



Department of Energy

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

FREEDOM OF INFORMATION ACT/PRIVACY PROGRAM

July 17, 2018

In reply refer to: FOIA #BPA-2016-00058-F

Adrienne Thompson
Troutman Sanders LLP
100 SW Main Street
Portland, Oregon 97204
Adrienne.Thompson@troutmansanders.com

Ms. Thompson:

This communication is the Bonneville Power Administration's (BPA) final response to your request for agency records made under the Freedom of Information Act, 5 U.S.C. § 552 (FOIA). Your FOIA request was received on October 11, 2016, with an acknowledgement letter sent to you on October 25, 2016.

Requested

“...any communication from Grant County PUD employees to Bonneville Power Administration employees relating to Bonneville Power Administration’s failure during various months in 2011 to remove Grant County PUD’s short-distance discount despite that Grant County PUD had redirected its transmission service during those same months.”

Response

In accord with the FOIA, BPA's office of Cyber Forensics and Intelligence conducted a thorough search for responsive agency email records and located 77 pages of records responsive to your request. BPA is herein releasing 62 pages in full and 15 pages with redactions applied under 5 U.S.C. § 552(b)(5) (Exemption 5 to the FOIA) and 5 U.S.C. § 552(b)(6) (Exemption 6 to the FOIA). Those agency records accompany this communication. An explanation of applicable exemptions are below.

The FOIA generally requires the release of all responsive agency records upon request. However, the FOIA permits withholding limited information as described in 5 U.S.C. §§ 552(b)(1-9).

Exemption 4

BPA's Office of General Counsel (OGC) reviewed the responsive agency records and determined that an exemption examination was necessary prior to a release of Grant County Public Utility District's (GCPUD) information. In accord with Exemption 4 to the FOIA, 5 U.S.C. § 552(b)(4) (Exemption 4), BPA contacted GCPUD to provide them with an opportunity to object to the public release of their information contained in the agency records. Thereafter,

GCPUD indicated to BPA that they have no objections to the public release of the responsive information. BPA has applied no redactions under Exemption 4.

Exemption 5

Exemption 5 protects "inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency" (5 U.S.C. § 552(b)(5)). In plain language, the exemption protects privileged records. The FOIA's Exemption 5 deliberative process privilege protects records evincing the deliberative or decision-making processes of government agencies. Records protected under this privilege must be both "pre-decisional" and "deliberative." A record is "pre-decisional" if it is generated before the adoption of an agency policy. A record is "deliberative" if it "reflects the give-and-take of the consultative process," either by assessing the merits of a particular viewpoint, or by articulating the process used by the agency to formulate a decision. BPA has considered and declined a discretionary release of some "pre-decisional" and "deliberative" information in the responsive records set because disclosure of the records would harm the interests protected and encouraged by Exemption 5. In this case, BPA asserts Exemption 5 to withhold three pages to protect internal agency discussions outside the scope of the FOIA request, and BPA declines to discretionarily release this material.

Exemption 6

BPA has applied minimal redactions under Exemption 6 to protect personal privacy. Exemption 6 of the FOIA protects information about individuals in "personnel and medical files and similar files" when the disclosure of such information "would constitute a clearly unwarranted invasion of personal privacy." The application of Exemption 6 requires balancing the public's interest in acquiring the information against the individual's privacy interests. If a significant privacy interest is found to exist, but there is no public interest in disclosure, the information should be protected. Here, BPA asserts Exemption 6 to withhold a limited amount of information including signatures and telephone numbers which are not related to the business of BPA or the Executive Branch. BPA can find no public interest in the forgoing information and has therefore redacted it under Exemption 6.

Records Not Subject to Discretionary Release

Please be aware that the right of privacy asserted belongs to the individual, not to the agency, and information that falls under Exemption 6 cannot be discretionarily released. Therefore, BPA did not analyze Exemption 6 redactions under any discretionary release guidelines.

Certification

Your FOIA request is now closed with all available agency records provided. Pursuant to 10 C.F.R. § 1004.7(b)(2), I am the individual responsible for the release and exemption determinations described above.

Fees

There are no fees applicable to the agency's response to your FOIA request.

Appeal

This decision, as well as the adequacy of the search, may be appealed within 90 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to:

Director, Office of Hearings and Appeals,
HG-1, L'Enfant Plaza
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585-1615

The written appeal, including the envelope, must clearly indicate that a FOIA appeal is being made. You may also submit your appeal to OHA.filings@hq.doe.gov, including the phrase "Freedom of Information Appeal" in the subject line. The appeal must contain all of the elements required by 10 C.F.R. § 1004.8, including a copy of the determination letter. Thereafter, judicial review will be available to you in the Federal District Court either: 1) in the district where you reside; 2) where you have your principal place of business; 3) where DOE's records are situated; or 4) in the District of Columbia.

You may contact BPA's FOIA Public Liaison, Jason Taylor, at the address at the letter header, at jetaylor@bpa.gov, or at 503-230-3537 for any further assistance and to discuss any aspect of your request or this communication.

Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001
E-mail: ogis@nara.gov
Phone: 202-741-5770; Toll free: 1-877-684-6448; Fax: 202-741-5769

Thank you for your interest in the Bonneville Power Administration.

Sincerely,



Rachel Hull
Freedom of Information/Privacy Act Officer

Enclosed: responsive records

(b)

(5)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

From: Rodney Noteboom [<mailto:Rnotebo@gcpud.org>]
Sent: Thursday, July 07, 2011 12:22 PM
To: Johnson, Chantina - KSB-6
Cc: Rios, Matt - TSE-TPP-2; Kevin Nordt; Patricia Dietmeyer; Steve Dietrich
Subject: Possible Error - Grant County May and June 2011 BPA Transmission Billing

Chantina,

I think there may be an error in the May and June 2011 Transmission Bills for Grant.

Grant receives a SDD of \$24,591 on our Transmission Bill related to a 150 MW TSR. Grant received this discount in May and June of 2011 and I think that this discount may not have been applicable in these two months due to Grant performing a firm redirect on a portion of the reservation.

I am not sure this is the case, but I wanted to bring this to your attention. I am not asking to lose a discount I am entitled to receive.

Please look into this issue and call me so we can discuss. Grant will likely be performing additional redirects in the

future and I want to make sure I have a correct understanding of this issue.

Unless I hear otherwise, I plan to pay the June bill as stated.

Rod Noteboom
Grant County PUD
(509) 766-2523

From: BPA Customer Billing Distribution [<mailto:BPACustomerBillingDist@bpa.gov>]

Sent: Wednesday, July 06, 2011 11:45 AM

To: PS_ATF_Group; Rodney Noteboom

Cc: Johnson,Chantina - KSB-6

Subject: Grant County 06/11 BPA Transmission Final

Kari Frost
CIBER, Inc
KSB/Customer Billing
Bonneville Power Administration
Phone: 360-418-2125
Fax: 503-230-3266

This e-mail is intended for the sole use of the addressee and may contain privileged information, confidential and exempt from disclosure under applicable law. If the reader of this communication is not the intended recipient, you are hereby notified that you may not use, copy, disclose or distribute to anyone any information contained in this message. If you have received this e-mail in error, please notify us immediately by telephone or reply e-mail and delete the original communication.

From: [Rodney Noteboom](#)
To: [Matt Rios](#)
Cc: [Mary Hansen \(mahansen@bpa.gov\)](#); [Bryan.Natasha M K \(BPA\) - TSSP-DITT-1 \(nggivens@bpa.gov\)](#)
Subject: FW: Additional Information for July 2015 Grant PUD Transmission Bill
Date: Friday, August 28, 2015 4:16:50 PM
Attachments: [Grant_SDD.XLSX](#)

Matt,

I was wondering if someone at BPA could take a second look at the attached spreadsheet you sent me.

Natasha Bryan has been very helpful instructing me how to trace transactions in the OASIS and OASIS archive and I have found a few things that need some further study.

I am pretty sure that cells G34 and G35 are incorrect and the proper aref is 80737396 and 80873967.

The part I am especially struggling on is the arefs listed in cells G24-G32. The same aref (79511932) is listed for all these months which is not possible. I am pretty sure the aref listed is just for one day on April 1, 2014, which could make it the proper aref to refer to for the whole month of April regarding the SDD, but not for May-Dec of 2014, for which there are two different customers listed, PWX and MSCG. A parent aref for 795119321 is 79425051, which has 49 subordinate aref numbers. This aref is for Q2 2014, but not for Q3 or Q4.

I have not looked closely at the arefs listed in rows 2 through 23, which is for 5/11 to 9/13, but based on the issue with 79511932 I think a second look at BPA would be a good idea.

I think it is a good idea to go over this as much as possible before BPA sends the backbill for the SDD and I appreciate your continued assistance on this issue.

Rod Noteboom
Grant County PUD
(509) 766-2523

From: Rios,Matt (BPA) - TSE-TPP-2 [mailto:mrrios@bpa.gov]
Sent: Thursday, August 13, 2015 9:32 AM
To: Rodney Noteboom
Cc: Hansen,Mary A (BPA) - KSB-4
Subject: RE: Additional Information for July 2015 Grant PUD Transmission Bill

Rod,

I am attaching the additional back ground data our billing group has used to calculate the months in which Grant received SDD credits outside of our Business Practices.

A quick narrative of the attached spread sheet would explain column B is the reservations that have a SDD, and Column G are the first redirects within the month from the SDD reservation that negates the SDD. Additionally I understand that there may be a way to search in OASIS on the "related AREF"

field for Grant's reservations with a SDD to see all of the related redirects from the original. Let me know if you need some help with that and I can try and get one of our subject matter experts explain this.

Finally, the following is some key information surrounding billing, dispute and payment plans:

- **Charges will be reflected on the September 2015 bill (issued in October)** – Originally, BPA intended to place the owed charges on the August 2015 bill (issued in September). BPA plans to place the owed charges on the September 2015 bill (issued in October). This will provide customers with an additional month to review the evidence provided by BPA, ask questions, and consider entering into an Extended Payment Plan.
- **Billing Dispute Procedures** – Once the final bill is issued, as with any billing charges, the customers may dispute a charge. In order to dispute a charge the customer has to: (1) Provide, in writing, a description of the billing dispute and associated reasoning and evidence; and (2) Place the full amount under dispute into a third-party escrow account acceptable to BPA or deposit those amounts with BPA.
- **Extended Payment Plan: (a) will waive interest for up to 1 year, and (b) by executing an Extended Payment Plan Agreement the customer waives the right to dispute the charges identified in the Agreement** –

Of course let me know if you need additional materials or would like me to coordinate any discussion you think would be beneficial.

Thanks
Matt

From: Rodney Noteboom [<mailto:Rnotebo@gcpud.org>]
Sent: Tuesday, August 11, 2015 1:50 PM
To: Hansen, Mary A (BPA) - KSB-4
Cc: Rios, Matt (BPA) - TSE-TPP-2
Subject: Additional Information for July 2015 Grant PUD Transmission Bill

Mary,

Could you please send the aref number for the redirect that applied to Grant's SDD for the July 2015 Bill. With the aref number I can access the information regarding the redirect, which would have been performed by the party Grant had reassigned the reservation to.

Rod Noteboom
Grant County PUD
(509) 766-2523

Month	SDD_ARef	SDD_Seller	SDD_Customer	SDD_POR	SDD_POD	RED_ARef	RED_Seller	RED_Customer	RED_POR	RED_POD	SDD_MW	SDD_MI	Adj_MW	Credit	FY
5/1/2011	72582664	BPAT	GCPU	PRIESTRAPIDS	BPAT.GCPD	75584154	BPAT	GCPU	BPAPOWER	BPAT.GCPD	150	51 32	18 94	\$ 24,589.31	2011
6/1/2011	72582664	BPAT	GCPU	PRIESTRAPIDS	BPAT.GCPD	75584154	BPAT	GCPU	BPAPOWER	BPAT.GCPD	150	51 32	18 94	\$ 24,589.31	2011
7/1/2011	72582664	BPAT	GCPU	PRIESTRAPIDS	BPAT.GCPD	75845047	BPAT	PWX	COLUMBIAMKT	COLUMBIAMKT	150	51 32	18 94	\$ 24,589.31	2011
7/1/2012	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	77082939	BPAT	PWX	COLUMBIAMKT	COLUMBIAMKT	150	-	60 00	\$ 77,880.00	2012
9/1/2012	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	77285320	BPAT	PWX	BC.US.BORDER	BIGEDDY	150	-	60 00	\$ 77,880.00	2012
2/1/2013	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	77825195	BPAT	PWX	BC.US.BORDER	BIGEDDY	150	-	60 00	\$ 77,880.00	2013
3/1/2013	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	77825195	BPAT	PWX	BC.US.BORDER	BIGEDDY	150	-	60 00	\$ 77,880.00	2013
4/1/2013	72598322	BPAT	GCPU	PRIESTRAPIDS	BPAT.GCPD	77967596	BPAT	PWX	COLUMBIAMKT	BIGEDDY	250	-	100 00	\$ 129,800.00	2013
5/1/2013	72598322	BPAT	GCPU	PRIESTRAPIDS	BPAT.GCPD	77967596	BPAT	PWX	COLUMBIAMKT	BIGEDDY	250	-	100 00	\$ 129,800.00	2013
6/1/2013	72598322	BPAT	GCPU	PRIESTRAPIDS	BPAT.GCPD	77967596	BPAT	PWX	COLUMBIAMKT	BIGEDDY	250	-	100 00	\$ 129,800.00	2013
7/1/2013	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	78305471	BPAT	IPCL	COLUMBIAMKT	BPAT.NWMT	150	-	60 00	\$ 77,880.00	2013
8/1/2013	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	78372138	BPAT	PWX	SNOHOMISH	BC.US.BORDER	150	-	60 00	\$ 77,880.00	2013
9/1/2013	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	78372138	BPAT	PWX	SNOHOMISH	BC.US.BORDER	150	-	60 00	\$ 77,880.00	2013
4/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	PWX	BC.US.BORDER	JOHNDAY	150	-	60 00	\$ 88,740.00	2014
5/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	PWX	BC.US.BORDER	COLUMBIAMKT	150	-	60 00	\$ 88,740.00	2014
6/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	PWX	SNOHOMISH	BC.US.BORDER	150	-	60 00	\$ 88,740.00	2014
7/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	MSCG	SLATT230	BIGEDDY	150	-	60 00	\$ 88,740.00	2014
8/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	MSCG	SLATT230	BIGEDDY	150	-	60 00	\$ 88,740.00	2014
9/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	MSCG	SLATT230	BIGEDDY	150	-	60 00	\$ 88,740.00	2014
10/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	MSCG	BPAT.GCPD	BPAT.CHPD	150	-	60 00	\$ 88,740.00	2015
11/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	MSCG	SLATT230	BIGEDDY	150	-	60 00	\$ 88,740.00	2015
12/1/2014	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	79511932	BPAT	MSCG	SLATT230	BIGEDDY	150	-	60 00	\$ 88,740.00	2015
1/1/2015	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	80648025	BPAT	MSCG	BPAT.CHPD	JOHNDAY	150	-	60 00	\$ 88,740.00	2015
2/1/2015	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	80648025	BPAT	MSCG	BPAT.CHPD	JOHNDAY	150	-	60 00	\$ 88,740.00	2015
3/1/2015	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	80648025	BPAT	MSCG	BPAT.CHPD	JOHNDAY	150	-	60 00	\$ 88,740.00	2015
4/1/2015	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	80990213	BPAT	MSCG	SLATT230	BIGEDDY	150	-	60 00	\$ 88,740.00	2015
5/1/2015	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	81120239	BPAT	MSCG	BPAT.CHPD	BPAT.GCPD	150	-	60 00	\$ 88,740.00	2015
6/1/2015	76084927	BPAT	GCPU	COLUMBIA230	BPAT.GCPD	81237106	BPAT	MSCG	BPAT.CHPD	BPAT.GCPD	150	-	60 00	\$ 88,740.00	2015

(b) [REDACTED]
(5) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(b)

(5)

From: Johnson,Chantina - KSB-6
Sent: Thursday, July 07, 2011 12:26 PM
To: 'Rodney Noteboom'
Subject: RE: Possible Error - Grant County May and June 2011 BPA Transmission Billing

Hi Rodney,

I will look into this issue and get back with you as soon as possible. I know we briefly spoke about this a few months ago and that if you had redirects you lose the discount. I will be in contact with you to discuss.

