

September 3, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
3930 Fairview Industrial Dr SE
Salem, Oregon 97302-1166

Attn: Filing Center

RE: Docket UM 1694

PacifiCorp d/b/a Pacific Power encloses for filing an original and five copies of the following documents, consistent with the Administrative Law Judge's Prehearing Conference Memorandum (July 16, 2014):

1. [Confidential] Summary of avoided cost payments to Loyd Fery Farms (July 2013 – June 2014);
2. [Confidential] Station service invoices for Loyd Fery (Oct. 2013 – Aug. 2014);
3. Pacific Power's Oregon Schedule 37, issued Oct. 20, 2008;
4. Pacific Power's Oregon Schedule 37, issued Feb. 17, 2011;
5. [Confidential] Power Purchase Agreement extension with Loyd Fery (June 17, 2014);
6. [Confidential] Power Purchase Agreement with Loyd Fery (Jan. 1, 2004);
7. [Confidential] Power Purchase Agreement Amendment with Loyd Fery (Jan. 7, 2005);
8. [Confidential] Power Purchase Agreement Amendment with Loyd Fery (Dec. 21, 2005);
9. [Confidential] Power Purchase Agreement Amendment with Loyd Fery (Nov. 14, 2006);
10. [Confidential] Power Purchase Agreement with Loyd Fery (Nov. 7, 2007);
11. [Confidential] Power Purchase Agreement with Loyd Fery (Dec. 9, 2013);

Confidential information is provided subject to Protective Order No. 14-216.

A copy of this filing has been served on all parties to this proceeding as indicated by the attached certificate of service.

If you have questions about this filing, please contact Natasha Siores, Director, Regulatory Affairs & Revenue Requirement, at (503) 813-6583.

Oregon Public Utility Commission
September 3, 2014
Page 2

Sincerely,

A handwritten signature in cursive script that reads "R. Bryce Dalley / ncs".

R. Bryce Dalley
Vice President, Regulation

Enclosure

cc: Service List – UM 1694

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of Pacific Power's these documents on the parties listed below via electronic mail and/or US mail in compliance with OAR 860-001-0180.

UM 1694


Loyd Fery
Loyd Fery Farms
11022 Rainwater Lane SE
Aumsville, OR 97325
dlchain@wvi.com

Barb Coughlin
Pacific Power
825 NE Multnomah St. Ste 800
Portland, OR 97232
Barb.coughlin@pacificorp.com

Donna Fery
Roush Hydro
366 E Water
Stayton, OR 97383
donna@wvi.com

Dustin Till
PacifiCorp
825 NE Multnomah St, Ste 1800
Portland, OR 97232
Dustin.till@pacificorp.com

Dated this 3rd of September, 2014



Amy Eissler
Coordinator, Regulatory Operations

**CONFIDENTIAL SUMMARY OF AVOIDED
COST PAYMENTS TO LOYD FERY FARMS
(JULY 2013-JUNE 2014)**

Loyd Fery Payments_Jul13-Jun14

Monthly Transaction Details Repor						
Run Date: 08/06/2014						
Seq#: 6921						
Start YearMonth: 201307						
End YearMonth: 201406						
Product Type: All						
Seq#	Title	Category Cd	Category Descr	Oper month	Acct Month	Dollars
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Jul 2013	Jul 2013	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Aug 2013	Aug 2013	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Sep 2013	Sep 2013	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Oct 2013	Oct 2013	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Nov 2013	Nov 2013	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Dec 2013	Dec 2013	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Jan 2014	Jan 2014	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Feb 2014	Feb 2014	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Mar 2014	Mar 2014	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Apr 2014	Apr 2014	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	May 2014	May 2014	
6921	LOYD FERY HYDRO PUR	01	Purchased Power	Jun 2014	Jun 2014	



**CONFIDENTIAL STATION SERVICE INVOICES
FOR LOYD FERY
(OCTOBER 2013 – AUGUST 2014)**

PACIFIC POWER

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728

Questions about your bill: 1-888-221-7070
Call toll free 24 hours a day, 7 days a week
www.pacificpower.net

BILLING DATE: **Oct 9, 2013**
ACCOUNT NUMBER: [REDACTED]
DATE DUE: **Oct 25, 2013**
AMOUNT DUE: [REDACTED]

Your Balance With Us

Payments Received

Previous Account Balance	[REDACTED]
Payments/Credits	[REDACTED]
New Charges	[REDACTED]
Current Account Balance	\$ [REDACTED]

No payments have been received since your last billing statement.

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at 1-888-221-7070. We have a variety of options to help.

Manage your energy use with our Business Solutions Toolkit. It provides industry-specific tips and tools to help you make sound energy decisions and reduce demand. Find the Toolkit at pacificpower.net/toolkit.

Detailed Account Activity

ITEM 3 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002


Total New Charges [REDACTED]

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	Aug 30, 2013	Sep 30, 2013	31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Demand	Sep 30, 2013		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Reactive	Sep 30, 2013		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Next scheduled read date: 10-31. Date may vary due to scheduling or weather.

See reverse 

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

Late Payment Charge for Oregon
A late payment charge of 1.7% may be charged on any balance not paid in full each month.

PACIFIC POWER

PO BOX 25308
SALT LAKE CITY UT 84125

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]

Date Due: **Oct 25, 2013**

AMOUNT DUE: [REDACTED]

WRITE ACCOUNT NUMBER ON CHECK & MAIL TO:

PACIFIC POWER
PO BOX 26000
PORTLAND OR
97256-0001

Please enter the amount enclosed.

Questions about your bill:
Call toll free 1-888-221-7070

0.000 0-0

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions about your bill: Call toll free 1-888-221-7070 www.pacificpower.net

BILLING DATE: Oct 9, 2013 ACCOUNT NUMBER: [REDACTED] DATE DUE: Oct 25, 2013 AMOUNT DUE: [REDACTED]

NEW CHARGES - 10/13	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery for 31 day(s)			
Public Purpose			
Total New Charges			

When you provide a check as payment, you authorize us to use the information from your check either to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. If you would like to opt out of this program and continue processing your payment as a check transaction, please call anytime toll free at 1-800-895-0561. If you have opted out previously, please disregard this message.

Contact us at 1-888-221-7070 to enroll in the fixed donation program. You can add an amount you choose to your monthly bills in order to help your neighbors in need with assistance on their electric bills. Donations are tax-deductible.

Go paperless!

Paperless billing saves time, reduces clutter and benefits the environment. Watch our "Trees Have Dreams" video and sign up at pacificpower.net/paperless.

Looking for other ways to pay?

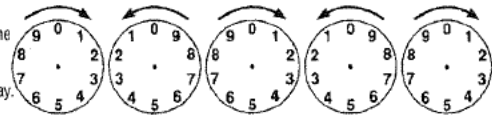
Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

ST

ZIP

TELEPHONE NUMBER

PACIFIC POWER

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728

Questions about your bill: **1-888-221-7070**
Call toll free 24 hours a day, 7 days a week
www.pacificpower.net

BILLING DATE: **Nov 7, 2013**
ACCOUNT NUMBER: [REDACTED]
DATE DUE: **Nov 26, 2013**
AMOUNT DUE: [REDACTED]

Your Balance With Us

Previous Account Balance	[REDACTED]
Payments/Credits	[REDACTED]
New Charges	[REDACTED]
Current Account Balance	[REDACTED]

Payments Received

DATE	DESCRIPTION	AMOUNT
Oct 30, 2013	Payment Adjustment: Transferred from another Account	[REDACTED]
Total Payments		[REDACTED]

Effective Nov. 1, 2013 the Oregon PUC has approved a small surcharge to cover costs associated with electric system safety. The surcharge is itemized on your bill. For safety and efficiency tips visit pacificpower.net.

Please consider helping your neighbors in need of energy assistance by using the enclosed envelope to make a tax-deductible donation. Pacific Power will contribute \$2 for every \$1 donated, allowing your contribution to go even further.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	Sep 30, 2013	Oct 31, 2013	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Demand	Oct 31, 2013	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Reactive	Oct 31, 2013	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Next scheduled read date: 12-04. Date may vary due to scheduling or weather.

