

RESTATED AND AMENDED POWER PURCHASE AGREEMENT

BETWEEN

FALLS CREEK H.P. LIMITED PARTNERSHIP

AND

PACIFIC POWER & LIGHT COMPANY

THIS AGREEMENT, entered into on this 29th day of May, 1986, is between Falls Creek H.P. Limited Partnership ("FCHPLP"), hereinafter referred to as "Seller," and Pacific Power & Light Company, an electric utility with corporate headquarters in Portland, Oregon, hereinafter referred to as "Pacific."

RECITALS:

Seller owns and operates a 4,100 kilowatt (kW) nameplate hydro-electric facility for the generation of electric power located in the NE 1/4, Section 32, Township 13 South, Range 4 East, W.M., in Linn County as described in FERC exemption No. 6661, on U.S. Forest Service land, under special use permit to Seller near Falls Creek on the South Santiam River near Cascadia, Oregon ("Site"). The average annual energy production of the Facility is estimated to be 15,000,000 kilowatt-hours (kWh), which amount of energy Pacific is using for resource planning purposes; and

The Oregon Department of Energy ("ODOE"), pursuant to the Small Scale Energy Loan Program ("SELP"), financed the construction of the Facility; and

Seller wishes to sell, and Pacific wishes to purchase, the Net Metered Output from the Facility; and

Pacific and Seller entered into a Power Purchase Agreement on September 30, 1983, and wish to amend and restate that Agreement with this Agreement;

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

ARTICLE I: DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

(A) "Commercial Operation Date," estimated to be in December 1984, is the date agreed to by Seller and Pacific after start-up testing of the Facility is completed and after Pacific receives a written statement from a licensed professional engineer mutually acceptable to Pacific and Seller certifying that the Facility is able to generate electric power reliably;

(B) "Contract Year" is a calendar year commencing at 12:01 a.m. on January 1 and ending at 12:00 p.m. on December 31;

(C) "Demonstrated Capacity" is the actual ability of the Facility to generate and deliver electric power, expressed in kW and determined monthly from the Net Metered Output, available to Pacific in meeting its capacity requirements. The Demonstrated Capacity shall be initially determined at the end of the first month of deliveries commencing on the later of January 1, 1985, or the Commercial Operation Date. For each month thereafter, the Demonstrated Capacity shall be determined using the current month. The Demonstrated Capacity shall be the lesser of:

$$(1) \frac{\text{kWh of Net Metered Output per month}}{730 \times 0.70}$$

or

(2) the average rate of delivery (kW) during the highest consecutive 24-hour period of kWh deliveries of Net Metered Output in such month,

or

(3) 4,600 kW.

(D) "Facility" is the Seller's 4,100 kilowatt nameplate hydroelectric generating station, consisting of intake and diversion structure on Falls Creek, penstock, one turbine, one generator, and all Seller's Interconnection Equipment, all located at the Site in Linn County;

(E) "Net Metered Output" is all energy and capacity produced by the Facility, less Facility use and less transformation and transmission losses if any, as determined at the Point of Delivery;

(F) Off-Peak is all times other than On-Peak;

(G) On-Peak is from 6 a.m. to 10 p.m., Monday through Friday;

(H) "Point of Delivery" is the location where Pacific's and Seller's electrical facilities are connected at the high voltage side of Seller's generator step-up transformer located at the Site;

(I) "Scheduled Maintenance Periods" are those times during which the Facility is shut down for routine maintenance with the advance approval of Pacific as provided in Article XV(A) hereof;

(J) "Seller's Interconnection Equipment" is all equipment and facilities not owned by Pacific on Seller's side of the Point of Delivery required to be installed solely to interconnect and deliver power from Seller's Facility to Pacific's system including, but not limited to, connection, transformation, switching, and safety equipment.

(K) "System Emergency" means a condition on a utility's system which is likely to result in imminent significant disruption of service to customers or is imminently likely to endanger life or property.

