibit reciting zero demand upon Bonneville as of the proposed date of termination; and (iii) a determination that termination will cause no adverse economic impacts on Bonneville's other customers."

(b) Section 4 is amended by deleting Exhibit C and replacing it with a new Exhibit C attached hereto and by this reference made a part of this contract in accordance with the specific provisions of this contract relating to Exhibit C.

(c) Section 11 is deleted and replaced by a new section 11 as follows:

"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 a period 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 Planned Computed Requirements or Contracted Requirements basis. The compensation under this section may be reduced partially or in its entirety as described in paragraph (4) or paragraph (5) below. The reductions described in paragraph (4) below shall be made after the adjustments described in paragraph (5) 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 in mills 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 or a load curtailment program pursuant to section 17(e) 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, a load curtailment program pursuant to section 17(e), or an interruption of load for the purpose of providing economic operation of the Purchaser's system including its Firm Resources.

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 adjustments 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, a load curtailment program pursuant to section 17(e), or an interruption of load for the purpose of providing economic operation of the Purchaser's system including its Firm Resources. 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 or a load curtailment program pursuant to section 17(e) 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 as specified in subparagraph (A) below exceeds the amount of resources which the Purchaser 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 Operating Year prior to the first Operating Year for which Bonneville's load growth notice provided in section 10(e) of this agreement is effective; 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.

(5) If the Purchaser purchases Firm Power from Bonneville on an Actual Computed Requirements basis, the amount of load curtailment determined in paragraph (3) above for any month shall be determined after the following adjustments:

(A) The amount of load curtailment determined in paragraph (3) above shall be reduced to provide compensation only for the portion of the Purchaser's Actual Firm Energy Load served by Bonneville. Such reduction shall be made by increasing the Purchaser's Actual Firm Energy Load used to determine the amount of load curtailment in paragraph (3) by the amount of load curtailment attributable to the Purchaser's Firm Resources. Such increase in the Purchaser's Actual Firm Energy Load shall be deemed to be the amount determined in the manner specified in section 17(e)(5) even if the Purchaser has not implemented a load curtailment program pursuant to section 17(e).

(B) If the Purchaser initially purchased Firm Power from Bonneville on a Metered Requirements basis, but is purchasing Firm Power from Bonneville on an Actual Computed Requirements basis at the time regional curtailment is requested hereunder, subparagraph (A) above will apply only if the Purchaser has implemented a load curtailment program pursuant to section 17(e). This subparagraph (B) shall no longer apply if the Purchaser was offered the opportunity to be a party to a comprehensive agreement among utilities in the Pacific Northwest described in subsection (a) above after it commenced purchasing on a Computed Requirements basis."

(d) Section 17(b) is deleted and replaced by a new section 17(b) as follows:

"(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.

(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, in accordance with 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 subparagraph of 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 subparagraph of 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 and Estimated Firm

Customer Service Objectives Exhibit

Table 2 of the Customer Service Objectives Exhibit is applicable to the Purchaser if the Purchaser is an investor-owned utility. Bonneville and the Purchaser have not agreed on objectives for the provision of new Customer Service Facilities by Bonneville. Bonneville shall not have any obligation to provide Customer Service Facilities to the Purchaser until Bonneville and the Purchaser mutually agree upon a set of objectives for the provision of such facilities.

At the request of Purchaser, which has not specified an amount of residential load or has specified an amount of zero under Exhibit D of the Residential Purchase and Sale Agreement, Bonneville shall enter into a transmission services agreement which shall provide benefits to such Purchaser for its transmission system which the Purchaser would have received under a Residential Purchase and Sale Agreement and the Average System Cost methodology.