NEW CHARGES - 11/13

	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery	[REDACTED]	[REDACTED]	[REDACTED]
Delivery Charge Secondary	[REDACTED]	[REDACTED]	[REDACTED]
Supply Energy Sec 1st 3000 Kwh	[REDACTED]	[REDACTED]	[REDACTED]
Public Purpose	[REDACTED]	[REDACTED]	[REDACTED]
Energy Conservation Charge	[REDACTED]	[REDACTED]	[REDACTED]
Total New Charges	[REDACTED]	[REDACTED]	[REDACTED]

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

PACIFIC POWER

PO BOX 25308
SALT LAKE CITY UT 84125

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]

Date Due: **Nov 26, 2013**

WRITE ACCOUNT NUMBER
ON CHECK & MAIL TO:

AMOUNT DUE: [REDACTED]

0.000 0-0

PACIFIC POWER
PO BOX 26000
PORTLAND OR
97256-0001

Please enter the amount enclosed.

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728

Questions about your bill:
Call toll free 1-888-221-7070



Questions about your bill: Call toll free 1-888-221-7070 www.pacificpower.net

BILLING DATE: **Nov 7, 2013** ACCOUNT NUMBER: [REDACTED] DATE DUE: **Nov 26, 2013** AMOUNT DUE: [REDACTED]

1-888-221-7070. We have a variety of options to help.

Fuel source, environmental impact and price comparison information is available on our website at pacificpower.net.

When you provide a check as payment, you authorize us to use the information from your check either to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. If you would like to opt out of this program and continue processing your payment as a check transaction, please call anytime toll free at 1-800-895-0561. If you have opted out previously, please disregard this message.

Contact us at 1-888-221-7070 to enroll in the fixed donation program. You can add an amount you choose to your monthly bills in order to help your neighbors in need with assistance on their electric bills. Donations are tax-deductible.

Go paperless!

Paperless billing saves time, reduces clutter and benefits the environment. Watch our "Trees Have Dreams" video and sign up at pacificpower.net/paperless.

Looking for other ways to pay?

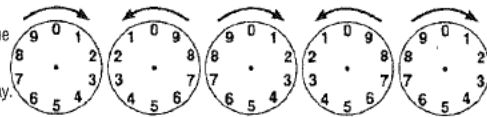
Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

ST

ZIP

TELEPHONE NUMBER

PACIFIC POWER

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728

Questions about your bill: 1-888-221-7070
Call toll free 24 hours a day, 7 days a week
www.pacificpower.net

BILLING DATE: Dec 6, 2013
ACCOUNT NUMBER: [REDACTED]
DATE DUE: Dec 24, 2013
AMOUNT DUE: [REDACTED]

Your Balance With Us

Previous Account Balance	[REDACTED]
Payments/Credits	[REDACTED]
New Charges	[REDACTED]
Current Account Balance	[REDACTED]

Payments Received

DATE	DESCRIPTION	AMOUNT
Nov 19, 2013	Payment Received - Thank you	[REDACTED]
Total Payments		[REDACTED]

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at 1-888-221-7070. We have a variety of options to help.

In the coming months, we will send you our new "reusable" envelope with your bill. You can use the same envelope to mail back your payment. More detailed information and instructions will be included with upcoming bill statements.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	Oct 31, 2013	Nov 30, 2013	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Demand	Nov 30, 2013	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Reactive	Nov 30, 2013	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Next scheduled read date: 01-06. Date may vary due to scheduling or weather.

NEW CHARGES - 12/13	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery	[REDACTED]	[REDACTED]	[REDACTED]
Distribution Safety Surcharge	[REDACTED]	[REDACTED]	[REDACTED]
Public Purpose	[REDACTED]	[REDACTED]	[REDACTED]
Total New Charges	[REDACTED]	[REDACTED]	[REDACTED]

When you provide a check as payment, you authorize us to use the information from your check either to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. If you would like to opt out of this program and continue processing your payment as a check transaction, please call anytime toll free at

Late Payment Charge for Oregon
A late payment charge of 1.7% may be charged on any balance not paid in full each month.

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

PACIFIC POWER

PO BOX 25308
SALT LAKE CITY UT 84125

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]

Date Due: Dec 24, 2013

AMOUNT DUE: [REDACTED]

WRITE ACCOUNT NUMBER ON CHECK & MAIL TO:

PACIFIC POWER
PO BOX 26000
PORTLAND OR
97256-0001

Please enter the amount enclosed.

Questions about your bill:
Call toll free 1-888-221-7070

0.000 0-0

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions about your bill: Call toll free 1-888-221-7070 www.pacificpower.net

BILLING DATE: Dec 6, 2013 ACCOUNT NUMBER: [REDACTED] DATE DUE: Dec 24, 2013 AMOUNT DUE: \$27.75

1-800-895-0561. If you have opted out previously, please disregard this message.

On behalf of Pacific Power, we would like to wish you a safe and happy holiday season.

Contact us at 1-888-221-7070 to enroll in the fixed donation program. You can add an amount you choose to your monthly bills in order to help your neighbors in need with assistance on their electric bills. Donations are tax-deductible.

Go paperless!

Paperless billing saves time, reduces clutter and benefits the environment. Watch our "Trees Have Dreams" video and sign up at pacificpower.net/paperless.

Looking for other ways to pay?

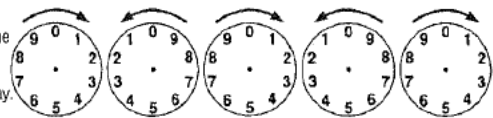
Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

ST

ZIP

TELEPHONE NUMBER

PACIFIC POWER

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728

Questions about your bill: **1-888-221-7070**
Call toll free 24 hours a day, 7 days a week
www.pacificpower.net

BILLING DATE: **Jan 8, 2014**
ACCOUNT NUMBER: [REDACTED]
DATE DUE: **Jan 24, 2014**
AMOUNT DUE: [REDACTED]

Your Balance With Us

Previous Account Balance	[REDACTED]
Payments/Credits	[REDACTED]
New Charges	[REDACTED]
Current Account Balance	[REDACTED]

Payments Received

No payments have been received since your last billing statement.

Next month, we will send you our new "reusable" envelope with your bill. You can use the same envelope to mail back your payment. Questions? Visit pacificpower.net/reusableenvelope or call us toll free at 1-888-221-7070.

The Oregon Public Utility Commission approved price changes effective January 1, 2014. This statement may reflect charges billed at both old and new rates. Please visit bewattsmart.com for programs and tips to save energy and money.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	Nov 30, 2013	Dec 31, 2013	31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Demand	Dec 31, 2013		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Reactive	Dec 31, 2013		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Next scheduled read date: 02-04. Date may vary due to scheduling or weather.

NEW CHARGES - 01/14	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery	[REDACTED]	[REDACTED]	[REDACTED]
Distribution Safety Surcharge	[REDACTED]	[REDACTED]	[REDACTED]
Public Purpose	[REDACTED]	[REDACTED]	[REDACTED]
Total New Charges	[REDACTED]	[REDACTED]	[REDACTED]

Please consider helping your neighbors in need of energy assistance by using the enclosed envelope to make a tax-deductible donation. Pacific Power will contribute \$2 for every \$1 donated, allowing your contribution to go even further.

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

PACIFIC POWER

PO BOX 25308
SALT LAKE CITY UT 84125

Late Payment Charge for Oregon
A late payment charge of 1.7% may be charged on any balance not paid in full each month.

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]

Date Due: **Jan 24, 2014**

AMOUNT DUE: [REDACTED]

WRITE ACCOUNT NUMBER ON CHECK & MAIL TO:

PACIFIC POWER
PO BOX 26000
PORTLAND OR
97256-0001

Please enter the amount enclosed.

Questions about your bill:
Call toll free 1-888-221-7070

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LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions about your bill: Call toll free 1-888-221-7070 www.pacificpower.net

BILLING DATE: Jan 8, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: Jan 24, 2014 AMOUNT DUE: [REDACTED]

Manage your energy use with our Business Solutions Toolkit. It provides industry-specific tips and tools to help you make sound energy decisions and reduce demand. Find the Toolkit at pacificpower.net/toolkit.

Fuel source, environmental impact and price comparison information is available on our website at pacificpower.net.

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at 1-888-221-7070. We have a variety of options to help.

Pacific Power makes it easy for customers and municipalities to report streetlight outages and manage streetlight accounts. You can report a streetlight outage at pacificpower.net/streetlights or call toll free at 1-888-221-7070.

When you provide a check as payment, you authorize us to use the information from your check either to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. If you would like to opt out of this program and continue processing your payment as a check transaction, please call anytime toll free at 1-800-895-0561. If you have opted out previously, please disregard this message.

Contact us at 1-888-221-7070 to enroll in the fixed donation program. You can add an amount you choose to your monthly bills in order to help your neighbors in need with assistance on their electric bills. Donations are tax-deductible.

Go paperless!