ARTICLE II: TERM

(A) Subject to the provisions of this Article and Articles XXIII and XXIV, this Agreement shall become effective when executed by both the parties hereto, and shall end on December 31, 2019.

(B) Time is of the essence of this Agreement. Therefore, (1) if the Commercial Operation Date has not occurred by January 1, 1986, or (2) if Seller does not present to Pacific all required governmental authorizations and permits as further described in Article XXIII(A) by the earlier of the Commercial Operation Date or January 1, 1986, Pacific may, without waiving any claim or right Pacific may then have, terminate this Agreement by providing written notice thereof to Seller.

ARTICLE III: DELIVERY OF POWER

Commencing on January 1, 1985, and for the term of this Agreement, Seller shall make available from the Facility a minimum of 6,000,000 kWh of Net Metered Output during each Contract Year, provided that such minimum for Contract Year 1985 shall be reduced pro rata to reflect the Commercial Operation Date. Subject to Article XVI, Seller shall make available and Pacific shall purchase all Net Metered Output from the Facility.

ARTICLE IV: PRICES

The following prices are established for all deliveries of Net Metered Output hereunder; provided, however, that nothing in this Article shall be construed as affecting or limiting the Seller's obligation to make deliveries in each Contract Year as established in Article III hereof.

(A) Nonfirm Energy Prices. For all Net Metered Output delivered prior to the later of January 1, 1985, or the Commercial Operation Date, and for all Net Metered Output delivered in excess of 21,500,000 kWh in any Contract Year, Pacific shall pay Seller Pacific's then effective price for nonfirm energy, as reviewed and approved by the Public Utility Commissioner of Oregon.

(B) Firm Capacity Prices. Commencing upon the later of January 1, 1985, or the Commercial Operation Date, and ending on December 31, 2019, Pacific shall pay Seller \$7.10 per month for each kW of Demonstrated Capacity, provided, however, in any month during which Seller's deliveries of Net Metered Output are less than 295,000 kWh, Seller shall not receive payment for the Demonstrated Capacity.

(C) Firm Energy Prices. Commencing upon the later of January 1, 1985, or the Commercial Operation Date, and ending on December 31, 2019, and except as provided in Paragraph (A) above, Pacific shall pay Seller for each kWh of Net Metered Output the energy prices for the Contract Years set forth below:

<u>Contract Year</u>	<u>Energy Price Cents/kWh</u>
1985	6.23
1986	6.31
1987	6.39
1988	6.48
1989	6.57

<u>Contract Year</u>	<u>Energy Price Cents/kWh</u>
1990	6.67
1991	6.78
1992	6.89
1993	7.01
1994	7.13
1995	7.27
1996	7.41
1997	7.56
1998	7.71
1999	7.88
2000	8.06
2001	8.25
2002	8.45
2003	8.66
2004	8.88
2005	9.12
2006	9.37
2007	9.64
2008	9.92
2009	10.22
2010	10.54
2011	10.88
2012	11.24
2013	11.62
2014	12.02
2015	12.44
2016	12.90
2017	13.37
2018	13.88
2019	14.42

(D) Differentiated Energy Prices: On-Peak and Off-Peak Deliveries.

Seller may elect to receive energy payments based on differentiated energy prices for On-peak and Off-peak deliveries. Such election shall be made either when this Agreement is executed by so indicating in the space provided or by written notice to Pacific prior to the beginning of the Contract Year for which such differentiated energy prices are to commence. The differentiated energy prices shall be determined as follows:

- (1) The price (cents per kWh) for each kWh of Net Metered Output delivered during On-peak hours in a Contract Year shall be equal to the energy price for such Contract Year,

as set forth in Paragraph (C) above, multiplied by 1.212, and the product rounded to the nearest one hundredth (1/100) cent.