Chantina

From: Rodney Noteboom [mailto:Rnotebo@gcpud.org]
Sent: Thursday, July 07, 2011 12:22 PM
To: Johnson,Chantina - KSB-6
Cc: Rios,Matt - TSE-TPP-2; Kevin Nordt; Patricia Dietmeyer; Steve Dietrich
Subject: Possible Error - Grant County May and June 2011 BPA Transmission Billing

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Grant receives a SDD of \$24,591 on our Transmission Bill related to a 150 MW TSR. Grant received this discount in May and June of 2011 and I think that this discount may not have been applicable in these two months due to Grant performing a firm redirect on a portion of the reservation.

I am not sure this is the case, but I wanted to bring this to your attention. I am not asking to lose a discount I am entitled to receive.

Please look into this issue and call me so we can discuss. Grant will likely be performing additional redirects in the future and I want to make sure I have a correct understanding of this issue.

Unless I hear otherwise, I plan to pay the June bill as stated.

Rod Noteboom
Grant County PUD
(509) 766-2523

From: BPA Customer Billing Distribution [mailto:BPACustomerBillingdist@bpa.gov]
Sent: Wednesday, July 06, 2011 11:45 AM
To: PS_ATF_Group; Rodney Noteboom
Cc: Johnson,Chantina - KSB-6
Subject: Grant County 06/11 BPA Transmission Final

Kari Frost
CIBER, Inc
KSB/Customer Billing
Bonneville Power Administration
Phone: 360-418-2125
Fax: 503-230-3266

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From: [Johnson, Chantina \(BPA\) - KSBV-4](#)
To: ["Rodney Noteboom"](#)
Cc: [Rios, Matt \(BPA\) - TSE-TPP-2](#)
Subject: FW: Possible Error - Grant County May and June 2011 BPA Transmission Billing
Date: Monday, July 11, 2011 10:00:22 AM

Hi Rod

I checked on the Short Distance Discount and yes if you perform any redirects you do not get the discount. The business practice states:

- If the Long-Term Parent Reservation qualifies for a SDD and all or a portion of the capacity is redirected for any period of time during a month, the SDD will not be applied that month.

Since this is the case I will work on issuing a "Revised Final" for May and June 2011 since both these month there were redirects.

Chantina
503-230-7448

From: Johnson, Chantina - KSB-6
Sent: Thursday, July 07, 2011 12:26 PM
To: 'Rodney Noteboom'
Subject: RE: Possible Error - Grant County May and June 2011 BPA Transmission Billing

Hi Rodney,

I will look into this issue and get back with you as soon as possible. I know we briefly spoke about this a few months ago and that if you had redirects you lose the discount. I will be in contact with you to discuss.

Chantina

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Cc: Rios, Matt - TSE-TPP-2; Kevin Nordt; Patricia Dietmeyer; Steve Dietrich
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Rod Noteboom
Grant County PUD
(509) 766-2523

From: BPA Customer Billing Distribution [mailto:BPAcustomerbillingdist@bpa.gov]

From: [Johnson, Chantina \(BPA\) - KSBV-4](#)
To: ["Rodney Noteboom"](#)
Cc: [Rios, Matt \(BPA\) - TSE-TPP-2](#)
Subject: GRANT REVISED FINALS MAY/ JUNE 2011
Date: Wednesday, July 13, 2011 6:59:30 AM

Hi Rod

I wanted to check in with you to make sure you received the May/June revised finals for Grant and that everything was correct. I know you mentioned that you might have more redirects in the future so I will check monthly to see if you have them also and whether or not they affect you short distance discount.

Please let me know if you have any further questions or concerns

Thanks!

Chantina Johnson
Public Utilities Specialist (Revenue Analyst)

From: [Cary West](#)
To: ["Davis,Thomas E \(BPA\) - LT-7"](#)
Cc: ["linda.mcconkey@usbank.com"](#) ([linda.mcconkey@usbank.com](#)); [Powell,Jessica L \(CONTR\) - FTT-2](#); [Rios,Matt \(BPA\) - TSE-TPP-2](#)
Subject: RE: Final Draft of Escrow Agreement re Short Distance Discount matter
Date: Monday, February 01, 2016 9:57:32 AM

Hi Tom –

Any updates? We'll want to make sure it has a Feb. execution date after all.

Thank you,

Cary

From: Davis,Thomas E (BPA) - LT-7 [<mailto:tedavis@bpa.gov>]
Sent: Tuesday, January 26, 2016 2:39 PM
To: Cary West
Cc: 'linda.mcconkey@usbank.com' (linda.mcconkey@usbank.com); [Powell,Jessica L \(CONTR\) - FTT-2](#); [Rios,Matt \(BPA\) - TSE-TPP-2](#)
Subject: RE: Final Draft of Escrow Agreement re Short Distance Discount matter

Let me check and see where things are.

Tom

From: Cary West [<mailto:Cwest@gcpud.org>]
Sent: Tuesday, January 26, 2016 2:38 PM
To: Davis,Thomas E (BPA) - LT-7
Cc: 'linda.mcconkey@usbank.com' (linda.mcconkey@usbank.com); [Powell,Jessica L \(CONTR\) - FTT-2](#); [Rios,Matt \(BPA\) - TSE-TPP-2](#)
Subject: RE: Final Draft of Escrow Agreement re Short Distance Discount matter

Hi Tom –

We haven't seen the finalized agreement yet. Just thought we'd check in with you.

Thank you,

Cary

From: Davis,Thomas E (BPA) - LT-7 [<mailto:tedavis@bpa.gov>]
Sent: Thursday, January 21, 2016 9:57 AM
To: Cary West
Cc: 'linda.mcconkey@usbank.com' (linda.mcconkey@usbank.com); [Powell,Jessica L \(CONTR\) - FTT-2](#); [Rios,Matt \(BPA\) - TSE-TPP-2](#)
Subject: RE: Final Draft of Escrow Agreement re Short Distance Discount matter

Ok. BPA will finalize the agreement and send it out for execution.

Thanks!

Tom

From: Cary West [<mailto:Cwest@gcpud.org>]
Sent: Thursday, January 21, 2016 9:51 AM
To: Davis,Thomas E (BPA) - LT-7
Cc: 'linda.mcconkey@usbank.com' (linda.mcconkey@usbank.com); Powell,Jessica L (CONTR) - FTT-2; Rios,Matt (BPA) - TSE-TPP-2
Subject: Re: Final Draft of Escrow Agreement re Short Distance Discount matter

Hi Tom -

No issues with a Jan execution. Funds are ready to be sent.

Thank you,

Cary

Sent from my iPhone

On Jan 21, 2016, at 9:32 AM, Davis,Thomas E (BPA) - LT-7 <tedavis@bpa.gov> wrote:

Cary:

Any issues if we get the escrow agreement executed before the end of January and Grant transfer the money?

Tom

From: LINDA.MCCONKEY@usbank.com [<mailto:LINDA.MCCONKEY@usbank.com>]
Sent: Wednesday, January 20, 2016 5:40 PM
To: Cary West
Cc: Bonnie Overfield; Powell,Jessica L (CONTR) - FTT-2; Mitchell Delabarre; Mike McClenahan; Rios,Matt (BPA) - TSE-TPP-2; Patti Dietmeyer; Rodney Noteboom; Davis,Thomas E (BPA) - LT-7; Schaeffer, Virginia K (BPA) - LG-7
Subject: RE: Final Draft of Escrow Agreement re Short Distance Discount matter

In addition to Cary's edits, I had a few minor changes, too. With the acceptance of these changes, I will open the account in anticipation of a deposit. The agreement is dated for February, is that the timing? Please advise.

Thank you,
Linda

Linda A. McConkey
Vice President | Account Manager | Global Corporate Trust Services
p. 503.464.3757 | f. 503.464.4155 | linda.mcconkey@usbank.com

U.S. Bank

555 SW Oak Street, PD-OR-P7TD | Portland, OR 97204 | www.usbank.com

From: Cary West <Cwest@gcpud.org>
To: "Davis,Thomas E (BPA) - LT-7" <tedavis@bpa.gov>, "linda.mcconkey@usbank.com" <linda.mcconkey@usbank.com>
Cc: Mike McClenahan <Mmcclenahan@gcpud.org>, Patti Dietmeyer <Pdietmeyer@gcpud.org>, "Schaeffer, Virginia K (BPA) - LG-7" <ykschaeffer@bpa.gov>, "Powell, Jessica L (CONTR) - FTT-2" <jpowell@bpa.gov>, Rodney Noteboom <Rnotebo@gcpud.org>, Bonnie Overfield <Boverfi@gcpud.org>, Mitchell Delabarre <Mdelaba@gcpud.org>, "Rios, Matt (BPA) - TSE-TPP-2" <mrrios@bpa.gov>
Date: 01/20/2016 10:08 AM
Subject: RE: Final Draft of Escrow Agreement re Short Distance Dicscount matter

Hi Tom –

Thank you for the final draft. I've filled in the contact information requested of Grant as well as dropped in the fee amount for US Bank in Schedule A. Also, I've replied to your comment on pg 2. Please see attached.

Grant is ready for the final version. Once received, Bonnie can sign.

Thanks again,

Cary

<[ATT00001.jpg](#)> Cary West, CPA
Grant County Public Utility District
Treasury Operations Manager | Deputy Treasurer
desk: (509) 793-1451 | fax: (509) 754-5012

From: Davis, Thomas E (BPA) - LT-7 [<mailto:tedavis@bpa.gov>]
Sent: Tuesday, January 19, 2016 4:09 PM
To: Cary West; 'linda.mcconkey@usbank.com'
Cc: Mike McClenahan; Patti Dietmeyer; Schaeffer, Virginia K (BPA) - LG-7; Powell, Jessica L (CONTR) - FTT-2; Rodney Noteboom; Bonnie Overfield; Mitchell Delabarre; Rios, Matt (BPA) - TSE-TPP-2
Subject: Final Draft of Escrow Agreement re Short Distance Dicscount matter

All:

Here is a final draft (I hope) of the escrow agreement by and between Grant, BPA and US Bank. Please review, revise or comment. There is some information that US Bank needs to complete regarding costs, etc. There are also a couple of places where Grant needs to fill in or verify information.

If you have any questions, please do not hesitate to communicate with me. It would be great to get this ready for execution this week if possible so we can focus on the underlying matter.

Take care,

Tom Davis
Office of General Counsel
Bonneville Power Administration
P.O. Box 3621, LT-7
Portland, OR 97208-3621
Phone: (503) 230-3968
Cell: (b) (6)
Email: tedavis@bpa.gov

[attachment "image001.jpg" deleted by Linda A Mcconkey/OR/USB] [attachment "160119 Grant Escrow Agreement.docx" deleted by Linda A Mcconkey/OR/USB]

U.S. BANCORP made the following annotations

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<Grant Escrow Agreement 012016.docx>

From: [Cary West](#)
To: "LINDA.MCCONKEY@usbank.com"
Cc: [Powell, Jessica L \(CONTR\) - FTT-2](#); [Rios, Matt \(BPA\) - TSE-TPP-2](#); [Davis, Thomas E \(BPA\) - LT-7](#); [Schaeffer, Virginia K \(BPA\) - LG-7](#)
Subject: RE: Escrow Agreement
Date: Wednesday, February 10, 2016 12:48:30 PM
Attachments: [image001.jpg](#)

Hi Linda –

We are still waiting to receive the final escrow agreement to sign.

Cary

From: LINDA.MCCONKEY@usbank.com [mailto:LINDA.MCCONKEY@usbank.com]
Sent: Wednesday, February 10, 2016 12:46 PM
To: Cary West
Cc: Powell, Jessica L (CONTR) - FTT-2; Rios, Matt (BPA) - TSE-TPP-2; Davis, Thomas E (BPA) - LT-7; Schaeffer, Virginia K (BPA) - LG-7
Subject: RE: Escrow Agreement

Are we ready to execute the agreement? Wire transfer instructions for funding the escrow are as follows:

US Bank NA
ABA 091000022
Credit US Bank Trust
CT Wire Clearing 180121167365
Further Credit: Grant PUD-Bonneville Dispute Esc
Phone: 503-464-3755

Thanks,
Linda

Linda A. McConkey
Vice President | Account Manager | Global Corporate Trust Services
p. 503.464.3757 | f. 503.464.4155 | linda.mcconkey@usbank.com

U.S. Bank
555 SW Oak Street, PD-OR-P7TD | Portland, OR 97204 | www.usbank.com

From: Cary West <Cwest@gcpud.org>
To: "LINDA.MCCONKEY@usbank.com" <LINDA.MCCONKEY@usbank.com>, "Davis, Thomas E (BPA) - LT-7" <tedavis@bpa.gov>
Cc: "Powell, Jessica L (CONTR) - FTT-2" <jlpowell@bpa.gov>, "Rios, Matt (BPA) - TSE-TPP-2" <mrrios@bpa.gov>, "Schaeffer, Virginia K (BPA) - LG-7" <vschaeffer@bpa.gov>
Date: 02/05/2016 10:27 AM
Subject: RE: Escrow Agreement

Hi All –

Tom, thanks for heads up on the edit. We are fine with that change.

Linda, yes, Bonnie Overfield will be signing on behalf of Grant PUD.

Thank you,

Cary



Cary West, CPA

Grant County Public Utility District

Treasury Operations Manager | Deputy Treasurer

desk: (509) 793-1451 | fax: (509) 754-5012

From: LINDA.MCCONKEY@usbank.com [mailto:LINDA.MCCONKEY@usbank.com]

Sent: Thursday, February 04, 2016 5:47 PM

To: Davis,Thomas E (BPA) - LT-7

Cc: Cary West; Powell,Jessica L (CONTR) - FTT-2; Rios,Matt (BPA) - TSE-TPP-2; Schaeffer, Virginia K (BPA) - LG-7

Subject: Re: Escrow Agreement

Hi, Cary,

Please confirm that Bonnie Overfield will be signing on behalf of Grant PUD and that statements are to be sent to her attention. I am in the process of opening the account.

Hi, Tom,

I know that Nancy will be signing on behalf of Bonneville, who should statements be directed to at Bonneville?

Thank you,

Linda

Linda A. McConkey

Vice President | Account Manager | Global Corporate Trust Services

p. 503.464.3757 | f. 503.464.4155 | linda.mcconkey@usbank.com

U.S. Bank

555 SW Oak Street, PD-OR-P7TD | Portland, OR 97204 | www.usbank.com

From: "Davis,Thomas E (BPA) - LT-7" <tedavis@bpa.gov>

To: "Cary West (Cwest@gcpud.org)" <Cwest@gcpud.org>

Cc: "Powell,Jessica L (CONTR) - FTT-2" <jlpowell@bpa.gov>, "Rios,Matt (BPA) - TSE-TPP-2" <mrrios@bpa.gov>, "Schaeffer, Virginia K (BPA) - LG-7" <ykschaeffer@bpa.gov>, "linda.mcconkey@usbank.com" (linda.mcconkey@usbank.com)"

<linda.mcconkey@usbank.com>

Cary:

I just completed my final legal review (I hope) of the escrow agreement as part of BPA's review process. I noticed we left a reference to "jointly and severally" in section 11 where it should have been taken out. In earlier drafts, I deleted "Recipient" [BPA] in the following sentence but missed the joint and several language that followed. Just letting you know that I am deleting the phrase in the agreement you should see next week. BPA cannot provide indemnification but that doesn't preclude an action being brought against BPA.

Depositor further agrees, ~~jointly and severally~~, to indemnify each Indemnified Party for all costs, including without limitation reasonable attorney's fees, incurred by such Indemnified Party in connection with the enforcement of Depositor's indemnification obligations hereunder.

If you have any questions or would like to discuss further, please don't hesitate to communicate with me. We are still on track to get this signed by Nancy Mitman and out the door on Monday or Tuesday.

Take care,

Tom Davis
BPA Office of General Counsel
503-230-3968 (Office)
(b) (6) (Mobile)

U.S. BANCORP made the following annotations

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-----[attachment "image001.jpg" deleted
by Linda A Mcconkey/OR/USB]

U.S. BANCORP made the following annotations

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Taylor, Jason E (BPA) - CGI-7

From: Cary West <Cwest@gcpud.org>
Sent: Tuesday, February 23, 2016 10:41 AM
To: 'LINDA.MCCONKEY@usbank.com'
Cc: Powell, Jessica L (CONTR) - FTT-2; Rios, Matt (BPA) - TSE-TPP-2; 'Davis, Thomas E (BPA) - LT-7'; Schaeffer, Virginia K (BPA) - LG-7
Subject: RE: Escrow Agreement

Thank you, all.