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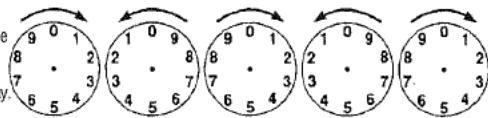
Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

ST

ZIP

TELEPHONE NUMBER

PACIFIC POWER

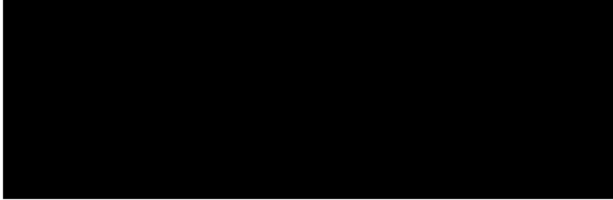
LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728

Questions about your bill: 1-888-221-7070
Call toll free 24 hours a day, 7 days a week
www.pacificpower.net

BILLING DATE: Feb 6, 2014
ACCOUNT NUMBER:
DATE DUE: Feb 24, 2014
AMOUNT DUE:

Your Balance With Us

Table with 2 columns: Description, Amount. Rows include Previous Account Balance, Payments/Credits, Past Due Amount, New Charges, Current Account Balance.



Effective Feb 1, 2014, the OPUC approved increases to the Renewable Resource and Solar Incentive rates. This bill may reflect charges at both old and new rates. We encourage you to find tips to save energy & money at bewattsmart.com

Manage your energy use with our Business Solutions Toolkit. It provides industry-specific tips and tools to help you make sound energy decisions and reduce demand. Find the Toolkit at pacificpower.net/toolkit.

Payments Received

No payments have been received since your last billing statement.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

Table with 6 columns: METER NUMBER, SERVICE PERIOD (From, To), ELAPSED DAYS, METER READINGS (Previous, Current), METER MULTIPLIER, AMOUNT USED THIS MONTH.

Next scheduled read date: 03-05. Date may vary due to scheduling or weather.

NEW CHARGES - 02/14

Table with 4 columns: Description, UNITS, COST PER UNIT, CHARGE. Rows include Basic Charge, 3P, Sec Delivery and Delivery Charge Secondary.

See reverse

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

Late Payment Charge for Oregon
A late payment charge of 1.7% may be charged on any balance not paid in full each month.

PACIFIC POWER

PO BOX 25308
SALT LAKE CITY UT 84125

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number:

Date Due: Feb 24, 2014

AMOUNT DUE:

0.000 0-0

WRITE ACCOUNT NUMBER ON CHECK & MAIL TO:

PACIFIC POWER
PO BOX 26000
PORTLAND OR
97256-0001

Please enter the amount enclosed.

Questions about your bill:
Call toll free 1-888-221-7070



Questions about your bill: Call toll free 1-888-221-7070 www.pacificpower.net

BILLING DATE: Feb 6, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: Feb 24, 2014 AMOUNT DUE: [REDACTED]

NEW CHARGES - 02/14 - CONTINUED	UNITS	COST PER UNITS	CHARGE
Reactive Power Charge Sec	[REDACTED]	[REDACTED]	[REDACTED]
Distribution Safety Surcharge	[REDACTED]	[REDACTED]	[REDACTED]
Supply Energy Sec 1st 3000 Kwh	[REDACTED]	[REDACTED]	[REDACTED]
Public Purpose	[REDACTED]	[REDACTED]	[REDACTED]
Late Payment Charge	[REDACTED]	[REDACTED]	[REDACTED]
Total New Charges	[REDACTED]	[REDACTED]	[REDACTED]

Fuel source, environmental impact and price comparison information is available on our website at pacificpower.net.

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at 1-888-221-7070. We have a variety of options to help.

Pacific Power makes it easy for customers and municipalities to report streetlight outages and manage streetlight accounts. You can report a streetlight outage at pacificpower.net/streetlights or call toll free at 1-888-221-7070.

When you provide a check as payment, you authorize us to use the information from your check either to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. If you would like to opt out of this program and continue processing your payment as a check transaction, please call anytime toll free at 1-800-895-0561. If you have opted out previously, please disregard this message.

Contact us at 1-888-221-7070 to enroll in the fixed donation program. You can add an amount you choose to your monthly bills in order to help your neighbors in need with assistance on their electric bills. Donations are tax-deductible.

Go paperless!

Paperless billing saves time, reduces clutter and benefits the environment. Watch our "Trees Have Dreams" video and sign up at pacificpower.net/paperless.

Looking for other ways to pay?

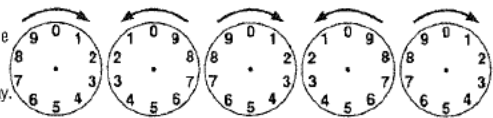
Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

ST

ZIP

TELEPHONE NUMBER

PACIFIC POWER

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728

Questions about your bill: 1-888-221-7070
Call toll free 24 hours a day, 7 days a week
www.pacificpower.net

BILLING DATE: Mar 7, 2014
ACCOUNT NUMBER:
DATE DUE: Mar 25, 2014
AMOUNT DUE:

Your Balance With Us

PAST DUE REMINDER

Table with 2 columns: Description, Amount. Rows include Previous Account Balance, Payments/Credits, Past Due Amount, New Charges, Current Account Balance.

Your Account is Past Due in the amount of
If the Past Due Amount has been paid, please remember that this bill also contains New Charges.

In the coming months, we will send you our new "reusable" envelope with your bill. You can use the same envelope to mail back your payment. Learn more at pacificpower.net/reusableenvelope or call us toll free at 1-888-221-7070.

Manage your energy use with our Business Solutions Toolkit. It provides industry-specific tips and tools to help you make sound energy decisions and reduce demand. Find the Toolkit at pacificpower.net/toolkit.

Payments Received

No payments have been received since your last billing statement.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

Table with 6 columns: METER NUMBER, SERVICE PERIOD (From, To), ELAPSED DAYS, METER READINGS (Previous, Current), METER MULTIPLIER, AMOUNT USED THIS MONTH.

Next scheduled read date: 04-03. Date may vary due to scheduling or weather.

NEW CHARGES - 03/14

Table with 4 columns: Description, UNITS, COST PER UNIT, CHARGE. Rows include Basic Charge, 3P, Sec Delivery and Reactive Power Charge Sec.

See reverse

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

Late Payment Charge for Oregon
A late payment charge of 1.7% may be charged on any balance not paid in full each month.

Change of Mailing Address or Phone?
Check here & provide information on back.

PACIFIC POWER

PO BOX 25308
SALT LAKE CITY UT 84125

Account Number:

Date Due: Mar 25, 2014

WRITE ACCOUNT NUMBER ON CHECK & MAIL TO:

AMOUNT DUE:

0.000 0-0

PACIFIC POWER
PO BOX 26000
PORTLAND OR
97256-0001

Please enter the amount enclosed.

Questions about your bill:
Call toll free 1-888-221-7070

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions about your bill: Call toll free 1-888-221-7070 www.pacificpower.net

BILLING DATE: Mar 7, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: Mar 25, 2014 AMOUNT DUE: [REDACTED]

NEW CHARGES - 03/14- CONTINUED	UNITS	COST PER UNITS	CHARGE
Distribution Safety Surcharge			
Public Purpose			
Late Payment Charge			
Total New Charges			

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at 1-888-221-7070. We have a variety of options to help.

When you provide a check as payment, you authorize us to use the information from your check either to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. If you would like to opt out of this program and continue processing your payment as a check transaction, please call anytime toll free at 1-800-895-0561. If you have opted out previously, please disregard this message.

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Go paperless!

Paperless billing saves time, reduces clutter and benefits the environment. Watch our "Trees Have Dreams" video and sign up at pacificpower.net/paperless.

To report an outage, downed line, or other power emergency, please call 1-877-508-5088.

Looking for other ways to pay?

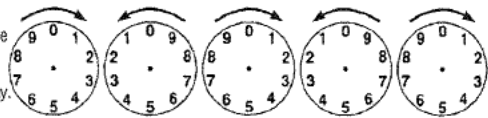
Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

ST

ZIP

TELEPHONE NUMBER

0.000 0-0
LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions:
1-888-221-7070
pacificpower.net

PACIFIC POWER

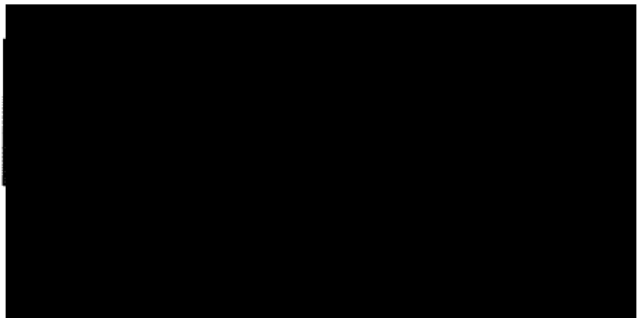
BILLING DATE: **Apr 7, 2014**
ACCOUNT NUMBER: [REDACTED]
DATE DUE: **Apr 23, 2014**
AMOUNT DUE: [REDACTED]

ACCOUNT PAST DUE

Our records indicate that your account is past due. If the past due amount has been paid, please remember that this bill also contains New Charges.