- (2) The price (cents per kWh) for each kWh of Net Metered Output delivered during Off-peak hours in a Contract Year shall be equal to the energy price for such Contract Year, as set forth in Paragraph (C) above, multiplied by 0.808, and the product rounded to the nearest one hundredth (1/100) cent.

ARTICLE V: PAYMENTS AND COMPUTATIONS

(A) On a monthly basis, Pacific shall provide Seller with computations of Net Metered Output and Demonstrated Capacity which computations shall include an adjustment for line losses of three percent (3%) for energy and capacity for the term hereof. Pacific shall concurrently therewith make payments therefor in accordance with the terms and conditions of Article IV, at the address specified in Article VI, below. Pacific shall, on Seller's request and at Seller's cost, provide Seller with all data and the methodology employed to calculate payments hereunder at reasonable intervals.

(B) Seller shall pay Pacific for Pacific's costs incurred under this Agreement, at the address specified in Article VI, below, within thirty (30) days of receipt of Pacific's written statement. Should Seller fail to pay in full statement(s) from Pacific within thirty (30) days, Pacific may offset future payment(s) to Seller hereunder by such amount(s).

ARTICLE VI: NOTICES

All written notices under this Agreement shall be directed as follows, and shall be considered delivered when deposited in the U.S. Mail, return receipt requested:

To Seller: Falls Creek H.P. Limited Partnership
General Partner
Frontier Technology
1710 Willow Creek Circle
Eugene, OR 97402

To Pacific: Supervisor, Small Purchased Resources
Pacific Power & Light Company
920 S.W. Sixth Avenue
Portland, OR 97204

The parties may change the persons to whom notices are addressed, or their addresses, by providing notice thereof as specified in this Article.

ARTICLE VII: FACILITY DESIGN AND CONSTRUCTION

(A) Seller shall design, construct, install, own, operate, and maintain the Facility. Seller shall provide Pacific with electrical data concerning its Facility sufficient to allow Pacific to make stability and protection studies. All specifications and changes in specifications, including new or additional equipment, shall be subject to Pacific's review and acceptance. If Pacific does not respond within sixty (60) days of Pacific's receipt thereof, Seller may proceed as proposed. Pacific's acceptance of Seller's specifications shall not be construed as confirming nor endorsing the design, nor as a warranty of safety, durability, or reliability of the Facility. Pacific shall not, by reason of any review, acceptance, or failure to review, be responsible for the Facility, including but not limited to the

strength, details of design, adequacy or capacity thereof, nor shall Pacific's acceptance be deemed to be an endorsement of the Facility.

(B) The design and construction of the Facility shall meet the requirements of all applicable federal, state and local laws. Prior to commencement of generation, and upon completion of any major changes, the Facility shall be inspected and approved by appropriate state and local officials.

(C) At the request of Pacific, Seller shall provide Pacific, prior to the Commercial Operation Date, with a statement from a licensed professional engineer mutually acceptable to Pacific and Seller certifying that the Facility can reasonably be expected to generate capacity and energy in the amounts set forth herein for the duration of this Agreement.

ARTICLE VIII: INTERCONNECTION

(A) Seller shall install all Seller's Interconnection Equipment. Seller's Interconnection Equipment shall be of a size to accommodate the delivery of the Net Metered Output under this Agreement. Seller shall allow Pacific to review the adequacy of all protective devices, and to establish requirements for settings and periodic testing; provided, however, that neither such action nor inaction by Pacific shall be construed as warranting the safety or adequacy of Seller's Interconnection Equipment. All such equipment installed hereunder shall conform with the Required Equipment Standards established in Schedule A, attached hereto. Seller shall reimburse Pacific for Pacific's reasonable costs associated with initial testing and such periodic testing.

(B) Connection of Seller's Interconnection Equipment to Pacific's system shall be by or under the direction of Pacific.