Cary

From: LINDA.MCCONKEY@usbank.com [mailto:LINDA.MCCONKEY@usbank.com]
Sent: Tuesday, February 23, 2016 10:29 AM
To: Cary West
Cc: Powell, Jessica L (CONTR) - FTT-2; Rios, Matt (BPA) - TSE-TPP-2; 'Davis, Thomas E (BPA) - LT-7'; Schaeffer, Virginia K (BPA) - LG-7
Subject: RE: Escrow Agreement

To confirm to the group, US Bank is in receipt of the Escrow Funds for the dispute escrow. Attached is the fully executed escrow agreement. Please let me know if you have any questions.

Best regards,
Linda

Linda A. McConkey

Vice President | Account Manager | Global Corporate Trust Services
p. 503.464.3757 | f. 503.464.4155 | linda.mcconkey@usbank.com

U.S. Bank

555 SW Oak Street, PD-OR-P7TD | Portland, OR 97204 | www.usbank.com

From: Cary West <Cwest@gcpud.org>
To: "LINDA.MCCONKEY@usbank.com" <LINDA.MCCONKEY@usbank.com>
Cc: "Powell, Jessica L (CONTR) - FTT-2" <jpowell@bpa.gov>, "Rios, Matt (BPA) - TSE-TPP-2" <mrrios@bpa.gov>, "Davis, Thomas E (BPA) - LT-7" <tedavis@bpa.gov>, "Schaeffer, Virginia K (BPA) - LG-7" <vkschaeffer@bpa.gov>
Date: 02/19/2016 11:16 AM
Subject: RE: Escrow Agreement

Hi Linda –

Sounds great. Please see attached agreement. Originals will arrive on Monday via FedEx; second day with signature required.

Wire transmission will be set for next Tuesday, Feb. 23.

Thank you,

Cary

From: LINDA.MCCONKEY@usbank.com [<mailto:LINDA.MCCONKEY@usbank.com>]

Sent: Friday, February 19, 2016 11:08 AM

To: Cary West

Cc: Powell, Jessica L (CONTR) - FTT-2; Rios, Matt (BPA) - TSE-TPP-2; 'Davis, Thomas E (BPA) - LT-7'; Schaeffer, Virginia K (BPA) - LG-7

Subject: RE: Escrow Agreement

Hi, Cary,

Can you send me a scanned copy of the escrow agreement? I do have to have a fully executed agreement before we can accept the deposit, but it doesn't have to be an original. That being said, yes, you can queue up the wire for Tuesday. So send me a scanned copy of the executed agreement or send the original via UPS Second Day delivery and we should be good to go (I am not sure first class mail will get here by Tuesday morning).

Thanks,
Linda

Linda A. McConkey

Vice President | Account Manager | Global Corporate Trust Services
p. 503.464.3757 | f. 503.464.4155 | linda.mcconkey@usbank.com

U.S. Bank

555 SW Oak Street, PD-OR-P7TD | Portland, OR 97204 | www.usbank.com

From: Cary West <Cwest@gcpud.org>
To: "Davis, Thomas E (BPA) - LT-7" <tedavis@bpa.gov>, "LINDA.MCCONKEY@usbank.com" <LINDA.MCCONKEY@usbank.com>
Cc: "Powell, Jessica L (CONTR) - FTT-2" <jlpowell@bpa.gov>, "Rios, Matt (BPA) - TSE-TPP-2" <mrrios@bpa.gov>, "Schaeffer, Virginia K (BPA) - LG-7" <vkschaeffer@bpa.gov>
Date: 02/19/2016 10:14 AM
Subject: RE: Escrow Agreement

Hi Linda –

Grant has signed the escrow agreement and will drop in the mail today as directed.

Are we okay to queue up a wire payment for next Tuesday? Or do we wait until US Bank is able to execute on all originals?

Please advise.

Thank you,

Cary



Cary West, CPA

Grant County Public Utility District

Treasury Operations Manager | Deputy Treasurer

desk: (509) 793-1451 | fax: (509) 754-5012

From: Davis,Thomas E (BPA) - LT-7 [<mailto:tedavis@bpa.gov>]
Sent: Wednesday, February 10, 2016 12:49 PM
To: 'LINDA.MCCONKEY@usbank.com'; Cary West
Cc: Powell,Jessica L (CONTR) - FTT-2; Rios,Matt (BPA) - TSE-TPP-2; Schaeffer, Virginia K (BPA) - LG-7
Subject: RE: Escrow Agreement

Linda:

We expect the escrow agreement to be signed tomorrow.

Take care,

Tom

From: LINDA.MCCONKEY@usbank.com [<mailto:LINDA.MCCONKEY@usbank.com>]
Sent: Wednesday, February 10, 2016 12:46 PM
To: Cary West
Cc: Powell,Jessica L (CONTR) - FTT-2; Rios,Matt (BPA) - TSE-TPP-2; Davis,Thomas E (BPA) - LT-7; Schaeffer, Virginia K (BPA) - LG-7
Subject: RE: Escrow Agreement

Are we ready to execute the agreement? Wire transfer instructions for funding the escrow are as follows:

US Bank NA
ABA 091000022
Credit US Bank Trust
CT Wire Clearing 180121167365
Further Credit: Grant PUD-Bonneville Dispute Esc
Phone: 503-464-3755

Thanks,
Linda

Linda A. McConkey
Vice President | Account Manager | Global Corporate Trust Services
p. 503.464.3757 | f. 503.464.4155 | linda.mcconkey@usbank.com

U.S. Bank
555 SW Oak Street, PD-OR-P7TD | Portland, OR 97204 | www.usbank.com

From: Cary West <Cwest@gcpud.org>
To: "'LINDA.MCCONKEY@usbank.com'" <LINDA.MCCONKEY@usbank.com>, "Davis,Thomas E (BPA) - LT-7" <tedavis@bpa.gov>
Cc: "Powell,Jessica L (CONTR) - FTT-2" <jlpowell@bpa.gov>, "Rios,Matt (BPA) - TSE-TPP-2" <mrrios@bpa.gov>, "Schaeffer, Virginia K (BPA) - LG-7" <vkschaeffer@bpa.gov>
Date: 02/05/2016 10:27 AM
Subject: RE: Escrow Agreement

Hi All –

Tom, thanks for heads up on the edit. We are fine with that change.

Linda, yes, Bonnie Overfield will be signing on behalf of Grant PUD.

Thank you,

Cary



Cary West, CPA
Grant County Public Utility District
Treasury Operations Manager | Deputy Treasurer
desk: (509) 793-1451 | fax: (509) 754-5012

From: LINDA.MCCONKEY@usbank.com [<mailto:LINDA.MCCONKEY@usbank.com>]
Sent: Thursday, February 04, 2016 5:47 PM
To: Davis,Thomas E (BPA) - LT-7
Cc: Cary West; Powell,Jessica L (CONTR) - FTT-2; Rios,Matt (BPA) - TSE-TPP-2; Schaeffer, Virginia K (BPA) - LG-7
Subject: Re: Escrow Agreement

Hi, Cary,
Please confirm that Bonnie Overfield will be signing on behalf of Grant PUD and that statements are to be sent to her attention. I am in the process of opening the account.

Hi, Tom,
I know that Nancy will be signing on behalf of Bonneville, who should statements be directed to at Bonneville?

Thank you,
Linda

Linda A. McConkey
Vice President | Account Manager | Global Corporate Trust Services
p. 503.464.3757 | f. 503.464.4155 | linda.mcconkey@usbank.com

U.S. Bank
555 SW Oak Street, PD-OR-P7TD | Portland, OR 97204 | www.usbank.com

From: "Davis,Thomas E (BPA) - LT-7" <tedavis@bpa.gov>
To: "Cary West (Cwest@gcpud.org)" <Cwest@gcpud.org>
Cc: "Powell,Jessica L (CONTR) - FTT-2" <jlpowell@bpa.gov>, "Rios,Matt (BPA) - TSE-TPP-2" <mrrios@bpa.gov>, "Schaeffer, Virginia K (BPA) - LG-7" <vkschaeffer@bpa.gov>, "'linda.mcconkey@usbank.com' (linda.mcconkey@usbank.com)" <linda.mcconkey@usbank.com>
Date: 02/04/2016 04:42 PM
Subject: Escrow Agreement

Cary:
I just completed my final legal review (I hope) of the escrow agreement as part of BPA's review process. I noticed we left a reference to "jointly and severally" in section 11 where it should have been taken out. In earlier drafts, I deleted "Recipient" [BPA] in the following sentence but missed the joint and several language that followed. Just letting you know that I am deleting the phrase in

the agreement you should see next week. BPA cannot provide indemnification but that doesn't preclude an action being brought against BPA.

Depositor further agrees, ~~jointly and severally~~, to indemnify each Indemnified Party for all costs, including without limitation reasonable attorney's fees, incurred by such Indemnified Party in connection with the enforcement of Depositor's indemnification obligations hereunder.

If you have any questions or would like to discuss further, please don't hesitate to communicate with me. We are still on track to get this signed by Nancy Mitman and out the door on Monday or Tuesday.

Take care,

Tom Davis
BPA Office of General Counsel
503-230-3968 (Office)
(b) (6) (Mobile)

U.S. BANCORP made the following annotations

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-----[attachment "image001.jpg" deleted by Linda A
Mcconkey/OR/USB]

U.S. BANCORP made the following annotations

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-----[attachment "image002.jpg" deleted by Linda A
Mcconkey/OR/USB]

U.S. BANCORP made the following annotations

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-----[attachment "Signed BPA Escrow Agreement.pdf"
deleted by Linda A Mcconkey/OR/USB]

U.S. BANCORP made the following annotations

Electronic Privacy Notice. This e-mail, and any attachments, contains information that is, or may be, covered by electronic communications privacy laws, and is also confidential and proprietary in nature. If you are not the intended recipient, please be advised that you are legally prohibited from retaining, using, copying, distributing, or otherwise disclosing this information in any manner. Instead, please reply to the sender that you have received this communication in error, and then immediately delete it. Thank you in advance for your cooperation.



Department of Energy

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

FINANCE

February 10, 2016

In reply refer to: FTT-2

Mr. Rod Noteboom, Manager of Transmission Services
Public Utility District No. 2 of Grant County, Washington
30 C Street SW
Ephrata, WA 98823

Dear Mr. Noteboom:

Enclosed are three signed originals of an Escrow Agreement by and between the Bonneville Power Administration (BPA), Public Utility District No. 2 of Grant County, Washington (Grant PUD), and U.S. Bank National Association (U.S. Bank). Pursuant to the Escrow Agreement, U.S. Bank, as the escrow agent, will hold funds paid by Grant PUD pending resolution of Grant PUD's dispute of BPA's charges related to the application of short-distance discounts under Point-to-Point Transmission Service Agreement No. 01TX-10679 between Grant PUD and BPA.

Please counter-sign all three originals of the Escrow Agreement, including Schedule C, and forward to U.S. Bank at the following address:

U.S. Bank National Association
ATTN: Linda McConkey, Global Corporate Trust Services
555 SW Oak Street, PD-OR-P6TD
Portland, OR 97204

U.S. Bank will execute all originals and return one fully executed original to Grant PUD and BPA.

If you have any questions regarding this letter, please call me at (503) 230-7544.

(b) (6)

A large black rectangular redaction covers the signature area of the letter.

Jon M. Dull
Treasury Manager
Bonneville Power Administration

3 Enclosures

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of February ___, 2016 ("Escrow Agreement"), is by and among the Public Utility District No. 2 of Grant County, Washington ("Depositor"); the Department of Energy, by and through the Bonneville Power Administration, an agency of the United States of America, operating in Portland, Oregon ("Recipient"); and U.S. Bank National Association, a national banking association, as escrow agent hereunder ("Escrow Agent").

BACKGROUND

A. Depositor and Recipient have entered into an electric transmission service agreement (BPA Contract No. 01TX-10679) (as amended, the "Underlying Agreement"), dated as of August 1, 2004 (as updated with amended exhibits from time to time), under the Recipient's Open Access Transmission Tariff ("Tariff"). Under Section 7.3 of the Tariff, Depositor pays Recipient for certain transmission services, but if an invoiced amount is disputed, it shall be paid into an independent escrow account, pending resolution of the dispute under, among other things, Section 12 of the Tariff. Accordingly, Depositor shall deposit the Escrow Funds (defined below) in a segregated escrow account to be held by Escrow Agent for the purpose of holding such funds pending dispute resolution. For purposes of this Escrow Agreement, the dispute relates to Recipient's "short distance discount" calculations.

B. Escrow Agent has agreed to accept, hold, and disburse the funds deposited with it and the earnings thereon in accordance with the terms of this Escrow Agreement.

C. Depositor and Recipient have appointed the Representatives (as defined below) to represent them for all purposes in connection with the funds to be deposited with Escrow Agent and this Escrow Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Definitions. The following terms shall have the following meanings when used herein:

"Escrow Funds" shall mean the funds deposited with Escrow Agent pursuant to Section 3 of this Agreement, together with any interest and other income thereon.

"Escrow Period" shall mean the period commencing on the date hereof and ending at the close of Escrow Agent's business day on January 2, 2019, unless earlier terminated pursuant to this Escrow Agreement.

"Indemnified Party" shall have the meaning set forth in Section 11.

"Joint Written Direction" shall mean a written direction executed by one each of the Representatives from the Depositor and Recipient and directing Escrow Agent to disburse all or a portion of the Escrow Funds or to take or refrain from taking any other action pursuant to this

Escrow Agreement.

"Depositor Representative" shall mean the person(s) so designated on Schedule C hereto or any other person designated in a writing signed by Depositor and delivered to Escrow Agent and the Recipient Representative in accordance with the notice provisions of this Escrow Agreement, to act as its representative under this Escrow Agreement.

"Representatives" shall mean the Depositor Representative and the Recipient Representative.

"Recipient Representative" shall mean the person(s) so designated on Schedule C hereto or any other person designated, in a writing signed by Recipient and delivered to Escrow Agent and the Depositor Representative in accordance with the notice provisions of this Escrow Agreement, to act as its representative under this Escrow Agreement.

2. Appointment of and Acceptance by Escrow Agent. Depositor and Recipient hereby appoint Escrow Agent to serve as escrow agent hereunder. Escrow Agent hereby accepts such appointment and, upon receipt by wire transfer of the Escrow Funds in accordance with Section 3 below, agrees to hold, invest and disburse the Escrow Funds in accordance with this Escrow Agreement.

3. Deposit of Escrow Funds. As soon as practicable with the execution and delivery of this Escrow Agreement, Depositor, on behalf of the Recipient, will transfer the Escrow Funds in the amount of \$2,290,251.00 and additional amounts deposited by Depositor, on behalf of the Recipient, from time to time during the Escrow Period, by wire transfer of immediately available funds, to an account designated by Escrow Agent.

4. Disbursements of Escrow Funds. Escrow Agent shall disburse Escrow Funds at any time and from time to time, upon receipt of, and in accordance with, a Joint Written Direction. Such Joint Written Direction shall contain complete payment instructions, including wiring instructions or an address to which a check shall be sent. In the case where the account is at a zero dollar balance it may be closed by the Depositor individually. Prior to any disbursement, Escrow Agent shall have received reasonable identifying information regarding the Recipient such that Escrow Agent may comply with its regulatory obligations and reasonable business practices, including without limitation a completed United States Internal Revenue Service ("IRS") Form W-9 or original IRS Form W-8, as applicable. All disbursements of funds from the Escrow Funds shall be subject to the fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 11 and Section 12 below.

5. Suspension of Performance; Disbursement into Court. If, at any time, (i) there shall exist any dispute between Depositor, Recipient or the Representatives with respect to the holding or disposition of all or any portion of the Escrow Funds or any other obligations of Escrow Agent hereunder, (ii) Escrow Agent is unable to determine, to Escrow Agent's sole satisfaction, the proper disposition of all or any portion of the Escrow Funds or Escrow Agent's proper actions with respect to its obligations hereunder, or (iii) Depositor and Recipient have not, within 10 calendar days of the furnishing by Escrow Agent of a notice of resignation pursuant to Section 8 hereof, appointed a successor Escrow Agent to act hereunder, then Escrow Agent may, in its sole discretion, take either or both of the following actions:

a. suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Escrow Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of Escrow Agent or until a successor Escrow Agent shall have been appointed.

b. petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to Escrow Agent, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all Escrow Funds, after deduction and payment to Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder.

Escrow Agent shall have no liability to Depositor, Recipient or the Representatives, their respective owners, shareholders or members or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of the Escrow Funds or any delay in or with respect to any other action required or requested of Escrow Agent.