(WP-PKI-1419c)

Amendatory Agreement No. 1 to
Contract No. DE-MS79-81BP90425
June 3, 1982

AMENDATORY AGREEMENT

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through

BONNEVILLE POWER ADMINISTRATION

and

PORTLAND GENERAL ELECTRIC COMPANY

This AMENDATORY AGREEMENT, executed August 25, 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 Bonneville offered a power sales contract to the Purchaser on or shortly after August 28, 1981, and the parties hereto have executed such power sales contract (Contract No. DE-MS79-81BP90425, which as amended is hereinafter referred to as "Power Sales Contract") providing for the sale and delivery of firm power and energy to the Purchaser; and

WHEREAS the parties hereto have agreed that the words of certain sections of such Power Sales Contract do not reflect the intent of the parties negotiated prior to August 28, 1981; 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. Effective Date of Agreement. This amendatory agreement shall be effective on the later of 2400 hours on the date of execution or the effective date of the Power Sales Contract.

2. Amendment of Power Sales Contract. The Power Sales Contract is hereby amended as follows:

(a) Section 3 is amended as follows:

(1) Section 3(b) is deleted and replaced by a new section 3(b) as follows:

"(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 had a right to interrupt or actually interrupted for the purpose of backing up or providing economic operation of its system including 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."

(2) Section 3(o) is deleted and replaced by a new section 3(o) as follows:

"(o) "Estimated Firm Peak Load" and "Estimated Firm Energy Load" mean the best estimate of the maximum integrated 1-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 system including 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."

(b) Section 4 is amended as follows:

(1) Exhibit B is amended by deleting section 8(d)(3) and adding a new section 8(d)(3) as follows:

"(3) Upon adoption of a methodology as provided in section 4(f)(2) and section 4(e)(3)(G) of P.L. 96-501, Bonneville will give notice of intent to adopt a policy, provide opportunity for public comment, and publish draft procedures in the Federal Register for imposing surcharges. Such proposed policy shall include:

(A) standards to be met before Bonneville will excuse surcharges which would otherwise be appropriate, consistent with Bonneville's obligations to implement cost-effective conservation measures to the maximum extent practicable;

(B) that Bonneville will impose surcharges to the extent not excused or suspended under the terms of the policy;

(C) an opportunity for interested persons to present views, data, questions, and arguments to Bonneville relevant to the imposition of surcharges in specific instances, and the adequacy of financial assistance made available by Bonneville;

(D) that surcharges imposed will be continued to the extent and for the period projected energy savings attributable to cost-effective model conservation standards are not achieved;

(E) for recovery from the Purchaser of the additional costs (including increases in the Utility's average system cost) that Bonneville will incur because the projected energy savings attributable to model conservation standards have not been achieved, subject to the limitations set forth in sections 4(f)(1) and 4(f)(2) of P.L. 96-501; provided, however, that surcharges will not be levied as a result of an increase in a Utility's average system cost except to the extent that the Utility failed to implement conservation measures that are designed to be cost-effective for its Consumers in terms of the electric rates its Consumers pay."

(2) Exhibit B is amended by adding section 8(g) as follows:

"(g) Bonneville shall establish and apply a discount to the rate or rates of utility Customers with low system densities. The level of such discount and the standards for determining which Customers qualify for such discount shall be established pursuant to the rate adjustment process described in this section.

After 5 years of experience in the application of such discount, Bonneville shall review the level and standards of such discount. Such review will occur independently of the rate adjustment process, and at such time Bonneville and the Purchaser may consider an amendment to this contract to fix the level of the discount and the standards for Customer qualification for the balance of the term of this contract, or such other amendments as the parties deem appropriate. Any such amendments shall be by mutual agreement of Bonneville and the Purchaser."

(3) Exhibit B is amended by deleting section 55 and adding a new section 55 as follows:

"55. Resale of Power. The Purchaser shall not resell Firm Power delivered under this contract except to those Consumers and utilities within its service area in the Pacific Northwest to the extent such Consumers and utilities are normally dependent on the Purchaser for their firm power supplies. The Purchaser shall not sell power from its Firm Resources in such a manner as to increase the Purchaser's Computed Peak Requirement or Computed Average Energy Requirement on Bonneville in any month. These prohibitions on resale in this section shall not be interpreted as a general prohibition against the Purchaser simultaneously purchasing Firm Power from Bonneville and selling power generated at its own facilities to other utilities or entities, nor shall these prohibitions be interpreted to preclude the Purchaser from reflecting the cost of Firm Power delivered under this contract in pricing such sales to other utilities or entities."