(C) In the event that it is necessary for Pacific to install any

facilities and equipment on Pacific's system to accommodate Seller's deliveries, or to reinforce Pacific's system for purposes of this Agreement, Seller shall reimburse Pacific for all of Pacific's costs associated therewith, in accordance with the rules for repayment established by the Public Utility Commissioner of Oregon. Not less often than annually, Seller shall also reimburse Pacific, pursuant to Article V(B) above, for all of Pacific's operation and maintenance costs resulting from Pacific's installation of facilities and equipment under this Paragraph. Such operation and maintenance cost shall be eight percent (8%) annually of the actual installed cost of such facilities and equipment.

(D) The actual cost of facilities and equipment to accommodate Seller's deliveries is six hundred seventy six thousand, eight hundred fifty-one dollars (\$676,851). Pursuant to Article VIII(C) above, and commencing on January 1, 1987, Seller shall reimburse Pacific annually in the amount of fifty-four thousand one hundred forty-eight dollars (\$54,148).

ARTICLE IX: SYSTEM EMERGENCY

In the event of a System Emergency, Pacific may require Seller to curtail its consumption of electricity purchased from Pacific in the same manner and to the same degree as other customers within the same customer class who do not own facilities for generating electricity.

ARTICLE X: OPERATION, PROTECTION, AND CONTROL

(A) Seller shall operate and maintain the Facility in a safe manner and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as enforced by the State of Oregon.

(B) Seller may operate the Facility in parallel with Pacific's system, but subject at all times to any operating instructions that Pacific may issue and to any and all other conditions established by Pacific in its sole discretion.

(C) Seller shall operate the Facility in such a manner as not to affect adversely Pacific's system and to be compatible with Pacific's system voltage level, fluctuating voltage guidelines (Engineering Bulletin No. 02.14), and voltage regulation at the Point of Delivery during all times that Seller's Facility is connected and operating in parallel with Pacific's system. Seller shall bear all costs related to such equipment as may be necessary to control the reactive power deliveries to the Facility from Pacific's systems to no more than forty percent (40%) of the Net Metered Output. Such equipment is intended to control the effective power factor of the Facility at the Point of Delivery to ninety-three percent (93%).

(D) Pacific may, upon one hundred eighty (180) days' notice to Seller, change its nominal operating voltage level at the Point of Delivery, in which case Seller shall modify Seller's Interconnection Equipment as necessary to accommodate the modified nominal operating voltage level.

(E) Seller shall remedy any demonstrated harmonic distortions on Pacific's system attributable to the operation of the Facility which result in objectionable service to Pacific's other customers. Should Seller's actions to remedy such harmonic distortions be inadequate, Pacific may without liability disconnect the Facility from Pacific's system. Pacific's obligation to make payments to Seller for Net Metered Output and/or energy that otherwise would have been delivered during such period of disconnection shall be suspended.

(F) Seller agrees that in the event of and during a period of a shortage of energy or capacity on Pacific's system as declared by Pacific in its sole discretion, Seller shall, at Pacific's request and within the limits of reasonable safety requirements as determined by Seller, use its best efforts to provide requested Net Metered Output, and shall, if necessary, delay any Scheduled Maintenance Periods.

(G) Seller shall furnish and install on the Seller's side of the Point of Delivery a disconnect switch which shall be capable of fully disconnecting the Facility from Pacific's system. Such disconnect switch shall be of the visible-break type which can be secured by a padlock, to be provided by Pacific, and shall be accessible to Pacific's personnel at all times. Pacific shall have the right to disconnect the Facility from Pacific's system at the disconnect switch when necessary to maintain safe electrical operating conditions, or, if in Pacific's sole judgment, the Facility at any time adversely affects Pacific's operation of its electrical system or the quality of Pacific's service to other customers. Pacific's obligation to pay Seller for Net Metered Output that otherwise would have been delivered during any such period of disconnection shall be suspended. Pacific shall promptly reconnect the Facility upon correction of such adverse conditions.