Your Balance With Us

Previous Account Balance	[REDACTED]
Payments/Credits	[REDACTED]
Past Due Amount	[REDACTED]
New Charges	[REDACTED]
Current Account Balance	[REDACTED]



This billing statement was sent in our reusable envelope. You can use this same envelope to mail back your payment. If you have any questions, please visit pacificpower.net/reusableenvelope or call us toll free at 1-888-221-7070.

There has been recent activity regarding phone scams which threaten to shut off service if past due amounts are not immediately paid. If you're contacted, hang up and call us at 1-888-221-7070. We'll verify the status of your account.

Payments Received

No payments have been received since your last billing statement.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	Feb 28, 2014	Mar 31, 2014	31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Demand	Mar 31, 2014		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Reactive	Mar 31, 2014		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Next scheduled read date: 05-02. Date may vary due to scheduling or weather.

See reverse

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.

RETURN THIS PORTION WITH YOUR PAYMENT.

PACIFIC POWER
PO BOX 25308
SALT LAKE CITY UT 84125

↑ INSERT THIS EDGE FIRST ↑

ACCOUNT PAST DUE

Late Payment Charge for Oregon
A late payment charge of 1.7% may be charged on any balance not paid in full each month.

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]

Date Due: **Apr 23, 2014**

AMOUNT DUE: [REDACTED]

Please enter the amount enclosed.

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728





Questions about your bill: Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: Apr 7, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: Apr 23, 2014 AMOUNT DUE: [REDACTED]

NEW CHARGES - 04/14	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery			
Distribution Safety Surcharge			
Public Purpose			
Late Payment Charge			
Total New Charges			

THE ELECTRIC SERVICE AT THE FOLLOWING ADDRESS (ES) IS IN DANGER OF BEING DISCONNECTED DUE TO NON-PAYMENT. THE AMOUNT (S) LISTED BELOW DOES NOT REFLECT ENERGY ASSISTANCE PROGRAM PLEDGES YOU MAY BE RECEIVING:

SERVICE TYPE	SERVICE ADDRESS / SERVICE DESCRIPTION	AMOUNT
Electric Service	11028 Stayton Rd Ck Mtr # Ck Aumsville, OR 97325 Station Service For Co Gen	[REDACTED]

Starting May 1, 2014, Pacific Power employees will no longer accept payments at your home or business for safety reasons. Several payment options are available. Learn more at rockymountainpower.net/pay or call 1-888-221-7070.

IMPORTANT: If your service is disconnected, in addition to paying at least half of your total account balance, you may be required to pay a deposit and a reconnection charge. The Company will make a reasonable attempt to switch on power for an Applicant or Customer within 24 hours after the Company is notified that all required charges have been paid and any required inspections are finalized.

A charge of \$20.00 may be made if it is necessary to send Company personnel to your premises for collection purposes.

If after contacting Pacific Power, you feel that the decision to shut off your electric service is wrong, you may appeal to the Public Utility Commission of Oregon, whose toll-free telephone number is 1-800-522-2404, or you may write P.O. Box 2148, Salem, Oregon 97308-2148, or go in to the Consumer Services Section, Public Utility Commission's Office, 550 Capitol St. NE, Salem, Oregon 97310.

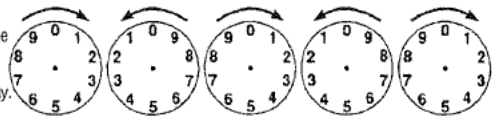
YOU MAY CONTACT THE FOLLOWING AGENCIES AND INQUIRE ABOUT ENERGY ASSISTANCE: DESCHUTES COUNTY Neighbor Impact 541-504-2155

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

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ZIP

TELEPHONE NUMBER





Questions about your bill: Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: Apr 7, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: Apr 23, 2014 AMOUNT DUE: [REDACTED]

IMPORTANT NOTICE: Your electric service will be shut off because of an unpaid balance on your account. You must act immediately to avoid shut off.

Important information about how you can avoid shut-off is printed in English on this enclosed notice. If you cannot understand English, please find someone to translate this notice. If translation assistance is unavailable, please contact Pacific Power 1-888-221-7070 who will try to help you.

Information on customer rights and responsibilities printed in this language is also available by calling that number.

YOU MUST ACT NOW TO AVOID SHUT-OFF

AVISO IMPORTANTE: Su servicio de luz será suspendido porque existe un saldo sin pagar en su cuenta. Ud. debe actuar inmediatamente para evitar la interrupción del servicio.

Información importante acerca de cómo Ud. puede evitar la interrupción del servicio está impresa arriba en inglés. Si no entiende inglés, por favor busque a alguien que le traduzca este aviso. Si no tiene ayuda para la traducción, favor de comunicarse con Pacific Power al 1-888-221-7070 quien tratará de ayudarlo.

La información de sus derechos y responsabilidades lo puede obtener en español al llamar a este número.

UD. DEBE ACTUAR AHORA MISMO PARA EVITAR LA SUSPENSION DEL SERVICIO

ВАЖНОЕ УВЕДОМЛЕНИЕ: В Вашем доме будет отключена электроэнергия, поскольку Вы не уплатили по предыдущему счету. Для того, чтобы избежать отключения, Вам необходимо немедленно отреагировать.

В этой прилагаемой инструкции, напечатанной на английском языке, содержится важная информация о том, каким образом Вы сможете избежать отключения. Если Вы не читаете по-английски, найдите, пожалуйста, кого-нибудь, кто сможет перевести Вам эту инструкцию. Если никто не сможет Вам в этом помочь, позвоните, пожалуйста, по следующему телефону Pacific Power 1-888-221-7070.

Это лицо постарается Вам помочь. По этому же телефону Вы можете заказать Инструкцию о правах и обязанностях потребителей коммунальных услуг, напечатанную на русском языке.

ЧТОБЫ ИЗБЕЖАТЬ ОТКЛЮЧЕНИЯ, РЕАГИРУЙТЕ НЕМЕДЛЕННО

ພິພິດສ໌ໜ້າ: ການເບີໂຮງແຮມໄຟຟ້າຂອງທ່ານຈະຖືກຜັດ ເພາະບໍ່ຈ່າຍເງິນ, ທ່ານຕ້ອງຈ່າຍໃນທັນໃດໂລດ ເພື່ອເວັ້ນຈາກການຜັດນີ້.

ສໍາຄັນສຳລັບກຸ່ມວົນວິຫານທີ່ສາມາດເວັ້ນຈາກການຜັດນີ້ ແມ່ນພົມເວັນພາສາອັງກິດ ຢູ່ໃນຄຳເຕືອນທີ່ລົງມາຂັ້ນນີ້. ຖ້າທ່ານບໍ່ເຂົ້າໃຈພາສາອັງກິດ, ກະລຸນາ ຂອກທາງຜູ້ໂຕຜູ້ໜຶ່ງແປພາສາຄຳວັກເຕືອນສະບັບນີ້. ຖ້າຂອກທາງຜູ້ແປພາສາບໍ່ໄດ້, ກະລຸນາຕິດຕໍ່ກັບ: Pacific Power 1-888-221-7070 ຜູ້ຈະພະຍາຍາມຊ່ວຍທ່ານ.

ສໍາຄັນສຳລັບກຸ່ມວົນວິຫານທີ່ສາມາດເວັ້ນຈາກການຜັດນີ້ ແມ່ນພົມເວັນພາສາອັງກິດ ຢູ່ໃນຄຳເຕືອນທີ່ລົງມາຂັ້ນນີ້. ຖ້າທ່ານບໍ່ເຂົ້າໃຈພາສາອັງກິດ, ກະລຸນາ ຂອກທາງຜູ້ໂຕຜູ້ໜຶ່ງແປພາສາຄຳວັກເຕືອນສະບັບນີ້. ຖ້າຂອກທາງຜູ້ແປພາສາບໍ່ໄດ້, ກະລຸນາຕິດຕໍ່ກັບ: Pacific Power 1-888-221-7070 ຜູ້ຈະພະຍາຍາມຊ່ວຍທ່ານ.