(4) Exhibit D is amended by deleting Definition Z of section 7 and adding a new Definition Z as follows:

"Z = The load growth of the Purchaser since passage of P.L. 96-501, and any deficits of investor-owned utilities, determined by subtracting from Bonneville's estimate of the Purchaser's Actual Firm Load for the Operating Year for which the allocation will apply either (1) the Purchaser's Actual Firm Load in the first Operating Year for which Bonneville's load growth notice provided in section 10(e) of this agreement is effective for public body, cooperative and Federal agency Customers; or (2) the contribution to the Purchaser's Assured Capabilities for such Operating Year for a Purchaser on Computed Requirements or the planning capability for a Purchaser on Metered Requirements of any Firm Resources which were included as 5(b)(1)(A) resources in the Purchaser's Firm Resource Exhibit for investor-owned utilities. "Z" shall be deemed to be one for Customers where "Z" is less than one."

(5) Exhibit K is deleted and replaced by a new Exhibit K attached hereto and by this reference made a part of this contract in accordance with the specific provisions of this contract relating to Exhibit K.

(c) Section 8(i) is deleted and replaced by a new section 8(i) as follows:

"(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. This section 8(i) shall not apply if the Purchaser is an investor-owned utility."

(d) Section 9(e) is deleted and replaced by a new section 9(e) as follows:

"(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 developed adequate resources for Bonneville to supply such increase in load if, on an estimated basis, the Purchaser has provided resources, which were dedicated to its

load as 5(b)(1)(B) resources or made available 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 which either:

(A) resulted from factors reasonably within the control of the Purchaser; or

(B) the Purchaser could anticipate on the date it gave notice under subsection (b) above; and

(2) growth in Actual Firm Energy Load between:

(A) the first Operating Year for which Bonneville's notice under section 10(e) is effective 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."

(e) Section 10 is amended by adding a new section 10(e) as follows:

"(e) For purposes of sections 9(e), 11(b)(4), and Definition Z of Exhibit D only, prior to July 1 of any year Bonneville may notify the Purchaser that Bonneville needs to acquire additional resources to meet the Purchaser's load growth occurring after the start of the Operating Year specified in the notice. Such Operating Year shall not commence prior to the expiration of the fifth full Operating Year after Bonneville notifies the Purchaser hereunder."

(f) Section 11(b)(4) is deleted and replaced by a new section 11(b)(4) as follows:

"(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 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 Operating Year prior to the first Operating Year for which Bonneville's load growth notice provided in section 10(e) of this agreement is effective; and

(B) the annual firm energy capability in average megawatts of (i) resources acquired by Bonneville from the Purchaser under P.L. 96-591; 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."

(g) Section 12(b)(10) is deleted and replaced by a new section 12(b)(10) as follows:

"(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."

(h) Section 14 is amended by adding a new section 14(e) as follows:

"(e) Nothing in this Power Sales Contract shall be construed to create, or to preclude, adversely affect or otherwise limit in any manner, rights of the Purchaser to purchase nonfirm energy from Bonneville under appropriate terms and conditions in separate agreements at the rate specified in the Wholesale Nonfirm Energy Rate Schedule or its successor."