(H) Each party shall design, construct, operate, maintain, and use its electrical system in conformance with accepted electric utility practices:

- (1) to minimize electric disturbances, such as the abnormal flow of power which may interfere with the electric system of the other party or any electric system connected with such other party's electric system; and

- (2) to minimize the effect on Pacific's electric system and on Pacific's customers of electric disturbances originating from the Facility.

ARTICLE XI: METERING

(A) Flows of electricity to Pacific shall be measured by meters to be equipped with detents so that the record of those flows will not be affected by any flows to Seller. Flows to Seller shall be metered separately and billed monthly in accordance with the terms of the service agreement, if any, existing between the parties, and/or otherwise in accordance with tariffs filed and approved by the regulatory authority having jurisdiction.

(B) Pacific shall procure, install, own, inspect, test and maintain meters to record flows to Pacific. Such meters shall be located at a mutually agreed upon designated location(s) and shall record and indicate the integrated demand for each sixty (60)-minute period, and shall also measure kWh. Pacific shall also procure, install, own, inspect, test and maintain meters for measurement of reactive volt-amperes. Pacific may also, in its sole discretion, install additional metering devices at a location agreed upon by both parties within Seller's Facility to enable Seller to telemeter information and data. All reasonable costs relating to all metering and telemetering devices and equipment installed to accommodate Seller's generation shall be borne by Seller.

(C) All meters and metering equipment shall be sealed by Pacific. The seal shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted and representatives of both Pacific and Seller shall be present upon such occasions. The metering equipment shall be inspected and tested periodically by Pacific and at other reasonable times

upon request therefor by Seller. Any metering equipment found to be defective or inaccurate by an error in registration of more than plus or minus two percent (2%), at light load or at heavy load, shall be repaired, readjusted, or replaced. If any of the inspections or tests provided for herein disclose an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the period of three (3) months immediately preceding the removal of such meter from service for test, or from the time the meter was in service since last tested, but not exceeding three (3) months, in the amount the meter shall have been shown to be in error by such test. Any correction in billing resulting from a correction in the meter records shall be made in the next monthly bill rendered, and such correction, when made, shall constitute full adjustment of any claim between Seller and Pacific arising out of such inaccuracy of metering equipment.

ARTICLE XII: LIABILITY AND INSURANCE

(A) Neither party, its directors, officers, and employees, shall be liable to the other party for any loss or damage to the electric system of the other caused by or arising out of an electric disturbance, whether or not such electric disturbance resulted from the negligent, grossly negligent, or wrongful act or omission of the other party, its directors, officers, or employees, whether its or their own or imputed, in the design, construction, operation, maintenance, use or ownership of its electric system, or the performance or nonperformance of the obligation of the other under Article X, Paragraph (H), above. Each party releases the other party, its directors, officers and employees, from any such liability.

(B) Prior to connection of Seller's generation to Pacific's system, Seller shall secure and continuously carry for the term hereof, in an insurance company or companies acceptable to Pacific, insurance policies for bodily injury and property damage liability. Such insurance shall include: provisions or endorsements naming Pacific, its directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of Pacific and that any insurance maintained by Pacific is excess and not contributory insurance with the insurance required hereunder, cross-liability or severability of insurance interest clause; and provisions that such policies shall not be cancelled or their limits of liability reduced without thirty (30) days' prior written notice to Pacific. A copy of each such insurance policy, certified as a true copy by an authorized representative of the issuing insurance company or, at the discretion of Pacific, in lieu thereof, a certificate in form satisfactory to Pacific certifying to the issuance of such insurance, shall be furnished to Pacific. Initial limits of liability for all requirements under this Paragraph (B) shall be \$5,000,000 single limit, which limits may be required to be increased by Pacific's giving Seller two years' notice. Such increase shall not exceed fifteen percent (15%) per year.

(C) Prior to connection of Seller's generation to Pacific's system, Seller shall obtain and continuously carry for the term hereof, insurance acceptable to Pacific against property damage or destruction in an amount not less than the cost of replacement of the Facility. Seller shall promptly notify Pacific of any loss or damage to the Facility. Unless the parties agree otherwise, Seller shall repair or replace the damaged or destroyed Facility. Each party agrees to waive its insurers' rights of subrogation regarding Facility property losses.

