**1. TERM**

This Agreement shall take effect on the latter of

1. the date signed by the Parties, or
2. if applicable, the effective date specified by the Federal Energy Regulatory Commission in its acceptance for filing of this Agreement, provided the Federal Energy Regulatory Commission has not conditioned acceptance upon any change or condition unacceptable to either Party.

This Agreement shall expire on September 30, 2044, unless terminated earlier pursuant to section 11 below. All obligations and liabilities accrued under this Agreement are preserved until satisfied.

**3. APPLICABLE PF EXCHANGE RATE**

Purchases by «Customer Name» under this Agreement are pursuant to the applicable PF Exchange rate and applicable GRSPs, or their successors, established by BPA in a proceeding pursuant to Section 7(i) of the Northwest Power Act, or its successor. Section 5 below establishes purchases subject to the applicable PF Exchange rate schedule.

**4. ESTABLISHMENT OF ASC TO ACTIVATE PURCHASE AND EXCHANGE SALES**

4.1 **Prerequisite**

As a prerequisite to activate the Purchase and Exchange Sales under section 5 of this Agreement, «Customer Name» must file an Informational Filing Appendix 1 pursuant to the ASCM in the calendar year prior to the ASC Review Process for the Exchange Period when the Purchase and Exchange Sales will occur. For example, «Customer Name» must file an Informational Filing by June 1, 2026 (or such other date as determined by BPA pursuant to the ASCM) to (1) participate in the ASC Review Process that begins in 2027, and (2) activate purchase and exchange sales for the Fiscal Years 2029-2030 Exchange Period.

4.2 **Activation of the Purchase and Exchange Sales**

The first Exchange Period, during which «Customer Name» may activate the Purchase and Exchange Sales under section 5 of this Agreement, shall commence on October 1, 2028. Once «Customer Name» files an Appendix 1, «Customer Name» shall continue to file a new Appendix 1 pursuant to the effective ASCM, unless and until this Agreement terminates pursuant to section 11 below.

**5. PURCHASE AND EXCHANGE SALES** **BY «Customer Name» AND BPA**

5.1 **Offer by «Customer Name»** **and Purchase by BPA**
Beginning with the first month of the initial Exchange Period established under section 4 above, «Customer Name» shall offer and BPA shall purchase an amount of electric power up to or equal to «Customer Name»’s Residential Load for each month of the Exchange Period.

«Customer Name» may only sell an amount of electric power under this section 5 that is up to or equivalent to the Residential Load that «Customer Name» is authorized under state law or by order of the applicable state regulatory authority to serve. The rate for such power sale to BPA shall be equal to «Customer Name»’s ASC, as determined by BPA using the ASC Methodology.

5.2 **Offer by BPA and Purchase by «Customer Name»**

Simultaneous with the offer by «Customer Name» and purchase by BPA, BPA shall offer and «Customer Name» shall purchase each month an amount of electric power equal to the amount that «Customer Name» offers and BPA purchases each month pursuant to section 5.1 above. The rate for such power sale to «Customer Name» shall be equal to BPA’s applicable PF Exchange rate.

5.3 **Calculation of Cost Benefits**

The Purchase and Exchange Sales described in sections 5.1 and 5.2 above shall be simultaneous and offsetting. No physical delivery of electric power shall occur. The Cost Benefits to «Customer Name» shall be determined using the following formula:

(«Customer Name»’s Average System Cost (ASC) – BPA’s applicable PF Exchange rate) x «Customer Name»’s Residential Load = «Customer Name»’s Cost Benefits.

If the calculation results in a positive Cost Benefit, then «Customer Name» shall receive financial payments pursuant to section 6. If the calculation results in a negative Cost Benefit, then this Agreement shall suspend pursuant to section 11.2.

**6. INVOICING FOR COST BENEFITS**

 *Option 1: REPSIA rollover/historical*

6.1 **Rate Case Billing Determinant**

The rate case billing determinant for the Purchase and Exchange Sale pursuant to section 5 above for any month of a Rate Period shall be equal to the average of «Customer Name»’s Residential Load for

a) the same month in the “Base Period” (as that term is defined in BPA’s ASC Methodology) applicable to such Rate Period, and

b) the same month in the 12 months following such Base Period.

6.2 **Invoicing for Residential Load**

6.2.1 Through the customer portal or successor, «Customer Name» shall submit to BPA an invoice no later than the 15th of each month that includes the amount of «Customer Name»’s Residential Load for the prior month pursuant to section 6.1. Each such invoice shall be subject to adjustment pursuant to sections 7, 8 and 10 below.