(i) Section 17 is amended by resequencing subparagraphs 17(d)(1)(B) through (D) to 17(d)(1)(C) through (E) and adding a new section 17(d)(1)(B) as follows:

"(B) Except for the Flexibility Account balance previously retained in subparagraph (D) below, the amount of change in the Flexibility Account for any month of the Operating Year shall be limited to the sum of the following:

(i) For Firm Resources which the Purchaser includes in Coordination Agreement planning, such monthly change shall not exceed the limit allowed pursuant to section 9(m)(3) of the Coordination Agreement; and

(if) For Firm Resources which the Purchaser does not include in Coordination Agreement planning, such monthly change shall not exceed the sum of the following:

(a) The algebraic difference for such month between the Purchaser's Estimated Firm Energy Load less the Estimated Firm Energy Load, if any, submitted under Coordination Agreement planning and the Purchaser's Actual Firm Energy Load less the Actual Firm Energy Load, if any, submitted under the Coordination Agreement; and

(b) The algebraic difference in energy capability between the actual maintenance outages of such resources for such month and the scheduled maintenance outages of such resources used in the calculation of the Purchaser's Assured Capability for such month; and

(c) For specific other purposes as mutually agreed by Bonneville and the Purchaser."

(j) Section 17(j) is amended by adding a new section 17(j)(4) as follows:

"(4) Nothing in this section 17(j) shall be construed to limit, affect or otherwise modify Bonneville's obligation to acquire power for the Purchaser as provided in section 9(i) of P.L. 96-501."

IN WITNESS WHEREOF, the parties hereto have executed this amendatory

agreement in several counterparts.

UNITED STATES OF AMERICA
Department of Energy

By Peter Johnson
Bonneville Power Administrator

PORTLAND GENERAL ELECTRIC COMPANY

By W. Liedblad
Title President
Date August 25, 1982

ATTEST:

By [Signature]
Title Assistant Secretary
Date August 25, 1982

(WP-PCI-1214c)

Date received by Bonneville: 8/27/82
Effective date: 9/30/82

Exhibit K
Table 1, Page 1 of 1
Contract No. DE-MS79-81BP90425
Portland General Electric
Company
Effective on the effective
date of this amendment

New Large Single Load Determinations Exhibit

(This exhibit reflects determinations made pursuant to section 8 of this contract as of the effective date set forth above.)

TABLE 1

LIST OF PURCHASER'S LOADS WHICH ARE NEW LARGE SINGLE LOADS

Description of Facility

Location

No determinations have been made as of the effective date set forth above.

(WP-PCI-1214c)

Exhibit K
Table 2, Page 1 of 1
Contract No. DE-MS79-81BP90425
Portland General Electric
Company
Effective on the effective
date of this amendment

Contracted For, Committed to Determinations Exhibit

(This exhibit reflects determinations made pursuant to section 3(13) of P.L. 96-501 and section 8 of this contract as of the effective date set forth above.)

TABLE 2

LIST OF PURCHASER'S LOADS AND AMOUNTS WHICH WERE
CONTRACTED FOR, OR COMMITTED TO PRIOR
TO SEPTEMBER 1, 1979

<u>Description of Facility</u>	<u>Location</u>	<u>Amount of Firm Energy Contracted for or Committed to as of 9/1/79 (Ave. MW)</u>
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No determinations have been
made as of the effective
date set forth above.

(WP-PCI-1214c)

AMENDATORY AGREEMENT

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through

BONNEVILLE POWER ADMINISTRATION

and

PORTLAND GENERAL ELECTRIC

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This AMENDATORY AGREEMENT, executed July 1, 1991, by the UNITED STATES OF AMERICA (Government), Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (Bonneville), and PORTLAND GENERAL ELECTRIC (Purchaser), a corporation of the state of Oregon,

W I T N E S S E T H:

WHEREAS Bonneville and the Purchaser executed a power sales contract (Contract No. DE-MS79-81BP90425, executed August 27, 1982), providing for the sales and delivery of firm power and energy to the Purchaser, and which as amended is hereinafter referred to as "Power Sales Contract"; and

WHEREAS the parties hereto have agreed to the following amendments to the Power Sales Contract for their mutual benefit from coordinated hydroelectric system planning in the Pacific Northwest; 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. Effective Date of Agreement.

This amendatory agreement shall be effective at 2400 hours on July 31, 1991.