(D) Seller shall provide Pacific with certificates of insurance for all required policies at the address listed in Article VI prior to connection of the Facility to Pacific's system and at all other times such insurance policies are renewed or changed.

ARTICLE XIII: LAND RIGHTS

All of the facilities necessary or useful to interconnecting the Facility with Pacific's system shall be located on U.S. National Forest Land, under Special Use Permit to the Seller. In order for Pacific's personnel to have access to the Facility, Seller shall obtain, for the duration of this Agreement, from the U.S. Forest Service a reasonable right of access for Pacific's personnel to all portions of the Facility.

ARTICLE XIV: COMMUNICATIONS

Seller shall at its expense maintain reasonable and appropriate communication facilities, as determined by Pacific, with Pacific's dispatcher.

ARTICLE XV: MAINTENANCE

(A) Seller may shut down the Facility for Scheduled Maintenance Periods not to exceed thirty (30) days each Contract Year at such times as are approved in advance by Pacific. Seller shall propose to Pacific Scheduled Maintenance Periods by February 1 of each Contract Year, but not later than six (6) months prior to beginning the proposed scheduled maintenance. Within sixty (60) days of Pacific's receipt of such proposal, Pacific shall inform Seller of the acceptability or unacceptability of the proposed periods. Seller intends to have scheduled maintenance periods in August or September.

(B) In the event the Facility must be shut down for unscheduled maintenance, Seller shall notify Pacific's dispatcher (Telephone No. (503) 928-3311) immediately of the necessity of such shutdown, the time when such shutdown has occurred, or will occur, and the anticipated duration of such shutdown. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled maintenance and to limit the duration of such shutdowns.

ARTICLE XVI: CONTINUITY OF DELIVERIES

Pacific may require Seller to curtail, interrupt, or reduce deliveries of Net Metered Output, in order for Pacific to construct, install, maintain, repair, replace, remove, investigate, or inspect any of Pacific's equipment or any part of its system, or if Pacific determines that curtailment, interruption, or reduction is necessary because of emergencies, operating conditions on its system, or as otherwise required by prudent utility practices. In such circumstances, Pacific shall not be obligated to accept deliveries of or pay Seller for Net Metered Output that otherwise would have been delivered during such period of curtailment, interruption, or reduction. Pacific shall use its best efforts to keep all curtailments, interruptions, or reductions to a minimum.

ARTICLE XVII: QUALIFYING FACILITY STATUS

Seller covenants that the Facility is and shall continue to be a "qualifying facility," as that term is used and defined in 18 C.F.R. Part 292 (1982), for the term of this Agreement. Pacific may, in its discretion, require certification by the Federal Energy Regulatory Commission of qualifying status under 18 C.F.R. 292.207(b).

ARTICLE XVIII: FORCE MAJEURE

As used in this Agreement, "Force Majeure" means unforeseeable causes beyond the reasonable control of and without the fault or negligence of the party claiming Force Majeure, and specifically excludes non-availability of streamflow to operate Seller's Facility, provided, however, Force Majeure may include non-availability of streamflow due to major geologic changes such as volcanic eruptions or earthquakes. If either party is rendered wholly or partly unable to perform its obligations under this Agreement because of Force Majeure, that party shall be excluded from whatever performance is affected by the Force Majeure to the extent so affected, provided that:

(A) the non-performing party, within two weeks after the occurrence of the Force Majeure, give the other party written notice describing the particulars of the occurrence;

(B) the suspension of performance be of no greater scope and of no longer duration than is required by the Force Majeure;

(C) no obligations of either party which arose before the occurrence causing the suspension of performance be excused as a result of the occurrence, and

(D) the non-performing party use its best efforts to remedy its inability to perform.

