

7/29/82

POWER PURCHASE AGREEMENT
BETWEEN
DESCHUTES VALLEY WATER DISTRICT
AND
PACIFIC POWER & LIGHT COMPANY

THIS AGREEMENT, entered into on this 15th day of NOV., 1982, is between Deschutes Valley Water District, hereinafter referred to as "Seller," and Pacific Power & Light Company, a Maine corporation, hereinafter referred to as "Pacific."

RECITALS:

WHEREAS, Seller will own and operate a 4,300-kilowatt ("kw") nameplate hydroelectric facility for the generation of electric power at the Opal Springs Hydroelectric Project near Madras, Oregon ("Facility"); and

WHEREAS, Seller wishes to sell, and Pacific wishes to purchase, the Net Metered Output from the Facility, with the prices for such purchases being based upon the costs associated with the Wyodak Plant ("Wyodak Plant"), consisting of Wyodak Unit 1, an operational coal-fired steam electric generation plant near Gillette, Wyoming, and upon costs anticipated to be associated with Wyodak No. 2, a projected twin of Wyodak Unit 1, now scheduled to come on line in 1989.

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) "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;

(B) "Demonstrated Capacity" is the actual demonstrated ability of the Facility to generate and deliver electric power, expressed in kw, available to Pacific to meet its capacity requirements, less Facility use and less transmission and transformation losses, if any, to the Point of Delivery. The Demonstrated Capacity shall be determined at the end of the first 12 months of deliveries hereunder. For each month thereafter, the Demonstrated Capacity shall be determined using the current month and the 11 immediately preceding months. The Demonstrated Capacity shall be the lesser of:

(1)
$$\frac{\text{kwh of Net Metered Output per 12 months}}{8760 \times 0.40}$$

or

(2) the average rate of delivery (kw) during the highest consecutive five-hour period of kilowatt-hour ("kwh") deliveries of Net Metered Output in the 12-month period.

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

(D) "On-peak" is that period of time from 6 a.m. to 10 p.m., Monday through Friday;

(E) "Off-peak" is all times other than On-peak;

(F) "Point of Delivery" is the location where Pacific's and Seller's electrical facilities are connected at the point of metering on the high side of the transformer attached to the Facility's generator at Opal Springs near Madras, Oregon;

(G) "Property" is the Facility and all Seller's Interconnection Equipment;

(H) "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;

(I) "Seller's Interconnection Equipment" is all equipment and facilities not owned by Pacific located 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.

(J) "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

Subject to the provisions of Articles XII and XXIII, this Agreement shall become effective when executed by both parties hereto, and shall end on December 31, 2020.

ARTICLE III: DELIVERY OF POWER

Commencing upon October 1, 1985, and until January 1, 1987, Seller shall make available from the Facility a minimum of 3,900,000 kwh of

Net Metered Output each Contract Year; provided, however, that during the first Contract Year such minimum shall be reduced proportionately to reflect the date of first deliveries of Net Metered Output. Commencing upon January 1, 1987, and for the duration of this Agreement, Seller shall make available from the Facility a minimum of 7,800,000 kwh of Net Metered Output during each Contract Year. Subject to Articles VIII, IX, and X, Pacific shall purchase all Net Metered Output made available from the Facility.

ARTICLE IV: PRICES

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

(A) Capacity Prices

Commencing upon first delivery hereunder, Pacific shall pay \$8.21 per month for each kw of Demonstrated Capacity; provided, however, that if the Facility produces no energy for any consecutive 90-day period during any Contract Year (exclusive of approved Scheduled Maintenance Periods pursuant to Article XV(A) hereof and exclusive of requested reductions pursuant to Article XVI hereof), Pacific may, without further obligation or penalty, suspend all capacity payments to Seller until Seller recommences deliveries hereunder.

The first year's Demonstrated Capacity is assumed to be 4500 kw, and thereafter shall be the actual Demonstrated

Capacity. If during the first year the actual Demonstrated Capacity is greater or less than 4500 kw, Pacific shall make a retroactive adjustment in capacity payments as provided in Article V. Such adjustments shall include interest on underpayments or overpayments at the average monthly prime rate as published by the Morgan Guaranty Trust Company of New York.

(B) Energy Prices

Commencing upon first delivery hereunder, and ending on December 31, 2020, Pacific shall pay 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	6.92
1986	6.92
1987	6.99
1988	7.07
1989	7.15
1990	7.24
1991	7.33
1992	7.43
1993	7.53
1994	7.64
1995	7.76
1996	7.88
1997	8.02
1998	8.15
1999	8.30
2000	8.46
2001	8.62
2002	8.80
2003	8.99
2004	9.18
2005	9.39
2006	9.61
2007	9.85
2008	10.10
2009	10.36

<u>Contract Year</u>	<u>Energy Price Cents/kwh</u>
2010	10.64
2011	10.94
2012	11.25
2013	11.58
2014	11.94
2015	12.31
2016	12.71
2017	13.13
2018	13.57
2019	14.05
2020	14.55

(C) 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 on the signature page 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 energy 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 determined in subparagraph (B) above, multiplied by 1.212, and the product rounded to the nearest one-hundredth (1/100) cent.
- (2) The energy 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 determined in subparagraph (B) above, multiplied by 0.808, and the product rounded to the nearest one-hundredth (1/100) cent.

