

AMENDMENT
executed by the
BONNEVILLE POWER ADMINISTRATION
and
PORT TOWNSEND PAPER CORPORATION

This AMENDMENT to the Firm Power Sales Agreement (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA) and PORT TOWNSEND PAPER CORPORATION (Port Townsend), a corporation organized under the laws of the State of Washington.

This Amendment No. 1 (Amendment) between BPA and Port Townsend amends the Agreement to include Wheel Turning Load.

BPA and Port Townsend agree:

1. EFFECTIVE DATE

This Amendment takes effect on _____.

2. AMENDMENT OF AGREEMENT

BPA and Port Townsend amend the Agreement as follows:

(a) The following Section 2.24 (“Wheel Turning Load”) shall be added to the Agreement:

“2.24 “Wheel Turning Load” shall have the meaning described stated in the 2012 GRSPs and, for the purpose of the Agreement, shall equal 4.982 aMW.”

(b) The following Section 2.9 (“Minimum Demand”) shall be deleted and replaced by the following:

“2.9 “Minimum Demand” shall mean the lesser of i) 13 megawatts (MW); or ii) the hourly Peak Demand Entitlement established in Exhibit A, Peak Demand. To the extent Jefferson County PUD No. 1 commences to serve the OCC and Wheel Turning Load, Minimum Demand will be reduced to 8 MW to reflect the change in status of that portion of the Port Townsend load.”

(c) Exhibit A, Section 2 (“Revisions to Contract Demand”) of the Agreement shall be deleted and replaced by the following:

“2. REVISIONS TO CONTRACT DEMAND

Port Townsend’s Contract Demand specified in section 1 of this Exhibit A was established at 2400 hours on September 30, 1997 under Revision No. 1, Exhibit C of Contract No. DE-MS79-81BP90347. The Parties recognize that Port Townsend is working with Jefferson County PUD No. 1 (Jefferson) to develop an agreement to provide service to Port Townsend's Old Corrugated Container (OCC) recycle plant. The Parties also recognize that Port Townsend is working with Jefferson County PUD No. 1 (Jefferson) to develop an agreement to provide service for Port Townsend’s Wheel Turning Load.

To accomplish this, Port Townsend understands that Jefferson may request it be permitted to serve Port Townsend’s OCC plant load, consistent with BPA’s determination in 2005 that service to the OCC recycle plant could be served by a preference customer of BPA at the PF rate pursuant to Bonneville’s Atochem policy. See, BPA’s Policy for Power Supply Role for Fiscal Years 2007-2011 (February 2005) at page 56. Similarly, Port Townsend understands that Jefferson may request it be permitted to serve Port Townsend’s Wheel Turning Load as defined in the 2012 GRSPs or its successors. To the extent Jefferson commences to serve OCC load, Port Townsend’s Contract Demand will be reduced by 3.275 MW to reflect the change in status of that portion of the Port Townsend load and the OCC plant load shall not be included in Port Townsend’s Total Plant Load. To the extent Jefferson commences to serve Port Townsend’s Wheel Turning Load, Port Townsend’s Contract Demand will be reduced by the additional amount of 4.982 MW to reflect the change in status of that portion of the Port Townsend load.”

3. SIGNATURES

The Parties have executed this Agreement as of the last date indicated below.

PORT TOWNSEND PAPER CORP.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name _____
(Print/Type)

Name Mark E. Miller
(Print/Type)

Title _____

Title Account Executive

Date _____

Date _____