ARTICLE XIX: LIABILITY; DEDICATION

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a party to this Agreement. No undertaking by one party to the other under any provision of this Agreement shall constitute the dedication of that party's

system or any portion thereof to the other party or to the public, nor affect the status of Pacific as an independent public utility corporation, or Seller as an independent individual or entity.

ARTICLE XX: SEVERAL OBLIGATIONS

Except where specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership, or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to either party. Each party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XXI: WAIVER

Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

ARTICLE XXII: CHOICE OF LAWS

This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

ARTICLE XXIII: GOVERNMENTAL JURISDICTION AND AUTHORIZATION

(A) This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or this Agreement. Seller

shall obtain and submit to Pacific copies of all required governmental authorizations and permits.

(B) This Agreement shall not become effective until the Public Utility Commissioner of Oregon has reviewed all terms and provisions hereof and has determined that the prices to be paid for Net Metered Output are in accordance with the appropriate prices reviewed and approved by the Commissioner.

ARTICLE XXIV: SUCCESSORS AND ASSIGNS

(A) This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. Excepting assignments by Pacific to Bonneville Power Administration ("BPA"), no assignment hereof by either party hereto shall become effective without the written consent of the other being first obtained and such consent shall not be unreasonably withheld. Nothing in this Agreement shall be construed as limiting or restricting Pacific's right to enter into arrangements with BPA whereby BPA acquires the output of the Facility or Pacific takes a billing or energy credit therefrom.

(B) Nothing in this Agreement shall be construed as restricting the right of the ODOE or Pacific as its designate from operating the Facility pursuant to that certain project loan agreement entered into between Seller and the ODOE, or from undertaking and assuming pursuant thereto all of the right and responsibility of the Seller hereunder; provided, however, that nothing contained in this Agreement shall be construed as a waiver of any right Pacific now has, or may hereafter have, against Seller.

ARTICLE XXV: MODIFICATION

No modification of this Agreement shall be effective unless it is in writing and signed by both parties hereto.

ARTICLE XXVI: INTEGRATION

This Agreement constitutes the full agreement of the parties, and all prior agreements, including without limitation the agreement dated September 30, 1983, and the Amendment dated January 31, 1984, are hereby superseded.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

FRONTIER TECHNOLOGY, INC.

PACIFIC POWER & LIGHT COMPANY

By Gary P. Marcus
Title President

By [Signature]
Vice President

[Signature]

FALLS CREEK H.P. LIMITED PARTNERSHIP

By Gary P. Marcus
Title General Partner
Frontier Technology, Inc.
Gary Marcus, President

Election for time of delivery energy prices pursuant to Article IV(D).

By _____

AMENDATORY AGREEMENT NO. 1
TO RESTATED and AMENDED POWER PURCHASE AGREEMENT
BETWEEN
FALLS CREEK HYDROELECTRIC PROJECT LIMITED PARTNERSHIP
AND
PACIFIC POWER & LIGHT COMPANY

THIS AMENDATORY AGREEMENT, entered into this 10th day of August, 1987, is for the purpose of modifying that certain Restated and Amended Power Purchase Agreement between Falls Creek H.P. Limited Partnership (Seller) and Pacific Power & Light Company (Pacific) entered into on the 29th day of May 1986.

Article VIII(D) of the Restated and Amended Power Purchase Agreement is amended to read as follows (deleted words in brackets [], added words underlined):

- "(D) The actual cost of facilities and equipment to accommodate Seller's deliveries is [six hundred seventy six thousand, eight hundred fifty-one dollars (676,851] six hundred two thousand, eight hundred ninety three dollars (602,893). Pursuant to Article VIII(C) above, and commencing on January 1, 1987, Seller shall reimburse Pacific annually in the amount of [fifty-four thousand one hundred forty-eight

dollars (\$54,148)] forty-eight thousand, two
hundred thirty-one dollars (48,231)."

All other terms and conditions of the May 29,
1986 Agreement are to remain unaltered and in full force and
effect.