6. [reserved]

7. Investment of Funds. Based upon Depositor's and Recipient's prior review of investment alternatives, in the absence of further specific written direction to the contrary, the Escrow Agent is directed to initially invest and reinvest the Escrow Funds in the investment indicated on Schedule B hereto. Recipient may provide written instructions changing the investment of the Escrow Funds to the Escrow Agent; provided, however, Recipient warrants that it will not direct the Escrow Agent to make any alternative investment or reinvestment except in the following: (a) direct obligations of the United States of America or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America; (b) U.S. dollar denominated deposit accounts and certificates of deposits issued by any bank, bank and trust company, or national banking association (including Escrow Agent and its affiliates), which such deposits are insured by the Federal Deposit Insurance Corporation or a similar governmental agency; or (c) the funds described in Schedule B, provided further, however, that the Escrow Agent will not be directed to invest in investments that the Escrow Agent in its sole discretion determines are not consistent with the Escrow Agent's policy or practices. Depositor and Recipient acknowledge that the Escrow Agent does not have a duty nor will it undertake any duty to provide investment advice.

If Escrow Agent has not received a written instruction from Recipient at any time that an investment decision must be made, Escrow Agent is directed to invest the Escrow Funds, or such portion thereof as to which no written investment instruction has been received, in the investment indicated on Schedule B hereto. All investments shall be made in the name of Escrow Agent. Notwithstanding anything to the contrary contained herein, Escrow Agent may, without notice to Depositor and Recipient, sell or liquidate any of the foregoing investments at any time for any disbursement of Escrow Funds permitted or required hereunder. All investment earnings shall become part of the Escrow Funds and investment losses shall be charged against the Escrow Funds. Escrow Agent shall not be liable or responsible for loss in the value of any

investment made pursuant to this Escrow Agreement, or for any loss, cost or penalty resulting from any sale or liquidation of the Escrow Funds. With respect to any Escrow Funds received by Escrow Agent after ten o'clock Pacific Standard Time, Escrow Agent shall not be required to invest such funds or to effect any investment instruction until the next day upon which banks in St. Paul, Minnesota and the New York Stock Exchange are open for business.

8. Resignation or Removal of Escrow Agent. Escrow Agent may resign and be discharged from the performance of its duties hereunder at any time by giving ten (10) days prior written notice to the Depositor and Recipient specifying a date when such resignation shall take effect and, after the date of such resignation notice, notwithstanding any other provision of this Agreement, Escrow Agent's sole obligation will be to hold the Escrow Funds pending appointment of a successor Escrow Agent. Similarly, Escrow Agent may be removed at any time by Depositor and Recipient giving at least thirty (30) days' prior written notice to Escrow Agent specifying the date when such removal shall take effect. Depositor and Recipient jointly shall appoint a successor Escrow Agent hereunder prior to the effective date of such resignation or removal. If the Depositor and Recipient fail to appoint a successor Escrow Agent within such time, the Escrow Agent shall have the right to petition a court of competent jurisdiction to appoint a successor Escrow Agent, and all costs and expenses (including without limitation attorneys' fees) related to such petition shall be paid jointly and severally by Depositor and Recipient. The retiring Escrow Agent shall transmit all records pertaining to the Escrow Funds and shall pay all Escrow Funds to the successor Escrow Agent, after making copies of such records as the retiring Escrow Agent deems advisable and after deduction and payment to the retiring Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the retiring Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder. After any retiring Escrow Agent's resignation or removal, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Escrow Agreement.

9. Binding Effect; Successors. This Escrow Agreement shall be binding upon the respective parties hereto and their heirs, executors, successors or assigns. If the Escrow Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the escrow contemplated by this Escrow Agreement) to another corporation, the successor or transferee corporation without any further act shall be the successor Escrow Agent.

10. Liability of Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. The Escrow Agent has no fiduciary or discretionary duties of any kind. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Escrow Agreement, including without limitation any other agreement between any or all of the parties hereto or any other persons even though reference thereto may be made herein. The Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the sole cause of any loss to the Depositor or Recipient. Escrow Agent's sole responsibility shall be for the safekeeping and disbursement of the Escrow Funds in accordance with the terms of this Escrow Agreement. Escrow Agent shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. Escrow Agent may rely upon

any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall believe to be genuine and to have been signed or presented by the person or parties purporting to sign the same. In no event shall Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such damages or penalty and regardless of the form of action. Escrow Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Escrow Funds, any account in which Escrow Funds are deposited, this Escrow Agreement or the Underlying Agreement, or to appear in, prosecute or defend any such legal action or proceeding. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the advice of such counsel. Depositor shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel. Depositor agrees to perform or procure the performance of all further acts and things, and execute and deliver such further documents, as may be required by law or as Escrow Agent may reasonably request in connection with its duties hereunder.

The Escrow Agent is authorized, in its sole discretion, to comply with final orders issued or process entered by any court with respect to the Escrow Funds, without determination by the Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

11. Indemnification of Escrow Agent. From and at all times after the date of this Escrow Agreement, Depositor shall, to the fullest extent permitted by law, indemnify and hold harmless Escrow Agent and each director, officer, employee, attorney, agent and affiliate of Escrow Agent (collectively, the "Indemnified Parties") against any and all actions, claims (whether or not valid), losses, damages, liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, costs and expenses) incurred by or asserted against any of the Indemnified Parties, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any person, including without limitation Depositor, Recipient and the Representatives, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person under any statute or regulation, including, but not limited

to, any federal or state securities laws, or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance in connection with this Escrow Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such action, proceeding, suit or the target of any such inquiry or investigation; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by a court of competent jurisdiction, subject to no further appeal, to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. Depositor further agrees to indemnify each Indemnified Party for all costs, including without limitation reasonable attorney's fees, incurred by such Indemnified Party in connection with the enforcement of Depositor's indemnification obligations hereunder. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such counsel shall be paid upon demand by the Depositor. The obligations of Depositor under this Section 11 shall survive any termination of this Escrow Agreement and the resignation or removal of Escrow Agent.

The parties agree that neither the payment by Depositor of any claim by Escrow Agent for indemnification hereunder nor the disbursement of any amounts to Escrow Agent from the Escrow Funds in respect of a claim by Escrow Agent for indemnification shall impair, limit, modify, or affect, as between Depositor and Recipient, the respective rights and obligations of Depositor and Recipient under the Underlying Agreement.

12. Compensation of Escrow Agent

(a) Fees and Expenses. Depositor will be wholly responsible for Escrow Agent's compensation. The obligations of Depositor and Recipient under this Section 12 shall survive any termination of this Escrow Agreement and the resignation or removal of Escrow Agent.

(b) Disbursements from Escrow Funds to Pay Escrow Agent. Escrow Agent is authorized to, and may disburse to itself from the Escrow Funds, from time to time, the amount of any compensation and reimbursement of out-of-pocket expenses due and payable hereunder (including any amount to which Escrow Agent or any Indemnified Party is entitled to seek indemnification hereunder). Escrow Agent shall notify Depositor and Recipient of any disbursement from the Escrow Funds to itself or any Indemnified Party in respect of any compensation or reimbursement hereunder and shall furnish Depositor and Recipient copies of related invoices and other statements.

(c) Security and Offset. Depositor hereby grants to Escrow Agent and the Indemnified Parties a security interest in, lien upon and right of offset against the Escrow Funds with respect to any compensation or reimbursement due any of them hereunder (including any claim for indemnification hereunder). If for any reason the Escrow Funds are insufficient to cover such compensation and reimbursement, Depositor shall promptly pay such amounts to Escrow Agent or any Indemnified Party upon receipt of an itemized invoice.

13. Representations and Warranties. Depositor and Recipient each respectively make the following representations and warranties to Escrow Agent:

(a) it has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder; and this Escrow Agreement has been duly approved by all necessary action and constitutes its valid and binding agreement enforceable in accordance with its terms; and

(b) each of the applicable persons designated on Schedule C attached hereto have been duly appointed to act as authorized representatives hereunder and individually have full power and authority to execute and deliver any Joint Written Direction, to amend, modify or waive any provision of this Escrow Agreement and to take any and all other actions as authorized representatives under this Escrow Agreement, all without further consent or direction from, or notice to, it or any other party, provided that any change in designation of such authorized representatives shall be provided by written notice delivered to each party to this Escrow Agreement.

14. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Escrow Agent requires documentation to verify its formation and existence as a legal entity. The Escrow Agent may ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The parties acknowledge that a portion of the identifying information set forth herein is being requested by the Escrow Agent in connection with the USA Patriot Act, Pub.L.107-56 (the

“Act”), and each agrees to provide any additional information requested by the Escrow Agent in connection with the Act or any other legislation or regulation to which Escrow Agent is subject, in a timely manner.

15. Consent to Jurisdiction and Venue. In the event that any party hereto commences a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree to the personal jurisdiction by and venue in the federal courts in the State of Oregon and waive any objection to such jurisdiction or venue to the extent permitted by United States Federal law. The parties hereto consent to and agree to submit to the jurisdiction of the federal courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts to the extent permitted by United States Federal law.

16. Notices. All notices, approvals, consents, requests, and other communications hereunder shall be in writing (provided that each such communication to Escrow Agent must be manually signed by the sender) and shall be delivered (i) by personal delivery, or (ii) by national overnight courier service, or (iii) by certified or registered mail, return receipt requested, or (iv) via facsimile transmission, with confirmed receipt or (v) via email by way of a PDF attachment thereto. Notice shall be effective upon receipt except for notice via email, which shall be effective only when the recipient, by return email or notice delivered by other method provided for in this Section 16, acknowledges having received that email (with an automatic “read receipt” or similar notice not constituting an acknowledgement of an email receipt for purposes of this Section 16). Such notices shall be sent to the applicable party or parties at the address specified below:

If to Depositor or Depositor Representative at:

Public Utility District No. 2 of Grant County
ATTN: Treasury Operations
Cary West, Treasury Operations Manager
PO Box 878
Ephrata, WA 98823
Telephone: (509) 793-1451
Facsimile: (509) 754-5012
Email: cwest@gcpud.org

If to Recipient or Recipient Representative at:

Bonneville Power Administration
ATTN: Manager, Cash & Treasury Management
P.O. Box 3621, FTT-2
Portland, OR 97208-3621
Telephone: (503) 230-3394
Facsimile: (503) 230-4690
Email: dcbleiler@bpa.gov

If to the Escrow Agent at:

U.S. Bank National Association, as Escrow Agent
ATTN: Global Corporate Trust Services
555 SW Oak Street, PD-OR-P7TD
Portland, OR 97204
Telephone: (503) 464-3757
Facsimile: (503) 464-4155
E-mail: linda.mcconkey@usbank.com@usbank.com

and to:

U.S. Bank National Association
ATTN: William Diaz
Trust Finance Management
60 Livingston Avenue, EP-MN-WS3T
St. Paul, MN 55101
Telephone: (651) 466-6085
Facsimile: (651) 312-2599
E-mail: william.diaz@usbank.com

or to such other address as each party may designate for itself by like notice and unless otherwise provided herein shall be deemed to have been given on the date received.

17. Optional Security Procedures. In the event funds transfer instructions, address changes or change in contact information are given (other than in writing at the time of execution of this Escrow Agreement), whether in writing, by facsimile or otherwise, the Escrow Agent is authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule C hereto, and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Escrow Agent and shall be effective only after Escrow Agent has a reasonable opportunity to act on such changes. If the Escrow Agent is unable to contact any of the designated representatives identified in Schedule C, the Escrow Agent is hereby authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to any one or more of Depositor's or Recipient's executive officers ("Executive Officers"), as the case may be, which shall include the titles of Chief Executive Officer, President and Vice President, as the Escrow Agent may select. Such Executive Officer shall deliver to the Escrow Agent a fully executed incumbency certificate, and the Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. Depositor and Recipient agree that the Escrow Agent may at its option record any telephone calls made pursuant to this Section. The Escrow Agent in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Depositor or Recipient to identify (a) the beneficiary, (b) the beneficiary's bank, or (c) an intermediary bank. The Escrow Agent may apply any of the Escrow Funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. Depositor and Recipient acknowledge that these optional security procedures are commercially reasonable.

18. Amendment, Waiver and Assignment. None of the terms or conditions of this Escrow Agreement may be changed, waived, modified, discharged, terminated or varied in any manner whatsoever unless in writing duly signed by each party to this Escrow Agreement. No course of conduct shall constitute a waiver of any of the terms and conditions of this Escrow Agreement, unless such waiver is specified in writing, and then only to the extent so specified. A waiver of any of the terms and conditions of this Escrow Agreement on one occasion shall not constitute a waiver of the other terms of this Escrow Agreement, or of such terms and conditions on any other occasion. Except as provided in Section 9 hereof, this Escrow Agreement may not be assigned by any party without the written consent of the other parties.

19. Severability. To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

20. Governing Law. This Escrow Agreement shall be construed and interpreted in accordance with the internal laws of the State of Oregon, without giving effect to the conflict of laws principles thereof, except as otherwise required by United States Federal law.

21. Entire Agreement, No Third Party Beneficiaries. This Escrow Agreement constitutes the entire agreement between the parties relating to the holding, investment and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of Escrow Agent with respect to the Escrow Funds. Nothing in this Escrow Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Escrow Agreement.

22. Execution in Counterparts, Facsimiles. This Escrow Agreement and any Joint Written Direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction. The delivery of copies of this Escrow Agreement and any Joint Written Instruction and their respective signature pages by PDF or facsimile transmission shall constitute effective execution and delivery as to the parties and may be used in lieu of originals for all purposes.

23. Termination. This Escrow Agreement shall terminate upon the distribution of all the Escrow Funds pursuant to any applicable provision of this Escrow Agreement, and Escrow Agent shall thereafter have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Funds.

24. Dealings. The Escrow Agent and any stockholder, director, officer or employee of the Escrow Agent may buy, sell, and deal in any of the securities of the Depositor or Recipient and become pecuniarily interested in any transaction in which the Depositor or Recipient may be interested, and contract and lend money to the Depositor or Recipient and otherwise act as fully and freely as though it were not Escrow Agent under this Agreement. Nothing herein shall preclude the Escrow Agent from acting in any other capacity for the Depositor or Recipient or for any other entity.

25. Brokerage Confirmation Waiver. Depositor and Recipient acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity

grant either the right to receive brokerage confirmations for certain security transactions as they occur, Depositor and Recipient specifically waive receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Depositor and Recipient periodic cash transaction statements that include detail for all investment transactions made by the Escrow Agent.

26. Tax Reporting. Escrow Agent shall have no responsibility for the tax consequences of this Agreement and Depositor and Recipient shall consult with independent counsel concerning any and all tax matters. Depositor and Recipient shall provide Escrow Agent Form W-9 and an original Form W-8, as applicable, for each payee, together with any other documentation and information requested by Escrow Agent in connection with Escrow Agent's reporting obligations under applicable IRS regulations. If such tax documentation is not so provided, Escrow Agent shall withhold taxes as required by the IRS. Recipient and Depositor have determined that any interest or income on Escrow Funds shall be reported on an accrual basis and deemed to be for the account of Depositor. Depositor and Recipient shall prepare and file all required tax filings with the IRS and any other applicable taxing authority; provided that the parties further agree that:

(a) Escrow Agent IRS Reporting. Depositor shall accurately provide the Escrow Agent with all information requested by the Escrow Agent in connection with the preparation of all applicable Form 1099 and Form 1042-S documents with respect to all distributions as well as in the performance of Escrow Agent's reporting obligations under the Foreign Account Tax Compliance Act and Foreign Investment in Real Property Tax Act or other applicable law or regulation.

(b) Withholding Requests and Indemnification. Depositor agrees to (i) assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement, (ii) request the Escrow Agent in writing with respect to withholding and other taxes, assessments or other governmental charges, and advise Escrow Agent in writing with respect to any certifications and governmental reporting that may be required under any applicable laws or regulations, and (iii) indemnify and hold the Escrow Agent harmless pursuant to Section 11 hereof from any liability or obligation on account of taxes, assessments, additions for late payment, interest, penalties, expenses and other governmental charges that may be assessed or asserted against Escrow Agent.

(c) Imputed Interest. To the extent that IRS imputed interest regulations apply, Depositor and Recipient shall so inform Escrow Agent, provide Escrow Agent with all imputed interest calculations and direct Escrow Agent to disburse imputed interest amounts as Depositor and Recipient deem appropriate. Escrow Agent shall rely solely on such provided calculations and information and shall have no responsibility for the accuracy or completeness of any such calculations or information.