2. Amendment of Power Sales Contract.

The Power Sales Contract is hereby amended as follows:

- (a) Section 3(ee) is deleted and replaced by a new section 3(ee) as follows:

"(ee) 'Operating Year' means the period commencing each year on August 1 and ending the following July 31."

- (b) Section 10(e) is deleted and replaced by a new section 10(e) as follows:

"(e) For purposes of sections 9(e), 11(b)(4), and Definition Z of Exhibit D only, prior to August 1 of any year Bonneville may notify the Purchaser that Bonneville needs to acquire additional resources to meet the Purchaser's load growth

occurring after the start of the Operating Year specified in the notice. Such Operating Year shall not commence prior to the expiration of the fifth full Operating Year after Bonneville notifies the Purchaser hereunder."

(c) Section 12(b) is deleted and replaced by a new section 12(b) as follows:

"(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 August 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."

(d) Section 13(f) is deleted and replaced by a new section 13(f) as follows:

"(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 August 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 August 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 August 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."

(e) Section 16(a) is deleted and replaced by a new section 16(a) as follows:

"(a) On or before the effective date of this contract, and thereafter, on or before August 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)."

(f) Section 17(a) is deleted and replaced by a new section 17(a) as follows:

"(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 August 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 August 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 August 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."

(g) Section 17(d) is deleted and replaced by a new section 17(d) as follows:

"(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 August 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) Except for the Flexibility Account balance previously retained in subparagraph (D) below,

the amount of change in the Flexibility Account for any month of the Operating Year shall be limited to the sum of the following:

"(i) For Firm Resources which the Purchaser includes in Coordination Agreement planning, such monthly change shall not exceed the limit allowed pursuant to section 9(m)(3) of the Coordination Agreement; and

"(ii) For Firm Resources which the Purchaser does not include in Coordination Agreement planning, such monthly change shall not exceed the sum of the following:

"(I) The algebraic difference for such month between the Purchaser's Estimated Firm Energy Load less the Estimated Firm Energy Load, if any, submitted under Coordination Agreement planning and the Purchaser's Actual Firm Energy Load less the Actual Firm Energy Load, if any, submitted under the Coordination Agreement; and

"(II) The algebraic difference in energy capability between the actual maintenance outages of such resources for such month and the scheduled maintenance outages of such resources used in the calculation of the Purchaser's Assured Capability for such month; and

"(III) For specific other purposes as mutually agreed by Bonneville and the Purchaser.

"(C) 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), remaining between the date of such balance and the date the Flexibility Account balance is required to be zero pursuant to subparagraph (A) above.

"(D) 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.

"(E) 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."

- (h) Section 17(i) shall be deleted and replaced by a new section 17(i) as follows:

"(i) Prior to January 15 of each year the Purchaser shall advise Bonneville in writing of its best estimate of its monthly Computed Peak Requirements and Computed Average Energy Requirements for the 48-month period beginning on the next August 1. Information so obtained will be used by Bonneville in its operational planning. Information submitted pursuant to this subsection (i) shall be as accurate as possible, but shall not be binding on the Purchaser."

3. Accounting for the Transition Period.

BPA and the Purchaser acknowledge and agree to be bound by their obligations and responsibilities for the delivery, sale, and purchase of power and energy for the month of July, 1991, notwithstanding the contractual and administrative change associated with the redefinition of the Operating Year. BPA and the Purchaser further agree that the following provisions shall apply to account for the month of July, 1991 and the Operating Year beginning August 1, 1991:

- (a) The Firm Resources Exhibit submitted by January 1, 1991 shall be effective for the period July 1, 1991 through July 31, 1998.
- (b) If the Purchaser purchases pursuant to section 17(a), then the following shall apply:
- (1) The Assured Capability Exhibit submitted pursuant to section 16(a) of the Power Sales Contract shall include data for the months July, 1991 through July, 1992.
- (2) The allocation of the Purchaser's Assured Energy Capability among months of the Operating Year shall be as stated in

section 16(c)(2) of the Power Sales Contract, and for the month of July, 1991 shall be equal to:

(A) the specified Assured Energy Capability for that month under the Critical Period beginning September 1, 1990, for resources included in Coordination Planning; or

(B) the Assured Energy Capability for that month as calculated pursuant to section 16(b)(2) for the Critical Period beginning September 1, 1990.