ສຸກສຸກໃຫ້ເຮົາເຮັດສາມາດເຮັດກຳລັງ
ເຮົາເຮັດສາມາດເຮັດກຳລັງສຳລັບທ່ານ

ຄຳວັກເຕືອນທີ່ສຳຄັນ: ການບໍລິການໄຟຟ້າຂອງທ່ານຈະຖືກຜັດ ເພາະບໍ່ຈ່າຍເງິນ, ທ່ານຕ້ອງຈ່າຍໃນທັນໃດໂລດ ເພື່ອເວັ້ນຈາກການຜັດນີ້.

ສໍາຄັນສຳລັບກຸ່ມວົນວິຫານທີ່ສາມາດເວັ້ນຈາກການຜັດນີ້ ແມ່ນພົມເວັນພາສາອັງກິດ ຢູ່ໃນຄຳເຕືອນທີ່ລົງມາຂັ້ນນີ້. ຖ້າທ່ານບໍ່ເຂົ້າໃຈພາສາອັງກິດ, ກະລຸນາ ຂອກທາງຜູ້ໂຕຜູ້ໜຶ່ງແປພາສາຄຳວັກເຕືອນສະບັບນີ້. ຖ້າຂອກທາງຜູ້ແປພາສາບໍ່ໄດ້, ກະລຸນາຕິດຕໍ່ກັບ: Pacific Power 1-888-221-7070 ຜູ້ຈະພະຍາຍາມຊ່ວຍທ່ານ.

ສໍາຄັນສຳລັບກຸ່ມວົນວິຫານທີ່ສາມາດເວັ້ນຈາກການຜັດນີ້ ແມ່ນພົມເວັນພາສາອັງກິດ ຢູ່ໃນຄຳເຕືອນທີ່ລົງມາຂັ້ນນີ້. ຖ້າທ່ານບໍ່ເຂົ້າໃຈພາສາອັງກິດ, ກະລຸນາ ຂອກທາງຜູ້ໂຕຜູ້ໜຶ່ງແປພາສາຄຳວັກເຕືອນສະບັບນີ້. ຖ້າຂອກທາງຜູ້ແປພາສາບໍ່ໄດ້, ກະລຸນາຕິດຕໍ່ກັບ: Pacific Power 1-888-221-7070 ຜູ້ຈະພະຍາຍາມຊ່ວຍທ່ານ.

ທ່ານຕ້ອງຈ່າຍດຽວນີ້
ເພື່ອຫຼີກເວັ້ນຈາກການຜັດການບໍລິການ

Cáo thị Quan trọng: Hệ thống điện của bạn sẽ bị cúp bởi vì một khoản chưa được thanh toán trong trương mục của bạn. Bạn hãy trả ngay tức khắc để tránh tình trạng bị cúp điện.

Những chỉ dẫn quan trọng để tránh việc bị cúp điện đã in trong bản cáo thị tiếng Anh này. Nếu bạn không hiểu được tiếng Anh, xin hãy nhờ một vị nào đó dịch lại bản cáo thị này cho bạn. Nếu bạn không thể tìm được ai để dịch giúp bạn, xin liên lạc về: Pacific Power 1-888-221-7070 vị này sẽ giúp bạn.

Những sự chỉ dẫn về quyền lợi và bổn phận của khách hàng sẽ được in bằng tiếng Việt; bạn có thể liên lạc về địa chỉ ở trên để được chỉ dẫn.

BẠN PHẢI HÀNH ĐỘNG NGAY ĐỂ TRÁNH TÌNH TRẠNG BỊ CÚP ĐIỆN

Fuel source, environmental impact and price comparison information is available on our website at pacificpower.net.

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at



Questions about your bill: Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: **Apr 7, 2014** ACCOUNT NUMBER: [REDACTED] DATE DUE: **Apr 23, 2014** AMOUNT DUE: [REDACTED]

1-888-221-7070. We have a variety of options to help.

When you provide a check as payment, you authorize us to use the information from your check either to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. If you would like to opt out of this program and continue processing your payment as a check transaction, please call anytime toll free at 1-800-895-0561. If you have opted out previously, please disregard this message.

To report an outage, downed line, or other power emergency, please call 1-877-508-5088.

Contact us at 1-888-221-7070 to enroll in the fixed donation program. You can add an amount you choose to your monthly bills in order to help your neighbors in need with assistance on their electric bills. Donations are tax-deductible.

Go paperless!

Paperless billing saves time, reduces clutter and benefits the environment. Watch our "Trees Have Dreams" video and sign up at pacificpower.net/paperless.

Looking for other ways to pay?

Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

0.000 0-0

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions:
1-888-221-7070
pacificpower.net

PACIFIC POWER

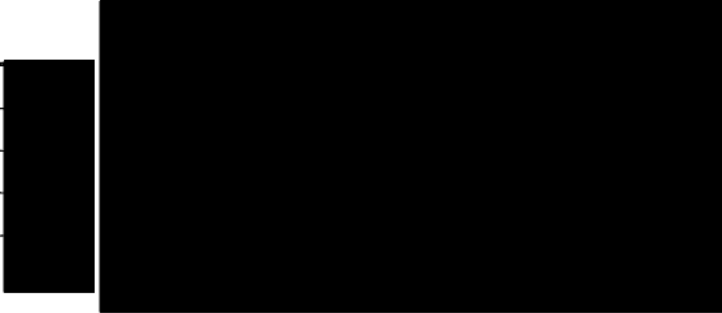
BILLING DATE: **May 6, 2014**
ACCOUNT NUMBER: [REDACTED]
DATE DUE: **May 22, 2014**
AMOUNT DUE: [REDACTED]

ACCOUNT PAST DUE

Our records indicate that your account is past due. If the past due amount has been paid, please remember that this bill also contains New Charges.

Your Balance With Us

Previous Account Balance
Payments/Credits
Past Due Amount
New Charges
Current Account Balance



This billing statement was sent in our reusable envelope. You can use this same envelope to mail back your payment. If you have any questions, please visit pacificpower.net/reusableenvelope or call us toll free at 1-888-221-7070.

Fuel source, environmental impact and price comparison information is available on our website at pacificpower.net.

Payments Received

No payments have been received since your last billing statement.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	Mar 31, 2014	Apr 30, 2014	30				
35824747	Demand	Apr 30, 2014					
35824747	Reactive	Apr 30, 2014					

Next scheduled read date: 06-03. Date may vary due to scheduling or weather.

See reverse

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

PACIFIC POWER
PO BOX 25308
SALT LAKE CITY UT 84125

↑ INSERT THIS EDGE FIRST ↑

ACCOUNT PAST DUE

Late Payment Charge for Oregon
A late payment charge of 1.7% may be charged on any balance not paid in full each month.

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]
Date Due: **May 22, 2014**

AMOUNT DUE: [REDACTED]

Please enter the amount enclosed.

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728





Questions about your bill: Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: May 6, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: May 22, 2014 AMOUNT DUE: [REDACTED]

NEW CHARGES - 05/14	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery			[REDACTED]
Distribution Safety Surcharge			[REDACTED]
Public Purpose			[REDACTED]
Late Payment Charge			[REDACTED]
Total New Charges			[REDACTED]

THE ELECTRIC SERVICE AT THE FOLLOWING ADDRESS (ES) IS IN DANGER OF BEING DISCONNECTED DUE TO NON-PAYMENT. THE AMOUNT (S) LISTED BELOW DOES NOT REFLECT ENERGY ASSISTANCE PROGRAM PLEDGES YOU MAY BE RECEIVING:

SERVICE TYPE	SERVICE ADDRESS / SERVICE DESCRIPTION	AMOUNT
Electric Service	11028 Stayton Rd Ck Mtr # Ck Aumsville, OR 97325 Station Service For Co Gen	[REDACTED]

Pacific Power employees no longer accept payments at your home or business for safety reasons. Several payment options are available. Learn more at pacificpower.net/pay or call 1-888-221-7070.

IMPORTANT: If your service is disconnected, in addition to paying at least half of your total account balance, you may be required to pay a deposit and a reconnection charge. The Company will make a reasonable attempt to switch on power for an Applicant or Customer within 24 hours after the Company is notified that all required charges have been paid and any required inspections are finalized.

A charge of \$20.00 may be made if it is necessary to send Company personnel to your premises for collection purposes.