27. Publicity. No party will (a) use any other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify any other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of such other party.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed under seal as of the date first above written.

**Public Utility District No. 2 of Grant County,
Washington**

(b) (6)
By: _____
Name: Bonnie Overfield
Title: Treasurer/Director of Finance

Bonneville Power Administration

(b) (6)
By: _____
Name: Nancy M. Mitman
Title: Executive Vice-President and Chief
Financial Officer

**U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent**

By: _____
Name: Linda A. McConkey
Title: Vice President

SCHEDULE B

INVESTMENT DIRECTION FOR ESCROW

FIRST AMERICAN FUNDS
AUTOMATIC MONEY MARKET INVESTMENTS
INVESTMENT AUTHORIZATION LETTER

Based upon client's prior review of investment alternatives, in the absence of further specific written direction to the contrary, U.S. Bank National Association (or U.S. Bank Trust National Association) is hereby directed to invest and reinvest proceeds and other available moneys in the following fund as permitted by the operative documents.

First American Funds U.S. Treasury Money Market Fund (Class D)

PLEASE REFER TO THE PROSPECTUS OF FIRST AMERICAN FUNDS, INC. WHICH YOU HEREBY ACKNOWLEDGE HAS PREVIOUSLY BEEN PROVIDED. NOTE THAT THE ABOVE FUNDS' INVESTMENT ADVISOR, CUSTODIAN, DISTRIBUTOR AND OTHER SERVICE PROVIDERS AS DISCLOSED IN THE FUNDS PROSPECTUS ARE U.S. BANK NATIONAL ASSOCIATION AND AFFILIATES THEREOF. SHARES OF THE ABOVE FUNDS ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED BY, ANY BANK INCLUDING U.S. BANK NATIONAL ASSOCIATION OR ANY OF ITS AFFILIATES, NOR ARE THEY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER AGENCY. AN INVESTMENT IN THE FUNDS INVOLVES INVESTMENT RISK, INCLUDING POSSIBLE LOSS OF PRINCIPAL. U.S. BANK DOES NOT HAVE A DUTY NOR WILL IT UNDERTAKE ANY DUTY TO PROVIDE INVESTMENT ADVICE TO YOU. U.S. BANK, WHEN ACTING AS AN INDENTURE TRUSTEE OR IN A SIMILAR CAPACITY, IS NOT REQUIRED TO REGISTER AS A MUNICIPAL ADVISOR WITH THE SECURITIES AND EXCHANGE COMMISSION FOR PURPOSES OF COMPLYING WITH THE DODD-FRANK WALL STREET REFORM & CONSUMER PROTECTION ACT. INVESTMENT ADVICE, IF NEEDED, SHOULD BE OBTAINED FROM YOUR FINANCIAL ADVISOR. **FOR INFORMATION ABOUT OTHER AVAILABLE SWEEP OPTIONS, CONTACT YOUR ACCOUNT MANAGER.**

U.S. Bank National Association (or U.S. Bank Trust National Association) will not vote proxies for the First American Funds. Proxies will be mailed to you for voting.

SHAREHOLDER COMMUNICATIONS ACT AUTHORIZATION

The Shareholder Communications Act of 1985 and its regulation require that banks and trust companies make an effort to facilitate communication between registrants of U.S. securities and the parties who have the authority to vote or direct the voting of those securities regarding proxy dissemination and other corporate communications. Unless you indicate your objection below, we will provide the obligatory information to the registrant upon request. Your objection will apply to all securities held for you in the account now and in the future unless you notify us in writing.

_____ I object to US Bank providing my name, address, and securities positions to requesting issuers.
(Initial, check, or place an X on the to indicate your objection)

Fee Basis: Approval of investment in any of these First American mutual funds includes approval of the fund's fees and expenses as detailed in the enclosed prospectus, including advisory, custodial, distribution, shareholder service expenses and other fees, which fees and expenses are paid to U.S. Bank National Association or other affiliates of U.S. Bank National Association.

Dated: February __, 2016

SCHEDULE C

Each of the following person(s) is a **Depositor Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Depositor's behalf (only one signature required):

<u>Bonnie Overfield</u>	(b) (6)	<u>509-754-7218</u>
Name	Specimen signature	Telephone No.

The following person not listed above is authorized for call-back confirmations:

<u>Cary West</u>	<u>503-793-1451</u>
Name	Telephone No.

Each of the following person(s) is a **Recipient Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Recipient's behalf (only one signature required):

<u>Nancy M. Mitman</u>	(b) (6)	<u>503-230-3998</u>
Name	Specimen signature	Telephone No.

The following person not listed above is authorized for call-back confirmations

<u>Jon M. Dull</u>	<u>503-230-7544</u>
Name	Telephone No.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of February ___, 2016 ("Escrow Agreement"), is by and among the Public Utility District No. 2 of Grant County, Washington ("Depositor"); the Department of Energy, by and through the Bonneville Power Administration, an agency of the United States of America, operating in Portland, Oregon ("Recipient"); and U.S. Bank National Association, a national banking association, as escrow agent hereunder ("Escrow Agent").

BACKGROUND

A. Depositor and Recipient have entered into an electric transmission service agreement (BPA Contract No. 01TX-10679) (as amended, the "Underlying Agreement"), dated as of August 1, 2004 (as updated with amended exhibits from time to time), under the Recipient's Open Access Transmission Tariff ("Tariff"). Under Section 7.3 of the Tariff, Depositor pays Recipient for certain transmission services, but if an invoiced amount is disputed, it shall be paid into an independent escrow account, pending resolution of the dispute under, among other things, Section 12 of the Tariff. Accordingly, Depositor shall deposit the Escrow Funds (defined below) in a segregated escrow account to be held by Escrow Agent for the purpose of holding such funds pending dispute resolution. For purposes of this Escrow Agreement, the dispute relates to Recipient's "short distance discount" calculations.

B. Escrow Agent has agreed to accept, hold, and disburse the funds deposited with it and the earnings thereon in accordance with the terms of this Escrow Agreement.

C. Depositor and Recipient have appointed the Representatives (as defined below) to represent them for all purposes in connection with the funds to be deposited with Escrow Agent and this Escrow Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Definitions. The following terms shall have the following meanings when used herein:

"Escrow Funds" shall mean the funds deposited with Escrow Agent pursuant to Section 3 of this Agreement, together with any interest and other income thereon.

"Escrow Period" shall mean the period commencing on the date hereof and ending at the close of Escrow Agent's business day on January 2, 2019, unless earlier terminated pursuant to this Escrow Agreement.

"Indemnified Party" shall have the meaning set forth in Section 11.

"Joint Written Direction" shall mean a written direction executed by one each of the Representatives from the Depositor and Recipient and directing Escrow Agent to disburse all or a portion of the Escrow Funds or to take or refrain from taking any other action pursuant to this

Escrow Agreement.

"Depositor Representative" shall mean the person(s) so designated on Schedule C hereto or any other person designated in a writing signed by Depositor and delivered to Escrow Agent and the Recipient Representative in accordance with the notice provisions of this Escrow Agreement, to act as its representative under this Escrow Agreement.

"Representatives" shall mean the Depositor Representative and the Recipient Representative.

"Recipient Representative" shall mean the person(s) so designated on Schedule C hereto or any other person designated, in a writing signed by Recipient and delivered to Escrow Agent and the Depositor Representative in accordance with the notice provisions of this Escrow Agreement, to act as its representative under this Escrow Agreement.

2. **Appointment of and Acceptance by Escrow Agent.** Depositor and Recipient hereby appoint Escrow Agent to serve as escrow agent hereunder. Escrow Agent hereby accepts such appointment and, upon receipt by wire transfer of the Escrow Funds in accordance with Section 3 below, agrees to hold, invest and disburse the Escrow Funds in accordance with this Escrow Agreement.

3. **Deposit of Escrow Funds.** As soon as practicable with the execution and delivery of this Escrow Agreement, Depositor, on behalf of the Recipient, will transfer the Escrow Funds in the amount of \$2,290,251.00 and additional amounts deposited by Depositor, on behalf of the Recipient, from time to time during the Escrow Period, by wire transfer of immediately available funds, to an account designated by Escrow Agent.

4. **Disbursements of Escrow Funds.** Escrow Agent shall disburse Escrow Funds at any time and from time to time, upon receipt of, and in accordance with, a Joint Written Direction. Such Joint Written Direction shall contain complete payment instructions, including wiring instructions or an address to which a check shall be sent. In the case where the account is at a zero dollar balance it may be closed by the Depositor individually. Prior to any disbursement, Escrow Agent shall have received reasonable identifying information regarding the Recipient such that Escrow Agent may comply with its regulatory obligations and reasonable business practices, including without limitation a completed United States Internal Revenue Service ("IRS") Form W-9 or original IRS Form W-8, as applicable. All disbursements of funds from the Escrow Funds shall be subject to the fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 11 and Section 12 below.

5. **Suspension of Performance; Disbursement into Court.** If, at any time, (i) there shall exist any dispute between Depositor, Recipient or the Representatives with respect to the holding or disposition of all or any portion of the Escrow Funds or any other obligations of Escrow Agent hereunder, (ii) Escrow Agent is unable to determine, to Escrow Agent's sole satisfaction, the proper disposition of all or any portion of the Escrow Funds or Escrow Agent's proper actions with respect to its obligations hereunder, or (iii) Depositor and Recipient have not, within 10 calendar days of the furnishing by Escrow Agent of a notice of resignation pursuant to Section 8 hereof, appointed a successor Escrow Agent to act hereunder, then Escrow Agent may, in its sole discretion, take either or both of the following actions:

a. suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Escrow Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of Escrow Agent or until a successor Escrow Agent shall have been appointed.

b. petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to Escrow Agent, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all Escrow Funds, after deduction and payment to Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder.

Escrow Agent shall have no liability to Depositor, Recipient or the Representatives, their respective owners, shareholders or members or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of the Escrow Funds or any delay in or with respect to any other action required or requested of Escrow Agent.

6. [reserved]

7. Investment of Funds. Based upon Depositor's and Recipient's prior review of investment alternatives, in the absence of further specific written direction to the contrary, the Escrow Agent is directed to initially invest and reinvest the Escrow Funds in the investment indicated on Schedule B hereto. Recipient may provide written instructions changing the investment of the Escrow Funds to the Escrow Agent; provided, however, Recipient warrants that it will not direct the Escrow Agent to make any alternative investment or reinvestment except in the following: (a) direct obligations of the United States of America or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America; (b) U.S. dollar denominated deposit accounts and certificates of deposits issued by any bank, bank and trust company, or national banking association (including Escrow Agent and its affiliates), which such deposits are insured by the Federal Deposit Insurance Corporation or a similar governmental agency; or (c) the funds described in Schedule B, provided further, however, that the Escrow Agent will not be directed to invest in investments that the Escrow Agent in its sole discretion determines are not consistent with the Escrow Agent's policy or practices. Depositor and Recipient acknowledge that the Escrow Agent does not have a duty nor will it undertake any duty to provide investment advice.

If Escrow Agent has not received a written instruction from Recipient at any time that an investment decision must be made, Escrow Agent is directed to invest the Escrow Funds, or such portion thereof as to which no written investment instruction has been received, in the investment indicated on Schedule B hereto. All investments shall be made in the name of Escrow Agent. Notwithstanding anything to the contrary contained herein, Escrow Agent may, without notice to Depositor and Recipient, sell or liquidate any of the foregoing investments at any time for any disbursement of Escrow Funds permitted or required hereunder. All investment earnings shall become part of the Escrow Funds and investment losses shall be charged against the Escrow Funds. Escrow Agent shall not be liable or responsible for loss in the value of any

investment made pursuant to this Escrow Agreement, or for any loss, cost or penalty resulting from any sale or liquidation of the Escrow Funds. With respect to any Escrow Funds received by Escrow Agent after ten o'clock Pacific Standard Time, Escrow Agent shall not be required to invest such funds or to effect any investment instruction until the next day upon which banks in St. Paul, Minnesota and the New York Stock Exchange are open for business.

8. Resignation or Removal of Escrow Agent. Escrow Agent may resign and be discharged from the performance of its duties hereunder at any time by giving ten (10) days prior written notice to the Depositor and Recipient specifying a date when such resignation shall take effect and, after the date of such resignation notice, notwithstanding any other provision of this Agreement, Escrow Agent's sole obligation will be to hold the Escrow Funds pending appointment of a successor Escrow Agent. Similarly, Escrow Agent may be removed at any time by Depositor and Recipient giving at least thirty (30) days' prior written notice to Escrow Agent specifying the date when such removal shall take effect. Depositor and Recipient jointly shall appoint a successor Escrow Agent hereunder prior to the effective date of such resignation or removal. If the Depositor and Recipient fail to appoint a successor Escrow Agent within such time, the Escrow Agent shall have the right to petition a court of competent jurisdiction to appoint a successor Escrow Agent, and all costs and expenses (including without limitation attorneys' fees) related to such petition shall be paid jointly and severally by Depositor and Recipient. The retiring Escrow Agent shall transmit all records pertaining to the Escrow Funds and shall pay all Escrow Funds to the successor Escrow Agent, after making copies of such records as the retiring Escrow Agent deems advisable and after deduction and payment to the retiring Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the retiring Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder. After any retiring Escrow Agent's resignation or removal, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Escrow Agreement.

9. Binding Effect; Successors. This Escrow Agreement shall be binding upon the respective parties hereto and their heirs, executors, successors or assigns. If the Escrow Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the escrow contemplated by this Escrow Agreement) to another corporation, the successor or transferee corporation without any further act shall be the successor Escrow Agent.

10. Liability of Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. The Escrow Agent has no fiduciary or discretionary duties of any kind. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Escrow Agreement, including without limitation any other agreement between any or all of the parties hereto or any other persons even though reference thereto may be made herein. The Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the sole cause of any loss to the Depositor or Recipient. Escrow Agent's sole responsibility shall be for the safekeeping and disbursement of the Escrow Funds in accordance with the terms of this Escrow Agreement. Escrow Agent shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. Escrow Agent may rely upon

any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall believe to be genuine and to have been signed or presented by the person or parties purporting to sign the same. In no event shall Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such damages or penalty and regardless of the form of action. Escrow Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Escrow Funds, any account in which Escrow Funds are deposited, this Escrow Agreement or the Underlying Agreement, or to appear in, prosecute or defend any such legal action or proceeding. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the advice of such counsel. Depositor shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel. Depositor agrees to perform or procure the performance of all further acts and things, and execute and deliver such further documents, as may be required by law or as Escrow Agent may reasonably request in connection with its duties hereunder.

The Escrow Agent is authorized, in its sole discretion, to comply with final orders issued or process entered by any court with respect to the Escrow Funds, without determination by the Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

11. Indemnification of Escrow Agent. From and at all times after the date of this Escrow Agreement, Depositor shall, to the fullest extent permitted by law, indemnify and hold harmless Escrow Agent and each director, officer, employee, attorney, agent and affiliate of Escrow Agent (collectively, the "Indemnified Parties") against any and all actions, claims (whether or not valid), losses, damages, liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, costs and expenses) incurred by or asserted against any of the Indemnified Parties, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any person, including without limitation Depositor, Recipient and the Representatives, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person under any statute or regulation, including, but not limited

to, any federal or state securities laws, or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance in connection with this Escrow Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such action, proceeding, suit or the target of any such inquiry or investigation; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by a court of competent jurisdiction, subject to no further appeal, to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. Depositor further agrees to indemnify each Indemnified Party for all costs, including without limitation reasonable attorney's fees, incurred by such Indemnified Party in connection with the enforcement of Depositor's indemnification obligations hereunder. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such counsel shall be paid upon demand by the Depositor. The obligations of Depositor under this Section 11 shall survive any termination of this Escrow Agreement and the resignation or removal of Escrow Agent.

The parties agree that neither the payment by Depositor of any claim by Escrow Agent for indemnification hereunder nor the disbursement of any amounts to Escrow Agent from the Escrow Funds in respect of a claim by Escrow Agent for indemnification shall impair, limit, modify, or affect, as between Depositor and Recipient, the respective rights and obligations of Depositor and Recipient under the Underlying Agreement.

12. Compensation of Escrow Agent

(a) Fees and Expenses. Depositor will be wholly responsible for Escrow Agent's compensation. The obligations of Depositor and Recipient under this Section 12 shall survive any termination of this Escrow Agreement and the resignation or removal of Escrow Agent.