ARTICLE V: PAYMENTS AND COMPUTATIONS

(A) Pacific shall provide Seller with monthly computations of Net Metered Output and 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 use its best efforts to make such monthly payments within thirty (30) days of the meter reading date.

(B) Seller shall pay Pacific for Pacific's costs incurred hereunder 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: Manager
Deschutes Valley Water District : 54D 475-3849
1141 S.W. Culver Highway
Madras, Oregon 97741

To Pacific: Vice President, Power Resources
Pacific Power & Light Company
920 SW Sixth Avenue
Portland, OR 97204

The parties may change 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 acceptance. 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) At the request of Pacific, Seller shall provide Pacific, prior to the initial delivery of Net Metered Output, with a statement from a licensed professional engineer 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 cost associated with 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 appropriate state regulatory commission having jurisdiction; provided, however, in return for Seller's agreement to be responsible for transformation to the point of delivery, Pacific shall bear all costs Pacific may incur on Pacific's system after the date of initial deliveries.

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's Property shall meet the requirements of all applicable state and local laws. Prior to commencement of generation, and at completion of any major changes, Seller's Property shall be inspected and approved by the appropriate state and local officials.

(B) Seller shall operate and maintain Seller's Property in a safe manner and in accordance with the National Electric Safety Code currently in effect.

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

(D) 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 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.

(E) 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.

(F) Seller shall remedy any demonstrated harmonic distortions on Pacific's system attributable to the operation of Seller's 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 Seller's Facility from Pacific's system. During such period of disconnection, Pacific's obligation to make payments to Seller shall be suspended.

(G) 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 energy or capacity, and shall, if necessary, delay any Scheduled Maintenance Periods.

(H) Each party shall design, construct, operate, maintain, and use its electric 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 its electric system and on its customers of electric disturbances originating on its own or another electric system.

ARTICLE XI: METERING

(A) Seller warrants that the amount of output of its Facility is

not dependent upon Seller's consumption of electricity purchased from Pacific.

(B) Flows to Pacific shall be measured by meters to be equipped with detents so that the record of those flows will not be affected by flows to Seller. Flows to Seller shall continue to be metered separately 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.

(C) Pacific shall provide, install, own, 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 provide, install, own, and maintain meters for measurement of reactive volt-ampere hours. All acquisition, installation, maintenance, inspection, and testing costs relating to all metering devices on the Seller's side of the Point of Delivery shall be borne by Seller. All acquisition and installation, and costs relating to all metering devices installed on Pacific's side of the Point of Delivery which are necessary to accommodate Seller's generation shall also be borne by Seller. All meters and metering equipment installed on Pacific's side of the Point of Delivery shall be operated and maintained by Pacific at Pacific's expense, and shall be sealed by Pacific.

(D) Seals on meters relating to Seller's generation 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 at least once each year by Pacific and at reasonable times upon request therefor by either party. 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.

(E) 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) Nothing in this section 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.

(C) Prior to connection of Seller's generation to Pacific's system, Seller shall secure and continuously carry, in an insurance company or companies acceptable to Pacific, insurance policies for bodily injury and property damage liability arising out of the operation of the Property. 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 canceled 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 (C) shall be \$1,000,000 single limit. If during the term of the contract these limits are deemed by Pacific to be lower than reasonably

required for prudent utility practice Pacific may request that they be increased. If the parties cannot agree on the limits to be established, the dispute may be resolved by the Public Utility Commissioner of Oregon.

(D) Seller shall obtain insurance acceptable to Pacific against property damage or destruction in an amount not less than the cost of replacement of the Property. Seller shall promptly notify Pacific of any loss or damage to the Property. Unless the parties agree otherwise, Seller shall repair or replace the damaged or destroyed Property. Each party agrees to waive its insurers' rights of subrogation regarding property losses.

(E) Seller shall provide Pacific copies of all insurance policies at the address listed in Article VI. Pacific shall incur no obligation under this Agreement until all such copies have been received by Pacific.

ARTICLE XIII: LAND RIGHTS

All of the facilities necessary or useful to interconnecting the Facility with Pacific's system shall be located on real property owned by Seller or upon real property already subject to easements or rights-of-way owned by Pacific. Seller shall, for the duration of this Agreement, allow Pacific's personnel an unlimited, unconditional, and unilateral right of access to all portions of the Facility, including all interconnection equipment owned or controlled by Seller.

ARTICLE XIV: COMMUNICATIONS

Seller shall at its expense maintain telephone communication facilities with Pacific's dispatcher.