IN WITNESS WHEREOF, the parties hereto have caused this
Amendatory Agreement to be executed by their respective names as
of the date first above written.

FALLS CREEK H.P.
LIMITED PARTNERSHIP

PACIFIC POWER & LIGHT COMPANY

By Glen P. Marcus
President, Frontier Technology, Inc.

By [Signature]

Title General Partner

Title Vice President

map

AMENDMENT NO. 2

TO RESTATED AND AMENDED POWER PURCHASE AGREEMENT

BETWEEN

FALLS CREEK HYDROELECTRIC PROJECT LIMITED PARTNERSHIP

AND

PACIFIC POWER & LIGHT COMPANY

THIS AMENDMENT NO. 2, entered into this 18th day of January, 1990 ~~1989~~, is for the purpose of modifying that certain Restated and Amended Power Purchase Agreement between Falls Creek H.P. Limited Partnership (Seller) and Pacific Power & Light Company (Pacific) entered into on the 29th day of May 1986, and amended by Amendatory Agreement No. 1 dated August 10, 1987 ("Agreement").

The parties agree as follows:

1. Article VIII(D) of the Agreement is deleted in its entirety and replaced with the following:

"(D) Pursuant to Article VIII(C) above, and commencing on January 1, 1987, Seller shall reimburse Pacific annually for the prior year's operation and maintenance in the amount of forty-eight thousand, two hundred thirty-one dollars (\$48,231). Commencing January 1, 1990, Seller shall reimburse Pacific annually for the prior year's operation and maintenance in the amount of forty thousand dollars (\$40,000), plus eight percent

(8%) annually of the actual installed cost of any facilities and equipment installed after January 1, 1990, except that the reimbursement for contract year 2019 shall be due and payable on December 1, 2019."

2. The third sentence of Article X(C) of the Agreement is amended to read as follows (deletion in brackets [], addition underlined):

"Seller shall bear all costs related to such equipment as may be necessary to control the reactive power deliveries to the Facility from Pacific's system to no more than forty percent (40%) of the [Net Metered Output] electric power (kW) being delivered by the Facility at any time."

3. Article XI(A) of the Agreement is amended to read as follows (deleted words in brackets [], added words underlined):

"(A) Flows of electricity to Pacific shall be measured by meters to be equipped with detents so that the record of those flows will not be affected by any flows to Seller. Flows to Seller, including kWh, kW, and kVAR, shall be metered separately, [and] billed by Pacific and

paid by Seller monthly in accordance with the terms of [the service agreement, if any, existing between the parties, and/or otherwise in accordance with tariffs filed and approved by the regulatory authority having jurisdiction.] Pacific's General Service Schedule 25 then in effect, as approved by the Oregon Public Utility Commission, provided that Seller shall not be liable for any charges for kVAR's metered prior to January 1, 1989. This Agreement shall serve for the purposes of any special or written contract referenced in such Schedule 25.

4. Article VI of the Agreement is amended by changing the notification addresses to read as follows:

"To Seller: President
Falls Creek H.P. Limited Partnership
1580 Valley River Drive, Suite 290
Eugene, Oregon 97401-2148

To Pacific: Manager, Small Power Acquisitions
Pacific Power & Light Company/
Utah Power & Light Company
920 S.W. Sixth Avenue
Portland, Oregon 97204"

5. All other terms and conditions of the Agreement are to remain unaltered and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed by their respective names as of the date first above written.

FALLS CREEK H.P.
LIMITED PARTNERSHIP

PACIFIC POWER & LIGHT COMPANY/
UTAH POWER & LIGHT COMPANY

By *Frosther Lockhart, Inc.*
Thomas A. Lockhart President +
Title *General Partner*

By *Thomas A. Lockhart*
Thomas A. Lockhart
Title *Vice President, Power Systems*

mlp

Amend.Agrmt No.2/Falls Crk/JRL