(3) Data submitted by January 15, 1991 pursuant to section 17(1) of the Power Sales Contract shall be for the 49-month period July 1, 1991 through July 31, 1995.

(c) If the Purchaser purchases power pursuant to section 17(b), then the following shall apply:

(1) The Contracted Requirements schedule submitted with the Purchaser's revised Firm Resources Exhibit by January 1, 1991 to Bonneville pursuant to section 12(b) shall include a schedule for July 1, 1991 and shall be effective for the period July 1, 1991 through July 31, 1998.

(2) The Purchaser shall allocate its Contracted Requirements energy purchase submitted pursuant to section 17(b)(7) for the period July, 1991 through July, 1992 in a manner which results in a requirement on Bonneville each month equal to or between the amounts determined by (A) or (B) below:

(A) one-thirteenth of the Purchaser's annual Contracted Requirements energy purchase from Bonneville for the period July, 1991 through July, 1992; and

(B) a function of the product of the Purchaser's Contracted Requirements energy purchase from

Bonneville for the period July, 1991 through July, 1992, obtained by dividing the Estimated Firm Energy Load for that month by the total of the 13 Estimated Firm Energy Loads for the period July, 1991 through July, 1992.

- (3) Data submitted by January 15, 1991 pursuant to section 17(i) of the Power Sales Contract shall be for the 49-month period July 1, 1991 through July 31, 1995.
- (d) If the Purchaser purchases power pursuant to section 17(c), then the following shall apply:
- (1) The Assured Capability Exhibit submitted pursuant to section 16(a) of the Power Sales Contract for the period July 1, 1991 through July 31, 1992 shall include data for the months for the 13 months of July, 1991 through July, 1992.
 - (2) The allocation of the Purchaser's Assured Energy Capability among months of the 1992 Operating Year shall be as stated in section 16(c)(2) of the Power Sales Contract, and for the month of July, 1991 shall be equal to:
 - (A) the specified Assured Energy Capability for that month under the Critical Period beginning September 1, 1990, for resources included in Coordination Planning; or
 - (B) the Assured Energy Capability for that month as calculated pursuant to section 16(b)(2) for the Critical Period beginning September 1, 1990.
 - (3) The Flexibility Account under section 17(d) shall be zero on July 1, 1991. Calculations to determine the balance of the Flexibility Account shall be based on the 13-month

Operating Year for the period July 1, 1991 through July 31, 1992. Thereafter, the Flexibility Account shall be determined as described in section 17(d) of the Power Sales Contract as amended by section 2(g) above.

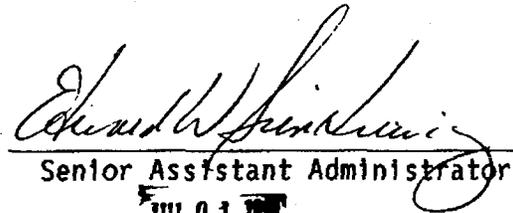
- (4) Data submitted by January 15, for the year 1991 only, pursuant to section 17(1) of the Power Sales Contract

shall be for the 49-month period July 1, 1991 through July 31, 1995, and thereafter such data shall be submitted in accordance with section 17(i) of the Power Sales Contract as amended by section 2(h) above.