(b) Disbursements from Escrow Funds to Pay Escrow Agent. Escrow Agent is authorized to, and may disburse to itself from the Escrow Funds, from time to time, the amount of any compensation and reimbursement of out-of-pocket expenses due and payable hereunder (including any amount to which Escrow Agent or any Indemnified Party is entitled to seek indemnification hereunder). Escrow Agent shall notify Depositor and Recipient of any disbursement from the Escrow Funds to itself or any Indemnified Party in respect of any compensation or reimbursement hereunder and shall furnish Depositor and Recipient copies of related invoices and other statements.

(c) Security and Offset. Depositor hereby grants to Escrow Agent and the Indemnified Parties a security interest in, lien upon and right of offset against the Escrow Funds with respect to any compensation or reimbursement due any of them hereunder (including any claim for indemnification hereunder). If for any reason the Escrow Funds are insufficient to cover such compensation and reimbursement, Depositor shall promptly pay such amounts to Escrow Agent or any Indemnified Party upon receipt of an itemized invoice.

13. Representations and Warranties. Depositor and Recipient each respectively make the following representations and warranties to Escrow Agent:

(a) it has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder; and this Escrow Agreement has been duly approved by all necessary action and constitutes its valid and binding agreement enforceable in accordance with its terms; and

(b) each of the applicable persons designated on Schedule C attached hereto have been duly appointed to act as authorized representatives hereunder and individually have full power and authority to execute and deliver any Joint Written Direction, to amend, modify or waive any provision of this Escrow Agreement and to take any and all other actions as authorized representatives under this Escrow Agreement, all without further consent or direction from, or notice to, it or any other party, provided that any change in designation of such authorized representatives shall be provided by written notice delivered to each party to this Escrow Agreement.

14. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Escrow Agent requires documentation to verify its formation and existence as a legal entity. The Escrow Agent may ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The parties acknowledge that a portion of the identifying information set forth herein is being requested by the Escrow Agent in connection with the USA Patriot Act, Pub.L.107-56 (the

“Act”), and each agrees to provide any additional information requested by the Escrow Agent in connection with the Act or any other legislation or regulation to which Escrow Agent is subject, in a timely manner.

15. Consent to Jurisdiction and Venue. In the event that any party hereto commences a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree to the personal jurisdiction by and venue in the federal courts in the State of Oregon and waive any objection to such jurisdiction or venue to the extent permitted by United States Federal law. The parties hereto consent to and agree to submit to the jurisdiction of the federal courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts to the extent permitted by United States Federal law.

16. Notices. All notices, approvals, consents, requests, and other communications hereunder shall be in writing (provided that each such communication to Escrow Agent must be manually signed by the sender) and shall be delivered (i) by personal delivery, or (ii) by national overnight courier service, or (iii) by certified or registered mail, return receipt requested, or (iv) via facsimile transmission, with confirmed receipt or (v) via email by way of a PDF attachment thereto. Notice shall be effective upon receipt except for notice via email, which shall be effective only when the recipient, by return email or notice delivered by other method provided for in this Section 16, acknowledges having received that email (with an automatic “read receipt” or similar notice not constituting an acknowledgement of an email receipt for purposes of this Section 16). Such notices shall be sent to the applicable party or parties at the address specified below:

If to Depositor or Depositor Representative at:

Public Utility District No. 2 of Grant County
ATTN: Treasury Operations
Cary West, Treasury Operations Manager
PO Box 878
Ephrata, WA 98823
Telephone: (509) 793-1451
Facsimile: (509) 754-5012
Email: cwest@gcpud.org

If to Recipient or Recipient Representative at:

Bonneville Power Administration
ATTN: Manager, Cash & Treasury Management
P.O. Box 3621, FTT-2
Portland, OR 97208-3621
Telephone: (503) 230-3394
Facsimile: (503) 230-4690
Email: dcbleiler@bpa.gov

If to the Escrow Agent at:

U.S. Bank National Association, as Escrow Agent
ATTN: Global Corporate Trust Services
555 SW Oak Street, PD-OR-P7TD
Portland, OR 97204
Telephone: (503) 464-3757
Facsimile: (503) 464-4155
E-mail: linda.mcconkey@usbank.com@usbank.com

and to:

U.S. Bank National Association
ATTN: William Diaz
Trust Finance Management
60 Livingston Avenue, EP-MN-WS3T
St. Paul, MN 55101
Telephone: (651) 466-6085
Facsimile: (651) 312-2599
E-mail: william.diaz@usbank.com

or to such other address as each party may designate for itself by like notice and unless otherwise provided herein shall be deemed to have been given on the date received.

17. Optional Security Procedures. In the event funds transfer instructions, address changes or change in contact information are given (other than in writing at the time of execution of this Escrow Agreement), whether in writing, by facsimile or otherwise, the Escrow Agent is authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule C hereto, and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Escrow Agent and shall be effective only after Escrow Agent has a reasonable opportunity to act on such changes. If the Escrow Agent is unable to contact any of the designated representatives identified in Schedule C, the Escrow Agent is hereby authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to any one or more of Depositor's or Recipient's executive officers ("Executive Officers"), as the case may be, which shall include the titles of Chief Executive Officer, President and Vice President, as the Escrow Agent may select. Such Executive Officer shall deliver to the Escrow Agent a fully executed incumbency certificate, and the Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. Depositor and Recipient agree that the Escrow Agent may at its option record any telephone calls made pursuant to this Section. The Escrow Agent in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Depositor or Recipient to identify (a) the beneficiary, (b) the beneficiary's bank, or (c) an intermediary bank. The Escrow Agent may apply any of the Escrow Funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. Depositor and Recipient acknowledge that these optional security procedures are commercially reasonable.

18. Amendment, Waiver and Assignment. None of the terms or conditions of this Escrow Agreement may be changed, waived, modified, discharged, terminated or varied in any manner whatsoever unless in writing duly signed by each party to this Escrow Agreement. No course of conduct shall constitute a waiver of any of the terms and conditions of this Escrow Agreement, unless such waiver is specified in writing, and then only to the extent so specified. A waiver of any of the terms and conditions of this Escrow Agreement on one occasion shall not constitute a waiver of the other terms of this Escrow Agreement, or of such terms and conditions on any other occasion. Except as provided in Section 9 hereof, this Escrow Agreement may not be assigned by any party without the written consent of the other parties.

19. Severability. To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

20. Governing Law. This Escrow Agreement shall be construed and interpreted in accordance with the internal laws of the State of Oregon, without giving effect to the conflict of laws principles thereof, except as otherwise required by United States Federal law.

21. Entire Agreement, No Third Party Beneficiaries. This Escrow Agreement constitutes the entire agreement between the parties relating to the holding, investment and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of Escrow Agent with respect to the Escrow Funds. Nothing in this Escrow Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Escrow Agreement.

22. Execution in Counterparts, Facsimiles. This Escrow Agreement and any Joint Written Direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction. The delivery of copies of this Escrow Agreement and any Joint Written Instruction and their respective signature pages by PDF or facsimile transmission shall constitute effective execution and delivery as to the parties and may be used in lieu of originals for all purposes.

23. Termination. This Escrow Agreement shall terminate upon the distribution of all the Escrow Funds pursuant to any applicable provision of this Escrow Agreement, and Escrow Agent shall thereafter have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Funds.

24. Dealings. The Escrow Agent and any stockholder, director, officer or employee of the Escrow Agent may buy, sell, and deal in any of the securities of the Depositor or Recipient and become pecuniarily interested in any transaction in which the Depositor or Recipient may be interested, and contract and lend money to the Depositor or Recipient and otherwise act as fully and freely as though it were not Escrow Agent under this Agreement. Nothing herein shall preclude the Escrow Agent from acting in any other capacity for the Depositor or Recipient or for any other entity.

25. Brokerage Confirmation Waiver. Depositor and Recipient acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity

grant either the right to receive brokerage confirmations for certain security transactions as they occur, Depositor and Recipient specifically waive receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Depositor and Recipient periodic cash transaction statements that include detail for all investment transactions made by the Escrow Agent.

26. Tax Reporting. Escrow Agent shall have no responsibility for the tax consequences of this Agreement and Depositor and Recipient shall consult with independent counsel concerning any and all tax matters. Depositor and Recipient shall provide Escrow Agent Form W-9 and an original Form W-8, as applicable, for each payee, together with any other documentation and information requested by Escrow Agent in connection with Escrow Agent's reporting obligations under applicable IRS regulations. If such tax documentation is not so provided, Escrow Agent shall withhold taxes as required by the IRS. Recipient and Depositor have determined that any interest or income on Escrow Funds shall be reported on an accrual basis and deemed to be for the account of Depositor. Depositor and Recipient shall prepare and file all required tax filings with the IRS and any other applicable taxing authority; provided that the parties further agree that:

(a) Escrow Agent IRS Reporting. Depositor shall accurately provide the Escrow Agent with all information requested by the Escrow Agent in connection with the preparation of all applicable Form 1099 and Form 1042-S documents with respect to all distributions as well as in the performance of Escrow Agent's reporting obligations under the Foreign Account Tax Compliance Act and Foreign Investment in Real Property Tax Act or other applicable law or regulation.

(b) Withholding Requests and Indemnification. Depositor agrees to (i) assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement, (ii) request the Escrow Agent in writing with respect to withholding and other taxes, assessments or other governmental charges, and advise Escrow Agent in writing with respect to any certifications and governmental reporting that may be required under any applicable laws or regulations, and (iii) indemnify and hold the Escrow Agent harmless pursuant to Section 11 hereof from any liability or obligation on account of taxes, assessments, additions for late payment, interest, penalties, expenses and other governmental charges that may be assessed or asserted against Escrow Agent.

(c) Imputed Interest. To the extent that IRS imputed interest regulations apply, Depositor and Recipient shall so inform Escrow Agent, provide Escrow Agent with all imputed interest calculations and direct Escrow Agent to disburse imputed interest amounts as Depositor and Recipient deem appropriate. Escrow Agent shall rely solely on such provided calculations and information and shall have no responsibility for the accuracy or completeness of any such calculations or information.

27. Publicity. No party will (a) use any other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify any other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of such other party.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed under seal as of the date first above written.

**Public Utility District No. 2 of Grant County,
Washington**

(b) (6)

By: _____
Name: Bonnie Overfield
Title: Treasurer/Director of Finance

Bonneville Power Administration

(b) (6)

By: _____
Name: Nancy M. Mitman
Title: Executive Vice-President and Chief
Financial Officer

**U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent**

By: _____
Name: Linda A. McConkey
Title: Vice President

SCHEDULE B

INVESTMENT DIRECTION FOR ESCROW

FIRST AMERICAN FUNDS
AUTOMATIC MONEY MARKET INVESTMENTS
INVESTMENT AUTHORIZATION LETTER

Based upon client's prior review of investment alternatives, in the absence of further specific written direction to the contrary, U.S. Bank National Association (or U.S. Bank Trust National Association) is hereby directed to invest and reinvest proceeds and other available moneys in the following fund as permitted by the operative documents.

First American Funds U.S. Treasury Money Market Fund (Class D)

PLEASE REFER TO THE PROSPECTUS OF FIRST AMERICAN FUNDS, INC. WHICH YOU HEREBY ACKNOWLEDGE HAS PREVIOUSLY BEEN PROVIDED. NOTE THAT THE ABOVE FUNDS' INVESTMENT ADVISOR, CUSTODIAN, DISTRIBUTOR AND OTHER SERVICE PROVIDERS AS DISCLOSED IN THE FUNDS PROSPECTUS ARE U.S. BANK NATIONAL ASSOCIATION AND AFFILIATES THEREOF. SHARES OF THE ABOVE FUNDS ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED BY, ANY BANK INCLUDING U.S. BANK NATIONAL ASSOCIATION OR ANY OF ITS AFFILIATES, NOR ARE THEY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER AGENCY. AN INVESTMENT IN THE FUNDS INVOLVES INVESTMENT RISK, INCLUDING POSSIBLE LOSS OF PRINCIPAL. U.S. BANK DOES NOT HAVE A DUTY NOR WILL IT UNDERTAKE ANY DUTY TO PROVIDE INVESTMENT ADVICE TO YOU. U.S. BANK, WHEN ACTING AS AN INDENTURE TRUSTEE OR IN A SIMILAR CAPACITY, IS NOT REQUIRED TO REGISTER AS A MUNICIPAL ADVISOR WITH THE SECURITIES AND EXCHANGE COMMISSION FOR PURPOSES OF COMPLYING WITH THE DODD-FRANK WALL STREET REFORM & CONSUMER PROTECTION ACT. INVESTMENT ADVICE, IF NEEDED, SHOULD BE OBTAINED FROM YOUR FINANCIAL ADVISOR. **FOR INFORMATION ABOUT OTHER AVAILABLE SWEEP OPTIONS, CONTACT YOUR ACCOUNT MANAGER.**

U.S. Bank National Association (or U.S. Bank Trust National Association) will not vote proxies for the First American Funds. Proxies will be mailed to you for voting.

SHAREHOLDER COMMUNICATIONS ACT AUTHORIZATION

The Shareholder Communications Act of 1985 and its regulation require that banks and trust companies make an effort to facilitate communication between registrants of U.S. securities and the parties who have the authority to vote or direct the voting of those securities regarding proxy dissemination and other corporate communications. Unless you indicate your objection below, we will provide the obligatory information to the registrant upon request. Your objection will apply to all securities held for you in the account now and in the future unless you notify us in writing.

_____ I object to US Bank providing my name, address, and securities positions to requesting issuers.
(Initial, check, or place an X on the to indicate your objection)

Fee Basis: Approval of investment in any of these First American mutual funds includes approval of the fund's fees and expenses as detailed in the enclosed prospectus, including advisory, custodial, distribution, shareholder service expenses and other fees, which fees and expenses are paid to U.S. Bank National Association or other affiliates of U.S. Bank National Association.

Dated: February __, 2016

SCHEDULE C

Each of the following person(s) is a **Depositor Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Depositor's behalf (only one signature required):

Bonnie Overfield (b) (6) 509-754-7218
Name Specimen signature Telephone No.

The following person not listed above is authorized for call-back confirmations:

Cary West 503-793-1451
Name Telephone No.

Each of the following person(s) is a **Recipient Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Recipient's behalf (only one signature required):

Nancy M. Mitman (b) (6) 503-230-3998
Name Specimen signature Telephone No.

The following person not listed above is authorized for call-back confirmations

Jon M. Dull 503-230-7544
Name Telephone No.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of February ___, 2016 ("Escrow Agreement"), is by and among the Public Utility District No. 2 of Grant County, Washington ("Depositor"); the Department of Energy, by and through the Bonneville Power Administration, an agency of the United States of America, operating in Portland, Oregon ("Recipient"); and U.S. Bank National Association, a national banking association, as escrow agent hereunder ("Escrow Agent").

BACKGROUND

A. Depositor and Recipient have entered into an electric transmission service agreement (BPA Contract No. 01TX-10679) (as amended, the "Underlying Agreement"), dated as of August 1, 2004 (as updated with amended exhibits from time to time), under the Recipient's Open Access Transmission Tariff ("Tariff"). Under Section 7.3 of the Tariff, Depositor pays Recipient for certain transmission services, but if an invoiced amount is disputed, it shall be paid into an independent escrow account, pending resolution of the dispute under, among other things, Section 12 of the Tariff. Accordingly, Depositor shall deposit the Escrow Funds (defined below) in a segregated escrow account to be held by Escrow Agent for the purpose of holding such funds pending dispute resolution. For purposes of this Escrow Agreement, the dispute relates to Recipient's "short distance discount" calculations.

B. Escrow Agent has agreed to accept, hold, and disburse the funds deposited with it and the earnings thereon in accordance with the terms of this Escrow Agreement.

C. Depositor and Recipient have appointed the Representatives (as defined below) to represent them for all purposes in connection with the funds to be deposited with Escrow Agent and this Escrow Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Definitions. The following terms shall have the following meanings when used herein:

"Escrow Funds" shall mean the funds deposited with Escrow Agent pursuant to Section 3 of this Agreement, together with any interest and other income thereon.

"Escrow Period" shall mean the period commencing on the date hereof and ending at the close of Escrow Agent's business day on January 2, 2019, unless earlier terminated pursuant to this Escrow Agreement.

"Indemnified Party" shall have the meaning set forth in Section 11.

"Joint Written Direction" shall mean a written direction executed by one each of the Representatives from the Depositor and Recipient and directing Escrow Agent to disburse all or a portion of the Escrow Funds or to take or refrain from taking any other action pursuant to this

Escrow Agreement.