6.2.2 Within 30 calendar days following BPA’s receipt of each monthly invoice from «Customer Name», and subject to sections 7, 8 and 10 below, BPA shall verify the invoice and pay such invoice electronically in accordance with instructions on each such invoice. If the 30th calendar day is a Saturday, Sunday, or federal holiday, BPA shall pay such invoice electronically the next Business Day.

6.2.3 Additionally, «Customer Name» shall submit the sum of «Customer Name»’s Residential Load for such month. Each submittal shall be subject to adjustment pursuant to sections 7, 8 and 10 below.

6.3 For purposes of calculating «Customer Name»’s Cost Benefits in Section 5.3, BPA’s applicable PF Exchange rate will not be subject to mid-Rate Period risk adjustments (for example, the Power Cost Recovery Adjustment Clause, the Power Reserves Distribution Clause, and the Financial Reserves Policy Surcharge). Additionally, for purposes of calculating «Customer Name»’s Cost Benefits in Section 5.3, «Customer Name»’s ASC will not be subject to mid-Rate Period adjustments, pursuant to the ASCM, for major resource additions or reductions, NLSLs, or changes to service territory.

*End option 1*

*Option 2: Forecast*

6.1 **Rate Case Forecast**

Pursuant to the ASC Methodology, «Customer Name» shall provide a forecast of «Customer Name»’s Residential Load as part of the ASC Review Process and Informational Filings. Such forecast will be in monthly increments for each month of the applicable Exchange Period.

6.2 **Invoicing for Residential Load**

6.2.1 Through the customer portal or successor, «Customer Name» shall submit to BPA an invoice no later than the 15th of each month that includes the amount of «Customer Name»’s Residential Load of the prior month. Each such invoice shall be subject to adjustment pursuant to sections 7, 8 and 10 below.

6.2.2 Within 30 days following the submittal of each monthly invoice by «Customer Name», and subject to sections 7, 8 and 10 below, BPA shall verify the invoice and pay such invoice electronically in accordance with instructions on each such invoice. If the 30th calendar day is a Saturday, Sunday, or federal holiday, BPA shall pay such invoice electronically the next Business Day.

*End option 2*

6.3/4 **Late Payments**

BPA shall make such refund with simple interest computed from the date of receipt of the disputed payment to the date the refund is made. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) divided by 365.

**11. TERMINATION AND SUSPENSION OF AGREEMENT**

All written notices sent by either Party under this section 11 shall be pursuant to section 12.

11.1 **Termination of Agreement**

11.1.1 «Customer Name» may terminate this Agreement by providing BPA with written notice within 30 calendar days following BPA’s issuance of a power rate proceeding Final Record of Decision in which the supplemental rate charge provided for in Section 7(b)(3) of the Northwest Power Act is applied and causes the PF Exchange rate charged «Customer Name» to exceed «Customer Name»’s ASC. In such instance, termination of this Agreement shall become effective on the effective date for the PF Exchange rate as stated in FERC’s interim approval.

11.1.2 «Customer Name» may terminate this Agreement for any other reason than stated in section 11.1.1 by providing BPA with written notice within 30 days following the issuance of a power rate proceeding Final Record of Decision. Such termination of the Agreement shall become effective on the effective date for the PF Exchange Rate as stated in FERC’s interim approval.

11.1.3 Upon termination of this Agreement pursuant to section 11.1.1 or 11.1.2, «Customer Name» shall not participate in the Residential Exchange Program established in Section 5(c) of the Northwest Power Act until the following two conditions are met:

1. «Customer Name» executes a new Residential Purchase and Sale Agreement (RPSA) with BPA; and
2. «Customer Name» files an Informational Filing Appendix 1 pursuant to the ASCM in the year prior to the ASC Review Process for the Exchange Period when the Purchase and Exchange Sales will occur.

This section 11.1.3 will survive termination of this Agreement.

11.2 **Suspension of Performance**

The Purchase and Exchange Sale under this Agreement will automatically suspend whenever the applicable PF Exchange Rate equals or exceeds «Customer Name»’s Average System Cost. Such suspension shall suspend the rights and obligations of both Parties to pay or receive Cost Benefits for the Exchange Period pursuant to section 5, and to engage in In-Lieu power sales pursuant to section 9.

Under such a suspension, all other obligations under this Agreement shall remain in effect. «Customer Name» shall continue to participate in all RPSA administrative activities during the suspended Exchange Period, including filing Informational Filing ASCs and audits.