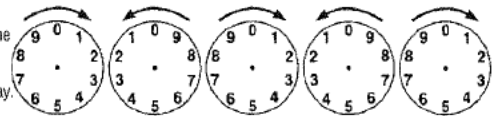
If after contacting Pacific Power, you feel that the decision to shut off your electric service is wrong, you may appeal to the Public Utility Commission of Oregon, whose toll-free telephone number is 1-800-522-2404, or you may write P.O. Box 2148, Salem, Oregon 97308-2148, or go in to the Consumer Services Section, Public Utility Commission's Office, 550 Capitol St. NE, Salem, Oregon 97310.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST FIRST M.I.

NEW STREET ADDRESS

CITY

ST ZIP TELEPHONE NUMBER





Questions about your bill: Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: **May 6, 2014** ACCOUNT NUMBER [REDACTED] DATE DUE: **May 22, 2014** AMOUNT DUE [REDACTED]

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To report an outage, downed line, or other power emergency, please call 1-877-508-5088.

Contact us at 1-888-221-7070 to enroll in the fixed donation program. You can add an amount you choose to your monthly bills in order to help your neighbors in need with assistance on their electric bills. Donations are tax-deductible.

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Looking for other ways to pay?

Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

|||

PACIFIC POWER

0.000 0-0
LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions:
1-888-221-7070
pacificpower.net

BILLING DATE: Jun 5, 2014
ACCOUNT NUMBER: [REDACTED]
DATE DUE: Jun 23, 2014
AMOUNT DUE: [REDACTED]

Your Balance With Us

Previous Account Balance	[REDACTED]
Payments/Credits	[REDACTED]
Past Due Amount	[REDACTED]
New Charges	[REDACTED]
Current Account Balance	[REDACTED]



This billing statement was sent in our reusable envelope. You can use this same envelope to mail back your payment. If you have any questions, please visit pacificpower.net/reusableenvelope or call us toll free at 1-888-221-7070.

The Oregon Commission approved a price increase effective June 1, 2014, for costs of the Lake Side 2 generating plant. Your bill may reflect charges billed at both old and new prices. For energy savings tips visit beattsmart.com.

Payments Received

No payments have been received since your last billing statement.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	Apr 30, 2014	May 31, 2014	31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Demand	May 31, 2014		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Reactive	May 31, 2014		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Next scheduled read date: 07-02. Date may vary due to scheduling or weather.

NEW CHARGES - 06/14	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery			[REDACTED]
Distribution Safety Surcharge			[REDACTED]

See reverse

Late Payment Charge for Oregon
A late payment charge of 1.7% may be charged on any balance not paid in full each month.

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97256-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

PACIFIC POWER
PO BOX 25308
SALT LAKE CITY UT 84125

↑ INSERT THIS EDGE FIRST ↑

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]
Date Due: Jun 23, 2014

AMOUNT DUE: [REDACTED]

Please enter the amount enclosed.

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



H 17450021 001 112 000020755 000017753 000003002



Questions about your bill: Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: Jun 5, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: Jun 23, 2014 AMOUNT DUE: [REDACTED]

NEW CHARGES - 06/14- CONTINUED UNITS COST PER UNITS CHARGE

Public Purpose	[REDACTED]		
Late Payment Charge	[REDACTED]		
Total New Charges	[REDACTED]		

Check out the renewable energy mix supported by Blue Sky customers last year and see what the 2014 resource mix is and how that compares to the basic service mix by visiting pacificpower.net/blueskymix

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at 1-888-221-7070. We have a variety of options to help.

Here is how we performed on our Customer Service Guarantees from January 2013 to December 2013: Restoring power - 100%, keeping appointments - 99.8%, switching on power - 99.9%, estimates - 97.2%, responding to billing inquiries - 100%, responding to meter problems - 99.7%, notification of planned interruptions - 99.9%. Overall guarantee performance remains above 99%, reflecting our continuing commitment to your satisfaction. For more information about our Customer Guarantee program, visit us online at pacificpower.net/guarantees.

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To report an outage, downed line, or other power emergency, please call 1-877-508-5088.

Contact us at 1-888-221-7070 to enroll in the fixed donation program. You can add an amount you choose to your monthly bills in order to help your neighbors in need with assistance on their electric bills. Donations are tax-deductible.

Go paperless!
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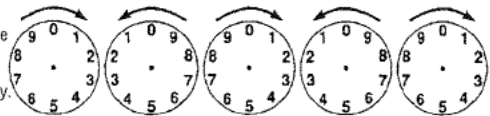
Looking for other ways to pay?
Pay online using your bank account. Log on to pacificpower.net to pay your bills quickly and securely. Or, for a fee, pay by phone with a check, credit or debit card by calling 1-800-672-2403.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER: [REDACTED]

If you feel your meter read is incorrect, draw lines where the hands appear on the dials or for digital meters record the numbers shown on the display.



LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

ST

ZIP

TELEPHONE NUMBER



PACIFIC POWER

0.000 0-0
LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions:
1-888-221-7070
pacificpower.net

BILLING DATE: Jul 7, 2014
ACCOUNT NUMBER: [REDACTED]
DATE DUE: Jul 23, 2014
AMOUNT DUE: [REDACTED]

Your Balance With Us

Previous Account Balance	[REDACTED]
Payments/Credits	[REDACTED]
Past Due Amount	[REDACTED]
New Charges	[REDACTED]
Current Account Balance	[REDACTED]



Fuel source, environmental impact and price comparison information is available on our website at pacificpower.net.

Manage your energy use with our Business Solutions Toolkit. It provides industry-specific tips and tools to help you make sound energy decisions and reduce demand. Find the Toolkit at pacificpower.net/toolkit.

Payments Received

No payments have been received since your last billing statement.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	May 31, 2014	Jun 30, 2014	30	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Demand	Jun 30, 2014		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Reactive	Jun 30, 2014		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Next scheduled read date: 08-04. Date may vary due to schedule.

NEW CHARGES - 07/14

	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery	[REDACTED]	[REDACTED]	[REDACTED]
Distribution Safety Surcharge	[REDACTED]	[REDACTED]	[REDACTED]

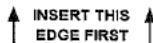
See reverse

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RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

PACIFIC POWER
PO BOX 25308
SALT LAKE CITY UT 84125



Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]

Date Due: Jul 23, 2014

AMOUNT DUE: [REDACTED]

PACIFIC POWER
PO BOX 26000
PORTLAND OR 97256-0001



Please enter the amount enclosed.

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions about your bill: Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: Jul 7, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: Jul 23, 2014 AMOUNT DUE: [REDACTED]

NEW CHARGES - 07/14 - CONTINUED	UNITS	COST PER UNITS	CHARGE
Public Purpose			
Late Payment Charge			
Total New Charges			

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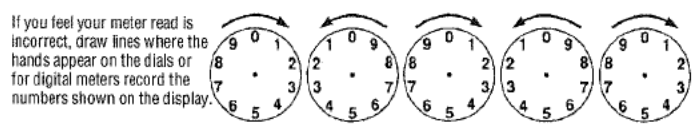
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New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

ACCOUNT NUMBER [REDACTED]



LAST FIRST M.I.

NEW STREET ADDRESS

CITY

ST ZIP TELEPHONE NUMBER



PACIFIC POWER

0.000 0-0
LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions: Call
1-888-221-7070
24 hours a day,
7 days a week
pacificpower.net

BILLING DATE: Aug 6, 2014
ACCOUNT NUMBER: [REDACTED]
DATE DUE: Aug 22, 2014
AMOUNT DUE: [REDACTED]

Your Balance With Us

Previous Account Balance	[REDACTED]
Payments/Credits	[REDACTED]
Past Due Amount	[REDACTED]
New Charges	[REDACTED]
Current Account Balance	[REDACTED]

PAST DUE REMINDER

Your Account is Past Due in the amount of [REDACTED]
If the Past Due Amount has been paid, please remember that this bill also contains New Charges.

We are improving our reusable envelope so it will be easier to use and provides greater assurance your payment will arrive safely. Thanks for your patience during this process. Learn more at pacificpower.net/reusableenvelope.

If you find yourself in a position in which you are not able to pay your electric bills, we encourage you to contact us at 1-888-221-7070. We have a variety of options to help.

Payments Received

No payments have been received since your last billing statement.

Detailed Account Activity

ITEM 4 - ELECTRIC SERVICE

11028 Stayton Rd Ck Mtr # Ck Aumsville OR
Station Service For Co Gen Schedule 23
Service ID: 372446959-002

METER NUMBER	SERVICE PERIOD		ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
	From	To		Previous	Current		
35824747	Jun 30, 2014	Jul 31, 2014	31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Demand	Jul 31, 2014		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
35824747	Reactive	Jul 31, 2014		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Next scheduled read date: 09-03. Date may vary due to scheduling or weather.