ARTICLE XV: SCHEDULED MAINTENANCE PERIODS

(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. Such periods shall normally occur from July through September. Seller shall propose to Pacific Scheduled Maintenance Periods for each Contract Year by the preceding February 1, and within sixty (60) days of Pacific's receipt of such proposal, Pacific shall inform Seller of the acceptability or unacceptability of the proposed periods.

(B) In the event the Facility must be shut down for unscheduled maintenance, Seller shall notify Pacific 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 SERVICE

Pacific may require Seller to curtail, interrupt, or reduce deliveries of energy or capacity in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of Pacific's equipment or any part of its system reasonably related to Seller's facility or if Pacific determines that curtailment, interruption, or reduction is necessary because of operating conditions on its system or as otherwise required by prudent electrical practices. In such circumstances, Pacific shall not be obligated to accept deliveries of energy or capacity hereunder. Pacific shall use its best efforts to keep all curtailments, interruptions,

or reductions to a minimum and shall attempt to coordinate with Seller all such curtailments, interruptions, or reductions.

ARTICLE XVII: QUALIFYING FACILITY STATUS

Seller covenants that the Facility is, and for the duration of this Agreement shall continue to: (1) be owned by an entity not engaged in providing retail electric service, (2) be powered by flowing water, and (3) have an installed capacity of not more than 80 megawatts.

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. If either party is rendered wholly or partly unable to perform its obligations under this Agreement because of Force Majeure, that party shall be excused 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 a quasi-municipal corporation.

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

This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or this Agreement. This Agreement shall not become valid until all required governmental authorizations and permits are first obtained and copies thereof are submitted to Pacific; provided, that this Agreement shall not become effective unless it, and all provisions thereof, is authorized and permitted by such governmental agencies without change or condition.

ARTICLE XXIV: SUCCESSORS AND ASSIGNS

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.

ARTICLE XXV: MODIFICATION

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

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

Deschutes Valley Water District

PACIFIC POWER & LIGHT COMPANY

By 

By 

Vice President

Title Chairman

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

By _____

AMENDMENTS TO
POWER PURCHASE AGREEMENT
BETWEEN
DESCHUTES VALLEY WATER DISTRICT
AND
PACIFIC POWER & LIGHT COMPANY

THIS AMENDATORY AGREEMENT, entered into this 30 day of June, 1983, is for the purpose of modifying that certain Agreement between Pacific Power & Light Company ("Pacific") and the Deschutes Valley Water District ("Seller") entered into on the 15th day of November, 1982.

The November 15, 1982 Agreement is amended as follows (underlying denotes addition, bracketing denotes deletion):

1. Page 2, Article I(C), Definitions, definition of "Net Metered Output" is revised to read as follows:

"Net Metered Output is the energy and capacity produced by the Facility, less Facility use, if any, and less transformation losses based on transformer test data, all as determined at the Point of Delivery;"

2. Page 3, Article I(F), Definitions, definition of "Point of Delivery" is revised to read as follows:

"Point of Delivery is the location where Pacific's and Seller's electrical facilities are connected (at the point of metering) on the high side of the Seller's transformer attached to the Facility's generator at Opal Springs near Madras, Oregon;"

3. Pages 4 and 5, Article IV: PRICES, (A) Capacity Price, second paragraph, second line of first sentence, and second line of second sentence, is revised by changing "4500 kw" to "5000 kw."

4. Delete Paragraph (c) p. 12 and replace with the following:

"Pacific shall provide, install, own, maintain, and seal 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 provide, install, own, and maintain meters for measurement of KVAR. All acquisition, installation, maintenance, inspection, and testing costs relating to all of Pacific's metering devices on the Seller's side of the Point of Delivery shall be borne by Seller. X Pacific shall install and maintain equipment to receive telemetering signals from Seller at Seller's office, the address of which is set forth under Article VI. The telemetering signals for kW, kWh, and KVAR are to be in a form to be specified by Pacific, and the scaling of such quantities shall be determined by Pacific. Seller shall make its best efforts to provide and maintain the kW, kWh, and KVAR signals to Seller's office for Pacific's use. Seller shall pay all costs relating to equipment acquisition, installation, inspection, operation, maintenance, and other charges resulting from telemetering and displaying information from Seller's office to Pacific's dispatching office in Bend, Oregon."

5. Page 19, Article XXIV, Successors and Assigns, is revised by denominating the existing Paragraph as Paragraph (A), and inserting new Paragraph (B) as follows:

"Nothing in this Agreement shall be construed as restricting the right of the Oregon Department of

Energy or Pacific as its designate from operating the Facility pursuant to that certain project loan agreement entered into between Seller and the Oregon Department of Energy, 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."

6. All other terms and conditions of the November 15, 1982 Agreement are to remain unaltered and in full force and effect.

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

DESCHUTES VALLEY WATER DISTRICT

PACIFIC POWER & LIGHT COMPANY

By *[Signature]* - Chairman
Title

By *[Signature]*
Vice President

[Signature]

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