"Depositor Representative" shall mean the person(s) so designated on Schedule C hereto or any other person designated in a writing signed by Depositor and delivered to Escrow Agent and the Recipient Representative in accordance with the notice provisions of this Escrow Agreement, to act as its representative under this Escrow Agreement.

"Representatives" shall mean the Depositor Representative and the Recipient Representative.

"Recipient Representative" shall mean the person(s) so designated on Schedule C hereto or any other person designated, in a writing signed by Recipient and delivered to Escrow Agent and the Depositor Representative in accordance with the notice provisions of this Escrow Agreement, to act as its representative under this Escrow Agreement.

2. **Appointment of and Acceptance by Escrow Agent.** Depositor and Recipient hereby appoint Escrow Agent to serve as escrow agent hereunder. Escrow Agent hereby accepts such appointment and, upon receipt by wire transfer of the Escrow Funds in accordance with Section 3 below, agrees to hold, invest and disburse the Escrow Funds in accordance with this Escrow Agreement.

3. **Deposit of Escrow Funds.** As soon as practicable with the execution and delivery of this Escrow Agreement, Depositor, on behalf of the Recipient, will transfer the Escrow Funds in the amount of \$2,290,251.00 and additional amounts deposited by Depositor, on behalf of the Recipient, from time to time during the Escrow Period, by wire transfer of immediately available funds, to an account designated by Escrow Agent.

4. **Disbursements of Escrow Funds.** Escrow Agent shall disburse Escrow Funds at any time and from time to time, upon receipt of, and in accordance with, a Joint Written Direction. Such Joint Written Direction shall contain complete payment instructions, including wiring instructions or an address to which a check shall be sent. In the case where the account is at a zero dollar balance it may be closed by the Depositor individually. Prior to any disbursement, Escrow Agent shall have received reasonable identifying information regarding the Recipient such that Escrow Agent may comply with its regulatory obligations and reasonable business practices, including without limitation a completed United States Internal Revenue Service ("IRS") Form W-9 or original IRS Form W-8, as applicable. All disbursements of funds from the Escrow Funds shall be subject to the fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 11 and Section 12 below.

5. **Suspension of Performance; Disbursement into Court.** If, at any time, (i) there shall exist any dispute between Depositor, Recipient or the Representatives with respect to the holding or disposition of all or any portion of the Escrow Funds or any other obligations of Escrow Agent hereunder, (ii) Escrow Agent is unable to determine, to Escrow Agent's sole satisfaction, the proper disposition of all or any portion of the Escrow Funds or Escrow Agent's proper actions with respect to its obligations hereunder, or (iii) Depositor and Recipient have not, within 10 calendar days of the furnishing by Escrow Agent of a notice of resignation pursuant to Section 8 hereof, appointed a successor Escrow Agent to act hereunder, then Escrow Agent may, in its sole discretion, take either or both of the following actions:

a. suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Escrow Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of Escrow Agent or until a successor Escrow Agent shall have been appointed.

b. petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to Escrow Agent, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all Escrow Funds, after deduction and payment to Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder.

Escrow Agent shall have no liability to Depositor, Recipient or the Representatives, their respective owners, shareholders or members or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of the Escrow Funds or any delay in or with respect to any other action required or requested of Escrow Agent.

6. [reserved]

7. Investment of Funds. Based upon Depositor's and Recipient's prior review of investment alternatives, in the absence of further specific written direction to the contrary, the Escrow Agent is directed to initially invest and reinvest the Escrow Funds in the investment indicated on Schedule B hereto. Recipient may provide written instructions changing the investment of the Escrow Funds to the Escrow Agent; provided, however, Recipient warrants that it will not direct the Escrow Agent to make any alternative investment or reinvestment except in the following: (a) direct obligations of the United States of America or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America; (b) U.S. dollar denominated deposit accounts and certificates of deposits issued by any bank, bank and trust company, or national banking association (including Escrow Agent and its affiliates), which such deposits are insured by the Federal Deposit Insurance Corporation or a similar governmental agency; or (c) the funds described in Schedule B, provided further, however, that the Escrow Agent will not be directed to invest in investments that the Escrow Agent in its sole discretion determines are not consistent with the Escrow Agent's policy or practices. Depositor and Recipient acknowledge that the Escrow Agent does not have a duty nor will it undertake any duty to provide investment advice.

If Escrow Agent has not received a written instruction from Recipient at any time that an investment decision must be made, Escrow Agent is directed to invest the Escrow Funds, or such portion thereof as to which no written investment instruction has been received, in the investment indicated on Schedule B hereto. All investments shall be made in the name of Escrow Agent. Notwithstanding anything to the contrary contained herein, Escrow Agent may, without notice to Depositor and Recipient, sell or liquidate any of the foregoing investments at any time for any disbursement of Escrow Funds permitted or required hereunder. All investment earnings shall become part of the Escrow Funds and investment losses shall be charged against the Escrow Funds. Escrow Agent shall not be liable or responsible for loss in the value of any

investment made pursuant to this Escrow Agreement, or for any loss, cost or penalty resulting from any sale or liquidation of the Escrow Funds. With respect to any Escrow Funds received by Escrow Agent after ten o'clock Pacific Standard Time, Escrow Agent shall not be required to invest such funds or to effect any investment instruction until the next day upon which banks in St. Paul, Minnesota and the New York Stock Exchange are open for business.

8. Resignation or Removal of Escrow Agent. Escrow Agent may resign and be discharged from the performance of its duties hereunder at any time by giving ten (10) days prior written notice to the Depositor and Recipient specifying a date when such resignation shall take effect and, after the date of such resignation notice, notwithstanding any other provision of this Agreement, Escrow Agent's sole obligation will be to hold the Escrow Funds pending appointment of a successor Escrow Agent. Similarly, Escrow Agent may be removed at any time by Depositor and Recipient giving at least thirty (30) days' prior written notice to Escrow Agent specifying the date when such removal shall take effect. Depositor and Recipient jointly shall appoint a successor Escrow Agent hereunder prior to the effective date of such resignation or removal. If the Depositor and Recipient fail to appoint a successor Escrow Agent within such time, the Escrow Agent shall have the right to petition a court of competent jurisdiction to appoint a successor Escrow Agent, and all costs and expenses (including without limitation attorneys' fees) related to such petition shall be paid jointly and severally by Depositor and Recipient. The retiring Escrow Agent shall transmit all records pertaining to the Escrow Funds and shall pay all Escrow Funds to the successor Escrow Agent, after making copies of such records as the retiring Escrow Agent deems advisable and after deduction and payment to the retiring Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the retiring Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder. After any retiring Escrow Agent's resignation or removal, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Escrow Agreement.

9. Binding Effect; Successors. This Escrow Agreement shall be binding upon the respective parties hereto and their heirs, executors, successors or assigns. If the Escrow Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the escrow contemplated by this Escrow Agreement) to another corporation, the successor or transferee corporation without any further act shall be the successor Escrow Agent.

10. Liability of Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. The Escrow Agent has no fiduciary or discretionary duties of any kind. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Escrow Agreement, including without limitation any other agreement between any or all of the parties hereto or any other persons even though reference thereto may be made herein. The Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the sole cause of any loss to the Depositor or Recipient. Escrow Agent's sole responsibility shall be for the safekeeping and disbursement of the Escrow Funds in accordance with the terms of this Escrow Agreement. Escrow Agent shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. Escrow Agent may rely upon

any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall believe to be genuine and to have been signed or presented by the person or parties purporting to sign the same. In no event shall Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such damages or penalty and regardless of the form of action. Escrow Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters. Escrow Agent shall not be obligated to take any legal action or commence any proceeding in connection with the Escrow Funds, any account in which Escrow Funds are deposited, this Escrow Agreement or the Underlying Agreement, or to appear in, prosecute or defend any such legal action or proceeding. Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the advice of such counsel. Depositor shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel. Depositor agrees to perform or procure the performance of all further acts and things, and execute and deliver such further documents, as may be required by law or as Escrow Agent may reasonably request in connection with its duties hereunder.

The Escrow Agent is authorized, in its sole discretion, to comply with final orders issued or process entered by any court with respect to the Escrow Funds, without determination by the Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

11. Indemnification of Escrow Agent. From and at all times after the date of this Escrow Agreement, Depositor shall, to the fullest extent permitted by law, indemnify and hold harmless Escrow Agent and each director, officer, employee, attorney, agent and affiliate of Escrow Agent (collectively, the "Indemnified Parties") against any and all actions, claims (whether or not valid), losses, damages, liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, costs and expenses) incurred by or asserted against any of the Indemnified Parties, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any person, including without limitation Depositor, Recipient and the Representatives, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person under any statute or regulation, including, but not limited

to, any federal or state securities laws, or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance in connection with this Escrow Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such action, proceeding, suit or the target of any such inquiry or investigation; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by a court of competent jurisdiction, subject to no further appeal, to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. Depositor further agrees to indemnify each Indemnified Party for all costs, including without limitation reasonable attorney's fees, incurred by such Indemnified Party in connection with the enforcement of Depositor's indemnification obligations hereunder. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such counsel shall be paid upon demand by the Depositor. The obligations of Depositor under this Section 11 shall survive any termination of this Escrow Agreement and the resignation or removal of Escrow Agent.

The parties agree that neither the payment by Depositor of any claim by Escrow Agent for indemnification hereunder nor the disbursement of any amounts to Escrow Agent from the Escrow Funds in respect of a claim by Escrow Agent for indemnification shall impair, limit, modify, or affect, as between Depositor and Recipient, the respective rights and obligations of Depositor and Recipient under the Underlying Agreement.

12. Compensation of Escrow Agent

(a) Fees and Expenses. Depositor will be wholly responsible for Escrow Agent's compensation. The obligations of Depositor and Recipient under this Section 12 shall survive any termination of this Escrow Agreement and the resignation or removal of Escrow Agent.

(b) Disbursements from Escrow Funds to Pay Escrow Agent. Escrow Agent is authorized to, and may disburse to itself from the Escrow Funds, from time to time, the amount of any compensation and reimbursement of out-of-pocket expenses due and payable hereunder (including any amount to which Escrow Agent or any Indemnified Party is entitled to seek indemnification hereunder). Escrow Agent shall notify Depositor and Recipient of any disbursement from the Escrow Funds to itself or any Indemnified Party in respect of any compensation or reimbursement hereunder and shall furnish Depositor and Recipient copies of related invoices and other statements.

(c) Security and Offset. Depositor hereby grants to Escrow Agent and the Indemnified Parties a security interest in, lien upon and right of offset against the Escrow Funds with respect to any compensation or reimbursement due any of them hereunder (including any claim for indemnification hereunder). If for any reason the Escrow Funds are insufficient to cover such compensation and reimbursement, Depositor shall promptly pay such amounts to Escrow Agent or any Indemnified Party upon receipt of an itemized invoice.

13. Representations and Warranties. Depositor and Recipient each respectively make the following representations and warranties to Escrow Agent:

(a) it has full power and authority to execute and deliver this Escrow Agreement and to perform its obligations hereunder; and this Escrow Agreement has been duly approved by all necessary action and constitutes its valid and binding agreement enforceable in accordance with its terms; and

(b) each of the applicable persons designated on Schedule C attached hereto have been duly appointed to act as authorized representatives hereunder and individually have full power and authority to execute and deliver any Joint Written Direction, to amend, modify or waive any provision of this Escrow Agreement and to take any and all other actions as authorized representatives under this Escrow Agreement, all without further consent or direction from, or notice to, it or any other party, provided that any change in designation of such authorized representatives shall be provided by written notice delivered to each party to this Escrow Agreement.

14. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Escrow Agent requires documentation to verify its formation and existence as a legal entity. The Escrow Agent may ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The parties acknowledge that a portion of the identifying information set forth herein is being requested by the Escrow Agent in connection with the USA Patriot Act, Pub.L.107-56 (the

“Act”), and each agrees to provide any additional information requested by the Escrow Agent in connection with the Act or any other legislation or regulation to which Escrow Agent is subject, in a timely manner.

15. Consent to Jurisdiction and Venue. In the event that any party hereto commences a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree to the personal jurisdiction by and venue in the federal courts in the State of Oregon and waive any objection to such jurisdiction or venue to the extent permitted by United States Federal law. The parties hereto consent to and agree to submit to the jurisdiction of the federal courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts to the extent permitted by United States Federal law.

16. Notices. All notices, approvals, consents, requests, and other communications hereunder shall be in writing (provided that each such communication to Escrow Agent must be manually signed by the sender) and shall be delivered (i) by personal delivery, or (ii) by national overnight courier service, or (iii) by certified or registered mail, return receipt requested, or (iv) via facsimile transmission, with confirmed receipt or (v) via email by way of a PDF attachment thereto. Notice shall be effective upon receipt except for notice via email, which shall be effective only when the recipient, by return email or notice delivered by other method provided for in this Section 16, acknowledges having received that email (with an automatic “read receipt” or similar notice not constituting an acknowledgement of an email receipt for purposes of this Section 16). Such notices shall be sent to the applicable party or parties at the address specified below:

If to Depositor or Depositor Representative at:

Public Utility District No. 2 of Grant County
ATTN: Treasury Operations
Cary West, Treasury Operations Manager
PO Box 878
Ephrata, WA 98823
Telephone: (509) 793-1451
Facsimile: (509) 754-5012
Email: cwest@gcpud.org

If to Recipient or Recipient Representative at:

Bonneville Power Administration
ATTN: Manager, Cash & Treasury Management
P.O. Box 3621, FTT-2
Portland, OR 97208-3621
Telephone: (503) 230-3394
Facsimile: (503) 230-4690
Email: dcbleiler@bpa.gov

If to the Escrow Agent at:

U.S. Bank National Association, as Escrow Agent
ATTN: Global Corporate Trust Services
555 SW Oak Street, PD-OR-P7TD
Portland, OR 97204
Telephone: (503) 464-3757
Facsimile: (503) 464-4155
E-mail: linda.mcconkey@usbank.com@usbank.com

and to:

U.S. Bank National Association
ATTN: William Diaz
Trust Finance Management
60 Livingston Avenue, EP-MN-WS3T
St. Paul, MN 55101
Telephone: (651) 466-6085
Facsimile: (651) 312-2599
E-mail: william.diaz@usbank.com

or to such other address as each party may designate for itself by like notice and unless otherwise provided herein shall be deemed to have been given on the date received.

17. Optional Security Procedures. In the event funds transfer instructions, address changes or change in contact information are given (other than in writing at the time of execution of this Escrow Agreement), whether in writing, by facsimile or otherwise, the Escrow Agent is authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule C hereto, and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Escrow Agent and shall be effective only after Escrow Agent has a reasonable opportunity to act on such changes. If the Escrow Agent is unable to contact any of the designated representatives identified in Schedule C, the Escrow Agent is hereby authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to any one or more of Depositor's or Recipient's executive officers ("Executive Officers"), as the case may be, which shall include the titles of Chief Executive Officer, President and Vice President, as the Escrow Agent may select. Such Executive Officer shall deliver to the Escrow Agent a fully executed incumbency certificate, and the Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. Depositor and Recipient agree that the Escrow Agent may at its option record any telephone calls made pursuant to this Section. The Escrow Agent in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Depositor or Recipient to identify (a) the beneficiary, (b) the beneficiary's bank, or (c) an intermediary bank. The Escrow Agent may apply any of the Escrow Funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. Depositor and Recipient acknowledge that these optional security procedures are commercially reasonable.

18. Amendment, Waiver and Assignment. None of the terms or conditions of this Escrow Agreement may be changed, waived, modified, discharged, terminated or varied in any manner whatsoever unless in writing duly signed by each party to this Escrow Agreement. No course of conduct shall constitute a waiver of any of the terms and conditions of this Escrow Agreement, unless such waiver is specified in writing, and then only to the extent so specified. A waiver of any of the terms and conditions of this Escrow Agreement on one occasion shall not constitute a waiver of the other terms of this Escrow Agreement, or of such terms and conditions on any other occasion. Except as provided in Section 9 hereof, this Escrow Agreement may not be assigned by any party without the written consent of the other parties.

19. Severability. To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

20. Governing Law. This Escrow Agreement shall be construed and interpreted in accordance with the internal laws of the State of Oregon, without giving effect to the conflict of laws principles thereof, except as otherwise required by United States Federal law.

21. Entire Agreement, No Third Party Beneficiaries. This Escrow Agreement constitutes the entire agreement between the parties relating to the holding, investment and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of Escrow Agent with respect to the Escrow Funds. Nothing in this Escrow Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Escrow Agreement.