NEW CHARGES - 08/14

	UNITS	COST PER UNIT	CHARGE
Basic Charge, 3P, Sec Delivery			[REDACTED]
Delivery Charge Secondary	1 kwh	[REDACTED]	[REDACTED]

See reverse

Late Payment Charge for Oregon
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PACIFIC POWER
PO BOX 25308
SALT LAKE CITY UT 84125

↑ INSERT THIS EDGE FIRST ↑

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: [REDACTED]

Date Due: Aug 22, 2014

AMOUNT DUE: [REDACTED]

PACIFIC POWER
PO BOX 26000
PORTLAND OR 97256-0001



Please enter the amount enclosed.

LOYD FERY
11022 RAINWATER LN SE
AUMSVILLE OR 97325-9728



Questions about your bill: Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: Aug 6, 2014 ACCOUNT NUMBER: [REDACTED] DATE DUE: Aug 22, 2014 AMOUNT DUE: [REDACTED]

NEW CHARGES - 08/14- CONTINUED	UNITS	COST PER UNITS	CHARGE
Reactive Power Charge Sec	[REDACTED]	[REDACTED]	[REDACTED]
Distribution Safety Surcharge	[REDACTED]	[REDACTED]	[REDACTED]
Supply Energy Sec 1St 3000 Kwh	[REDACTED]	[REDACTED]	[REDACTED]
Public Purpose	[REDACTED]	[REDACTED]	[REDACTED]
Late Payment Charge	[REDACTED]	[REDACTED]	[REDACTED]
Total New Charges	[REDACTED]	[REDACTED]	[REDACTED]

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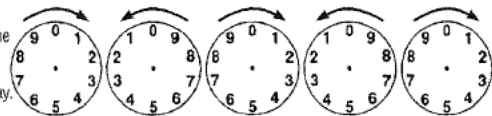
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New Mailing Address or Phone?

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ACCOUNT NUMBER [REDACTED]

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LAST

FIRST

M.I.

NEW STREET ADDRESS

CITY

ST

ZIP

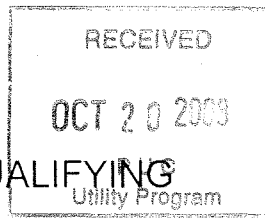
TELEPHONE NUMBER



PACIFIC POWER'S OREGON SCHEDULE 37

ISSUED OCTOBER 20, 2008

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS



OREGON
SCHEDULE 37
Page 1

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

West Side Gas Market Index

The monthly indexed gas price shall be the average of the price indexes published by Platts in "Inside FERC's Gas Market Report" monthly price report for Northwest Pipeline Corp. Rock Mountains, Northwest Pipeline Corp. Canadian Border, and Rockies/Northwest Stanfield, OR.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price as described and calculated under pricing option 5 for all Excess Output. (C)
(C)

(Continued)

Issued:	October 20, 2008	P.U.C. OR No. 35
Effective:	With service rendered on and after November 5, 2007	Seventh Revision of Sheet No. 37-1 Canceling Sixth Revision of Sheet No. 37-1

Issued By
Andrea L. Kelly, Vice President, Regulation

**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

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Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

West Side Gas Market Index

The monthly indexed gas price shall be the average of the price indexes published by Platts in "Inside FERC's Gas Market Report" monthly price report for Northwest Pipeline Corp. Rock Mountains, Northwest Pipeline Corp. Canadian Border, and Rockies/Northwest Stanfield, OR.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

(Continued)

Issued: July 12, 2007 P.U.C. OR No. 35
Effective: With service rendered on and after Fifth Revision of Sheet No. 37-1
August 13, 2007 Canceling Fourth Revision of Sheet No. 37-1

Issued By

Andrea L. Kelly, Vice President, Regulation

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JUL 12 2007
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Utility Program

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

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Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

CANCELLED
date 8-13-07
by 5th REV. OF 37-1

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

(Continued)

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Issued By
Andrea L. Kelly, Vice President, Regulation

**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

**OREGON
SCHEDULE 37**

Page 1

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November. (N)

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Off-Peak Hours

All hours other than On-Peak.

Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

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BY 4th Rev. of
Sheet No. 37-1
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(Continued)

Issued:	January 22, 2007	P.U.C. OR No. 35
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Issued By
Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37

Page 1

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005 the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April, and for the period between the last Sunday in October and the first Sunday in November.

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Off-Peak Hours

All hours other than On-Peak.

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date 3-13-07
by 3rd Rev. of 37-1
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Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

(Continued)

Issued:	September 8, 2006	P.U.C. OR No. 35
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Issued By
Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Off-Peak Hours

All hours other than On-Peak.

Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

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2nd Revision of
Sheet No. 37-1
P.R.

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Issued By

D. Douglas Larson, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37

Page 1

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

CANCELLED
date 3/24/06
by [signature]
[signature]

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be the holiday and will be Off-peak.

Off-Peak Hours

All hours other than On-Peak.

Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

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Issued: July 12, 2005
Effective: With service rendered on and after August 11, 2005

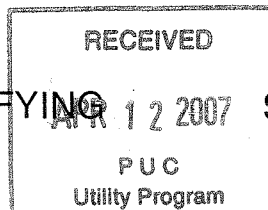
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D. Douglas Larson, Vice President, Regulation

TF1 37-1.NEW

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS



OREGON
SCHEDULE 37

Page 2

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Same Site

Generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Person(s) or Affiliated Person(s):

A natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a "passive investor" if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

Dispute Resolution:

Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the standard rates and standard contract. Any dispute concerning a QF's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.

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(Continued)

Issued:	April 12, 2007	P.U.C. OR No. 35
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Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37

CANCELLED
date 4-13-07
by 1st Revision
of Sheet No. 37-2

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Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

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TF1 37-2.NEW

Advice No.

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Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either the Firm Market Indexed, the Banded Gas Market Indexed or the Gas Market Indexed Avoided Cost pricing option.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2010 through 2013), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years. (C)

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2010 through 2013), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years. (C)

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Dow Jones Index Firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

5. Non-firm Market Index Avoided Cost Prices

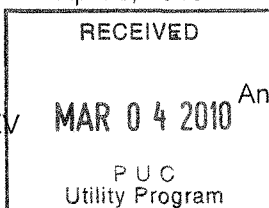
Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of Dow Jones Index Non-firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

(Continued)

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Effective: April 5, 2010

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Eighth Revision of Sheet No. 37-3
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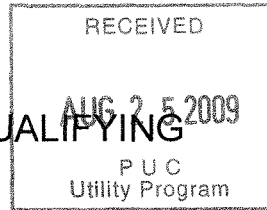
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Issued By
Andrea L. Kelly, Vice President, Regulation

Advice No. 10-005

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS



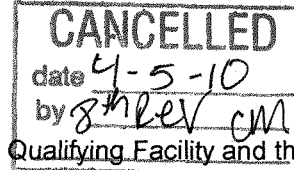
Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either the Firm Market Indexed, the Banded Gas Market Indexed or the Gas Market Indexed Avoided Cost pricing option.



2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2009 through 2013), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2009 through 2013), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Dow Jones Index Firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

5. Non-firm Market Index Avoided Cost Prices

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of Dow Jones Index Non-firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

(Continued)

Issued: August 25, 2009
Effective: Upon approval by the Commission *bu*
SEP 09 2009
P.U.C. OR No. 35
Seventh Revision of Sheet No. 37-3
Canceling Sixth Revision of Sheet No. 37-3

Issued By
Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

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Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either the Firm Electric Index, the Banded Gas Market Indexed Avoided Cost Prices or the Gas Market Indexed Avoided Cost Prices.

(C)

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Dow Jones Index Firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

5. Non-firm Market Index Avoided Cost Prices

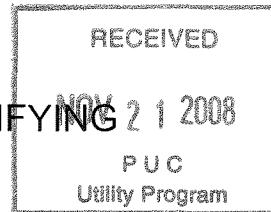
Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of Dow Jones Index Non-firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

(Continued)

Issued:	October 20, 2008	P.U.C. OR No. 35
Effective:	With service rendered on and after September 26, 2008	Sixth Revision of Sheet No. 37-3 Canceling Fifth Revision of Sheet No. 37-3

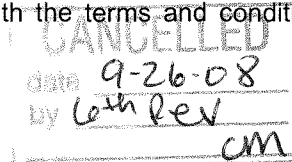
Issued By
 Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS



Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.