IN WITNESS WHEREOF, the parties hereto have executed this Amendatory Agreement in several counterparts.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By

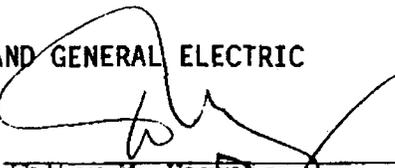

Senior Assistant Administrator

Date

JUL 01 1991

PORTLAND GENERAL ELECTRIC

By



Title

Walter M. Higgins
Senior Vice President
Generating Division

Date

June 21, 1991

(VS6-PMCG-4473c/4498c/4499c/4500c)

November 6, 1996

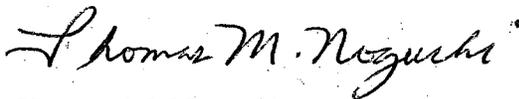
Paula S. Green
Director, Power Management
Wholesale Branch
City of Seattle, City Light Department
700 Fifth Avenue, Suite 3100
Seattle, WA 98104-5031

Dear Ms. Green:

In response to your letter of October 16, 1996, Bonneville Power Administration (Bonneville) and Seattle City Light (Seattle) agree that Seattle hereby changes its election under paragraph 3(b) of the Pacific Northwest AC Intertie Capacity Ownership Agreement, Contract No. DE-MS79-94BP94522, (Capacity Ownership Agreement), from the "No Third Party Wheeling" option described in paragraph 3(b)(1) to the "Third Party Wheeling" option described in paragraph 3(b)(2). This new election will enable Seattle to re-market its unused Scheduling Share under the Capacity Ownership Agreement. Seattle's election of the "Third Party Wheeling" option shall be effective on the date Seattle countersigns this letter.

If these terms are satisfactory to Seattle, please indicate Seattle's acceptance by signing below and returning one fully executed original to Bonneville.

Sincerely,



Thomas M. Noguchi
Senior Account Executive

APPROVED:

SEATTLE CITY LIGHT

By _____

Name _____
(Print/Type)

Title _____

Date _____

Seattle City Light



Gary Zarker, Superintendent
Norman B. Rice, Mayor

October 16, 1996

Clifford Perigo
Senior Account Executive/TM-700
Bonneville Power Administration
PO Box 3621
Portland, OR 97208

Dear Mr. Perigo:

This letter is to notify you that Seattle City Light requests an amendment to our Pacific Northwest (PNW) AC Intertie Capacity Ownership Agreement, to enable us to re-market our unused Scheduling Share pursuant to FERC Final Rule 888. We would like to discuss the issues regarding this amendment with you as soon as possible in order to complete the process specified by Order 888 before the end of the year.

Thank you for your prompt consideration of this matter. You may contact me (206-386-4530) or Jay Whaley (206-386-4549) to arrange a time.

Sincerely,

Paula S. Green
Director, Power Management
Wholesale Branch

MC:jmr

cc: Tom Noguchi
BPA, Portland

Gregg Childs - Action
Joe Rogers

Seattle City Light

Post-it® Fax Note	767	Date	11/4	# of pages	1
To	Lara Skidmore	From	Tom Noguchi		
Co./Dept.	LP	Co.	TM-700		
Phone #	X4201	Phone #	X5521		
Fax #	X7405	Fax #			

Gary Zarker, Acting Superintendent
Norman B. Rice, Mayor

November 10, 1994

Walter E. Pollock, Vice President
Marketing, Conservation and Production Group
Attention: Greg Childs
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

Dear Mr. Pollock:

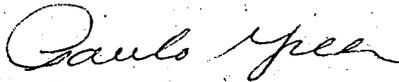
Please reference your letter dated October 27, 1994 in which you requested notification regarding Seattle's use of its Scheduling Share under the Capacity Ownership Agreement (Agreement).

Seattle will utilize the "No Third Party Wheeling" option as described in paragraph 3(b)(1) of the Agreement.

We understand we are required to make such notification to Bonneville by November 14, 1994 and trust this letter fulfills that requirement.

If you have any questions, please call George Marshall at (206) 386-4548.

Sincerely,



Paula Green, Acting Director
Power Management Division
Wholesale Branch

GM:sjt



TM-700