22. Execution in Counterparts, Facsimiles. This Escrow Agreement and any Joint Written Direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction. The delivery of copies of this Escrow Agreement and any Joint Written Instruction and their respective signature pages by PDF or facsimile transmission shall constitute effective execution and delivery as to the parties and may be used in lieu of originals for all purposes.

23. Termination. This Escrow Agreement shall terminate upon the distribution of all the Escrow Funds pursuant to any applicable provision of this Escrow Agreement, and Escrow Agent shall thereafter have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Funds.

24. Dealings. The Escrow Agent and any stockholder, director, officer or employee of the Escrow Agent may buy, sell, and deal in any of the securities of the Depositor or Recipient and become pecuniarily interested in any transaction in which the Depositor or Recipient may be interested, and contract and lend money to the Depositor or Recipient and otherwise act as fully and freely as though it were not Escrow Agent under this Agreement. Nothing herein shall preclude the Escrow Agent from acting in any other capacity for the Depositor or Recipient or for any other entity.

25. Brokerage Confirmation Waiver. Depositor and Recipient acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity

grant either the right to receive brokerage confirmations for certain security transactions as they occur, Depositor and Recipient specifically waive receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Depositor and Recipient periodic cash transaction statements that include detail for all investment transactions made by the Escrow Agent.

26. Tax Reporting. Escrow Agent shall have no responsibility for the tax consequences of this Agreement and Depositor and Recipient shall consult with independent counsel concerning any and all tax matters. Depositor and Recipient shall provide Escrow Agent Form W-9 and an original Form W-8, as applicable, for each payee, together with any other documentation and information requested by Escrow Agent in connection with Escrow Agent's reporting obligations under applicable IRS regulations. If such tax documentation is not so provided, Escrow Agent shall withhold taxes as required by the IRS. Recipient and Depositor have determined that any interest or income on Escrow Funds shall be reported on an accrual basis and deemed to be for the account of Depositor. Depositor and Recipient shall prepare and file all required tax filings with the IRS and any other applicable taxing authority; provided that the parties further agree that:

(a) Escrow Agent IRS Reporting. Depositor shall accurately provide the Escrow Agent with all information requested by the Escrow Agent in connection with the preparation of all applicable Form 1099 and Form 1042-S documents with respect to all distributions as well as in the performance of Escrow Agent's reporting obligations under the Foreign Account Tax Compliance Act and Foreign Investment in Real Property Tax Act or other applicable law or regulation.

(b) Withholding Requests and Indemnification. Depositor agrees to (i) assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement, (ii) request the Escrow Agent in writing with respect to withholding and other taxes, assessments or other governmental charges, and advise Escrow Agent in writing with respect to any certifications and governmental reporting that may be required under any applicable laws or regulations, and (iii) indemnify and hold the Escrow Agent harmless pursuant to Section 11 hereof from any liability or obligation on account of taxes, assessments, additions for late payment, interest, penalties, expenses and other governmental charges that may be assessed or asserted against Escrow Agent.

(c) Imputed Interest. To the extent that IRS imputed interest regulations apply, Depositor and Recipient shall so inform Escrow Agent, provide Escrow Agent with all imputed interest calculations and direct Escrow Agent to disburse imputed interest amounts as Depositor and Recipient deem appropriate. Escrow Agent shall rely solely on such provided calculations and information and shall have no responsibility for the accuracy or completeness of any such calculations or information.

27. Publicity. No party will (a) use any other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify any other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of such other party.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed under seal as of the date first above written.

**Public Utility District No. 2 of Grant County,
Washington**

(b) (6)
By: _____
Name: Bonnie Overfield
Title: Treasurer/Director of Finance

Bonneville Power Administration

(b) (6)
By: _____
Name: Nancy M. Mitman
Title: Executive Vice-President and Chief
Financial Officer

**U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent**

By: _____
Name: Linda A. McConkey
Title: Vice President

SCHEDULE B

INVESTMENT DIRECTION FOR ESCROW

FIRST AMERICAN FUNDS AUTOMATIC MONEY MARKET INVESTMENTS INVESTMENT AUTHORIZATION LETTER

Based upon client's prior review of investment alternatives, in the absence of further specific written direction to the contrary, U.S. Bank National Association (or U.S. Bank Trust National Association) is hereby directed to invest and reinvest proceeds and other available moneys in the following fund as permitted by the operative documents.

First American Funds U.S. Treasury Money Market Fund (Class D)

PLEASE REFER TO THE PROSPECTUS OF FIRST AMERICAN FUNDS, INC. WHICH YOU HEREBY ACKNOWLEDGE HAS PREVIOUSLY BEEN PROVIDED. NOTE THAT THE ABOVE FUNDS' INVESTMENT ADVISOR, CUSTODIAN, DISTRIBUTOR AND OTHER SERVICE PROVIDERS AS DISCLOSED IN THE FUNDS PROSPECTUS ARE U.S. BANK NATIONAL ASSOCIATION AND AFFILIATES THEREOF. SHARES OF THE ABOVE FUNDS ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED BY, ANY BANK INCLUDING U.S. BANK NATIONAL ASSOCIATION OR ANY OF ITS AFFILIATES, NOR ARE THEY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER AGENCY. AN INVESTMENT IN THE FUNDS INVOLVES INVESTMENT RISK, INCLUDING POSSIBLE LOSS OF PRINCIPAL. U.S. BANK DOES NOT HAVE A DUTY NOR WILL IT UNDERTAKE ANY DUTY TO PROVIDE INVESTMENT ADVICE TO YOU. U.S. BANK, WHEN ACTING AS AN INDENTURE TRUSTEE OR IN A SIMILAR CAPACITY, IS NOT REQUIRED TO REGISTER AS A MUNICIPAL ADVISOR WITH THE SECURITIES AND EXCHANGE COMMISSION FOR PURPOSES OF COMPLYING WITH THE DODD-FRANK WALL STREET REFORM & CONSUMER PROTECTION ACT. INVESTMENT ADVICE, IF NEEDED, SHOULD BE OBTAINED FROM YOUR FINANCIAL ADVISOR. **FOR INFORMATION ABOUT OTHER AVAILABLE SWEEP OPTIONS, CONTACT YOUR ACCOUNT MANAGER.**

U.S. Bank National Association (or U.S. Bank Trust National Association) will not vote proxies for the First American Funds. Proxies will be mailed to you for voting.

SHAREHOLDER COMMUNICATIONS ACT AUTHORIZATION

The Shareholder Communications Act of 1985 and its regulation require that banks and trust companies make an effort to facilitate communication between registrants of U.S. securities and the parties who have the authority to vote or direct the voting of those securities regarding proxy dissemination and other corporate communications. Unless you indicate your objection below, we will provide the obligatory information to the registrant upon request. Your objection will apply to all securities held for you in the account now and in the future unless you notify us in writing.

_____ I object to US Bank providing my name, address, and securities positions to requesting issuers.
(Initial, check, or place an X on the to indicate your objection)

Fee Basis: Approval of investment in any of these First American mutual funds includes approval of the fund's fees and expenses as detailed in the enclosed prospectus, including advisory, custodial, distribution, shareholder service expenses and other fees, which fees and expenses are paid to U.S. Bank National Association or other affiliates of U.S. Bank National Association.

Dated: February __, 2016

SCHEDULE C

Each of the following person(s) is a **Depositor Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Depositor's behalf (only one signature required):

<u>Bonnie Overfield</u>	(b) (6)	<u>509-754-7218</u>
Name	Specimen signature	Telephone No.

The following person not listed above is authorized for call-back confirmations:

<u>Cary West</u>	<u>503-793-1451</u>
Name	Telephone No.

Each of the following person(s) is a **Recipient Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Recipient's behalf (only one signature required):

<u>Nancy M. Mitman</u>	(b) (6)	<u>503-230-3998</u>
Name	Specimen signature	Telephone No.

The following person not listed above is authorized for call-back confirmations

<u>Jon M. Dull</u>	<u>503-230-7544</u>
Name	Telephone No.

From: [Stephen Fisher](#)
To: [Manary,Michelle L \(BPA\) - TS-DITT-2](#)
Cc: [Davis,Thomas E \(BPA\) - LT-7](#); [Rodney Noteboom](#)
Subject: RE: Short Distance Discount Counter Proposal
Date: Thursday, September 08, 2016 7:43:00 AM

Michelle - Thanks for the speedy response. Rod Noteboom and I will discuss your proposal with District management and get back to you shortly.

SVF

From: Manary,Michelle L (BPA) - TS-DITT-2 <mlmanary@bpa.gov>
Sent: Tuesday, September 6, 2016 5:34 PM
To: Stephen Fisher
Cc: Davis,Thomas E (BPA) - LT-7; Rios,Matt (BPA) - TSE-TPP-2
Subject: Short Distance Discount Counter Proposal

Steve:

This email follows up our August 18th conference call regarding the short-distance discount matter. I appreciate your willingness to meet with me and discuss the basis for your written settlement offer, dated July 25, 2016.

I want to reiterate how sorry I am that this error occurred. I know it impacts your utility, and I assure you we have taken steps to ensure that this won't happen again.

I acknowledge that Grant did provide BPA notice of the error and offer to work with BPA to address it. Because I believe it appropriate to incent customers to proactively inform BPA of billing errors and mistakes instead of remaining silent, I am offering you a discount that I have not offered to other customers that received the SDD by mistake. Therefore, BPA is willing to reduce its original claim of \$2,290,251 by 15 percent. This would reduce BPA's claim by \$343,538 for a total amount owed of \$1,946,713. BPA believes this proposal represents a fair and reasonable settlement of the issue. You laid out some reasons to discount BPA's claim further that I am not in alignment with so instead I propose the 15% as a counter.

Please let me know if this offer is acceptable to you, and I will have a settlement agreement drafted. I look forward to further discussions on this issue when we meet this week.

Sincerely,

Michelle Manary

From: [Rodney Noteboom](#)
To: ["Rios,Matt \(BPA\) - TSE-TPP-2"](#)
Subject: RE: Short Distance Discount Counter Proposal
Date: Thursday, September 08, 2016 10:49:30 AM

Thanks Matt

Rod Noteboom
Grant County PUD
(509) 766-2523

From: Rios,Matt (BPA) - TSE-TPP-2 [mailto:mrrios@bpa.gov]
Sent: Wednesday, September 07, 2016 7:31 AM
To: Rodney Noteboom <Rnotebo@gcpud.org>
Subject: Fwd: Short Distance Discount Counter Proposal

FYI

Sent from my Verizon 4G LTE smartphone

----- Original message -----

From: "Manary,Michelle L (BPA) - TS-DITT-2" <mlmanary@bpa.gov>
Date: 9/6/16 5:34 PM (GMT-08:00)
To: "'Sfisher@gcpud.org'" <Sfisher@gcpud.org>
Cc: "Davis,Thomas E (BPA) - LT-7" <tedavis@bpa.gov>, "Rios,Matt (BPA) - TSE-TPP-2" <mrrios@bpa.gov>
Subject: Short Distance Discount Counter Proposal

Steve:

This email follows up our August 18th conference call regarding the short-distance discount matter. I appreciate your willingness to meet with me and discuss the basis for your written settlement offer, dated July 25, 2016.

I want to reiterate how sorry I am that this error occurred. I know it impacts your utility, and I assure you we have taken steps to ensure that this won't happen again.

I acknowledge that Grant did provide BPA notice of the error and offer to work with BPA to address it. Because I believe it appropriate to incent customers to proactively inform BPA of billing errors and mistakes instead of remaining silent, I am offering you a discount that I have not offered to other customers that received the SDD by mistake. Therefore, BPA is willing to reduce its original claim of \$2,290,251 by 15 percent. This would reduce BPA's claim by \$343,538 for a total amount owed of \$1,946,713. BPA believes this proposal represents a fair and reasonable settlement of the issue. You laid out some reasons to discount BPA's claim further that I am not in alignment with so instead I propose the 15% as a counter.

Please let me know if this offer is acceptable to you, and I will have a settlement agreement drafted. I look forward to further discussions on this issue when we meet this week.

Sincerely,

Michelle Manary

From: [Rodney Noteboom](#)
To: [Manary,Michelle L \(BPA\) - TS-DITT-2](#)
Cc: [Stephen Fisher](#); [Rios,Matt \(BPA\) - TSE-TPP-2](#)
Subject: Acceptance of BPA Counterproposal
Date: Friday, September 16, 2016 11:02:42 AM
Attachments: [Fisher to Michelle Manary Letter accepting BPA Counterproposal 9-15-16.pdf](#)

Michelle,

Attached is a letter from Steve Fisher indicating Grant's acceptance of BPA's counter proposal regarding the SDD billing dispute. The original was sent by USPS.

Rod Noteboom
Grant County PUD
(509) 766-2523



September 15, 2016

Ms. Michelle Manary
Vice President, Transmission Marketing and Sales (TS)
Bonneville Power Administration
PO Box 491
Vancouver, WA 98666-0491

Re: Agreement to Settlement of Short Distance Discount (SDD) Billing Dispute

Dear Michelle,

Thank you for your email dated Sep 6, 2016 containing a counter-offer to settle the District-BPA billing dispute regarding the Short Distance Discount. In the email you proposed that BPA reduce the original claim of \$2,290,251 by 15%, for a reduction to Grant's obligation of \$343,538.

While Grant believes there are circumstances and conditions supporting our previous offer, we desire to avoid the time, expense, and relationship damage of arbitration. Accordingly, Grant accepts your counter-offer, and will work expeditiously with BPA to finalize a definitive settlement document.

We appreciate the time and effort you invested to examine the specific circumstances regarding the Grant SDD charges and look forward to receiving a draft settlement agreement. We value our relationship with BPA and are pleased to get this dispute behind us.

Sincerely,

(b) (6)

Stephen V. Fisher
Director of Power Management

RRN/SVF

cc: Matt Rios, BPA

From: [Rodney Noteboom](#)
To: [Stephen Fisher; "Manary,Michelle L \(BPA\) - TS-DITT-2"](#)
Cc: [Matt Rios](#)
Subject: RE: DRAFT SDD Settlement Agreement
Date: Wednesday, October 12, 2016 2:26:59 PM

Michelle,

Cary West of Grant PUD is working with US Bank on the release agreements. Linda McConkey of US Bank has contacted Jessica Powell at BPA regarding this matter. We hope to have the escrow agreements ready to go when we sign the settlement.

Rod Noteboom
Grant County PUD
(509) 766-2523

From: Stephen Fisher
Sent: Wednesday, October 12, 2016 2:06 PM
To: 'Manary,Michelle L (BPA) - TS-DITT-2' <mlmanary@bpa.gov>
Cc: Rodney Noteboom <rnotebo@gcpud.org>
Subject: RE: DRAFT SDD Settlement Agreement

Michelle – We're ready to execute the settlement – just working through the procedure to get the escrow amount released. We should be done in a day or two.

Thanx,
SVF

Stephen V. Fisher
Director of Power Management
Grant County PUD
Direct Dial: 509-754-6630
Cell Phone: 509-669-5101
Sfisher@gcpud.org
www.grantpud.org

From: Manary,Michelle L (BPA) - TS-DITT-2 [<mailto:mlmanary@bpa.gov>]
Sent: Wednesday, October 12, 2016 11:04 AM
To: Stephen Fisher <Sfisher@gcpud.org>
Subject: RE: DRAFT SDD Settlement Agreement

Just confirming you received this. Let me know if you have any questions.

Thanks,

Michelle Manary

From: Davis, Thomas E (BPA) - LT-7
Sent: Wednesday, October 05, 2016 1:02 PM
To: 'Sfisher@gcpud.org'
Cc: Manary, Michelle L (BPA) - TS-DITT-2; Kutil, Sarah M (BPA) - LT-7
Subject: DRAFT SDD Settlement Agreement

CONFIDENTIAL SETTLEMENT COMMUNICATION

Steve:

Attached, please find a draft of a settlement agreement between Bonneville and Grant regarding the SDD issue. It incorporates the 15% discount that you and Michelle Manary have agreed to in principle. It provides that Bonneville and Grant will provide a "Joint Written Direction" to U.S. Bank, as the escrow agent, releasing 85% of the funds held in escrow to Bonneville and the remainder (including interest) to Grant.

I'm not sure who your legal counsel is on this issue so please forward this on to him or her. Once I know who your legal counsel is, I will follow up and work with them directly.

If possible, I would like to wrap this up by the end of October if that works within Grant's process and schedule.

Sincerely,

Tom Davis
BPA Office of General Counsel
503-230-3968 (Office)
(b) (6) (Mobile)