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Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Dow Jones Index Firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

5. Non-firm Market Index Avoided Cost Prices

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of Dow Jones Index Non-firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Dow Jones Index Firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

5. Non-firm Market Index Avoided Cost Prices

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of Dow Jones Index Non-firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2. Gas Market Indexed Avoided Cost Prices

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3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

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Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

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To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.727 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

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The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

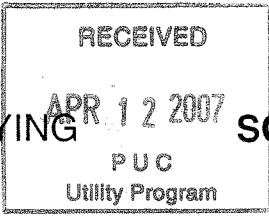
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**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**



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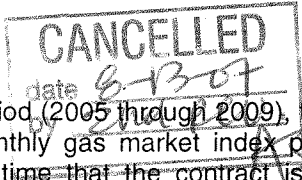
Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.



3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.715 (R) to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

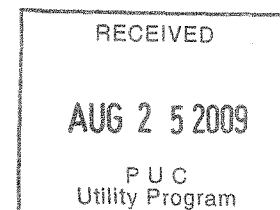
To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.715 (R) to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Firm Market Indexed and Non-firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Monthly Payments (Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2005	7.13	5.98
2006	6.36	5.27
2007	5.96	4.87
2008	5.58	4.63
2009	5.26	4.33
2010	6.21	4.30
2011	6.54	4.57
2012	7.13	5.11
2013	7.43	5.35
2014	7.52	5.37
2015	7.66	5.45
2016	7.86	5.59
2017	8.07	5.73
2018	8.27	5.86
2019	8.50	6.02
2020	8.72	6.17
2021	8.97	6.33
2022	9.23	6.49
2023	9.49	6.66
2024	9.75	6.82
2025	10.03	7.00
2026	10.31	7.18
2027	10.60	7.36
2028	10.90	7.55

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Issued By
 D. Douglas Larson, Vice President, Regulation

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.727 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder

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Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.727 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Firm Market Indexed and Non-firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Monthly Payments (Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.727 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2007	6.65	5.56
2008	7.06	5.70
2009	7.11	5.62
2010	7.21	5.59
2011	7.16	5.42
2012	7.68	5.86
2013	7.72	5.86
2014	7.95	6.06
2015	8.25	6.32
2016	8.40	6.44
2017	8.55	6.55
2018	8.69	6.66
2019	8.86	6.78
2020	9.03	6.91
2021	9.01	6.86
2022	9.03	6.83
2023	9.06	6.82

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Monthly Payments (Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2005	7.13	5.98
2006	6.36	5.27
2007	5.96	4.87
2008	5.58	4.63
2009	5.26	4.33
2010	6.21	4.30
2011	6.54	4.57
2012	7.13	5.11
2013	7.43	5.35
2014	7.52	5.37
2015	7.66	5.45
2016	7.86	5.59
2017	8.07	5.73
2018	8.27	5.86
2019	8.50	6.02
2020	8.72	6.17
2021	8.97	6.33
2022	9.23	6.49
2023	9.49	6.66
2024	9.75	6.82
2025	10.03	7.00
2026	10.31	7.18
2027	10.60	7.36
2028	10.90	7.55

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices (Continued)
Pricing Option 2 – Gas Market Indexed Avoided Cost Prices €/kWh

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Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Opal Gas Index Price (2) \$/MMBtu	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Avoided Firm Capacity Costs / (0.876 * 84.2% * 57%)	Total Avoided Energy Costs - ((e) * 0.76)		(g) + (c)	((e) * 0.76) + (d)
2005	7.13	5.98	Market Based Prices 2005 through 2009				
2006	6.36	5.27					
2007	5.96	4.87					
2008	5.58	4.63					
2009	5.26	4.33					
2010			1.91	0.38	\$5.16	6.21	4.30
2011			1.97	0.40	\$5.49	6.54	4.57
2012			2.02	0.42	\$6.17	7.13	5.11
2013			2.08	0.42	\$6.48	7.43	5.35
2014			2.14	0.42	\$6.51	7.52	5.37
2015			2.21	0.44	\$6.60	7.66	5.45
2016			2.27	0.45	\$6.77	7.86	5.59
2017			2.34	0.45	\$6.95	8.07	5.73
2018			2.41	0.45	\$7.12	8.27	5.86
2019			2.48	0.46	\$7.31	8.50	6.02
2020			2.55	0.47	\$7.50	8.72	6.17
2021			2.64	0.48	\$7.70	8.97	6.33
2022			2.73	0.49	\$7.90	9.23	6.49
2023			2.83	0.50	\$8.10	9.49	6.66
2024			2.93	0.51	\$8.31	9.75	6.82
2025			3.03	0.52	\$8.53	10.03	7.00
2026			3.13	0.53	\$8.75	10.31	7.18
2027			3.24	0.54	\$8.98	10.60	7.36
2028			3.35	0.55	\$9.21	10.90	7.55

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2004 IRP.
 - (2) A heat rate of 0.76 is used to adjust gas prices from \$/MMBtu to €/kWh
 - (3) Estimated avoided cost prices based upon forecast Opal Gas Market Index prices.
- Actual prices will be calculated each month using actual Opal Gas Market Index prices.

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 Date 4-13-07
 1st REV of Sheet
 No. 37-4

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Issued: July 12, 2005
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P.U.C. OR No. 35
 Original Sheet No. 37-4

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 D. Douglas Larson, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices \$/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2009	3.72	3.05
2010	4.82	3.80
2011	5.68	4.34
2012	6.16	4.50
2013	6.30	4.61
2014	8.19	6.34
2015	8.25	6.36
2016	8.13	6.21
2017	8.14	6.18
2018	8.26	6.26
2019	8.57	6.53
2020	8.94	6.86
2021	9.36	7.25
2022	9.41	7.25
2023	9.53	7.34
2024	8.74	6.50
2025	9.07	6.78
2026	9.54	7.21
2027	9.68	7.31
2028	10.03	7.62

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SEP 09 2009 Issued By
 Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices
Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2007	6.65	5.56
2008	7.06	5.70
2009	7.11	5.62
2010	7.21	5.59
2011	7.16	5.42
2012	7.68	5.86
2013	7.72	5.86
2014	7.95	6.06
2015	8.25	6.32
2016	8.40	6.44
2017	8.55	6.55
2018	8.69	6.66
2019	8.86	6.78
2020	9.03	6.91
2021	9.01	6.86
2022	9.03	6.83
2023	9.06	6.82

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
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Avoided Cost Prices (Continued)
Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)		(C)
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder		On-Peak Energy Price	Off-Peak Energy Price	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
			Avoided Firm Capacity Costs / (0.876 * 85.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.727)		(g) + (c)	((e) * 0.727) + (d)	(I,R,R)
2007	6.65	5.56						(I,I)
2008	7.06	5.70						
2009	7.11	5.62						(I,I)
2010	7.21	5.59						(N)
2011	7.16	5.42						(N)
			Market Based Prices 2007 through 2011					
2012			1.82	0.50	\$7.37	7.68	5.86	(R,I,I,I)
2013			1.85	0.51	\$7.36	7.72	5.86	
2014			1.89	0.52	\$7.62	7.95	6.06	
2015			1.93	0.54	\$7.96	8.25	6.32	
2016			1.96	0.55	\$8.10	8.40	6.44	
2017			2.00	0.56	\$8.24	8.55	6.55	
2018			2.04	0.56	\$8.38	8.69	6.66	
2019			2.08	0.57	\$8.54	8.86	6.78	
2020			2.12	0.59	\$8.70	9.03	6.91	
2021			2.16	0.59	\$8.62	9.01	6.86	(R,I,I,I)
2022			2.20	0.61	\$8.56	9.03	6.83	(R,I,I,R,I)
2023			2.24	0.61	\$8.54	9.06	6.82	
2024			2.28	0.62	\$8.45	9.04	6.76	(R,I,I,R,I)
2025			2.32	0.63	\$8.38	9.04	6.72	(R,I,R,R,I)
2026			2.37	0.64	\$8.30	9.04	6.67	
2027			2.41	0.65	\$8.32	9.11	6.70	
2028			2.46	0.66	\$8.38	9.21	6.75	(R,I,R,R,R)

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2007 IRP.
- (2) A heat rate of 0.727 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

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PACIFIC POWER & LIGHT COMPANY AVOIDED COST PURCHASES FROM QUALIFYING FACILITIES OF 10,000 KW OR LESS

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Avoided Cost Prices (Continued) Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Opal Gas Index Price (2) \$/MMBtu	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Avoided Firm Capacity Costs / (0.876 * 84.2% * 57%)		Total Avoided Energy Costs - ((e) * 0.76)		(g) + (c) - ((e) * 0.76) + (d)
2005	7.13	5.98	Market Based Prices 2005 through 2009		<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>CANCELLED date 8-13-07 by 2nd REV AS</p> </div>		
2006	6.36	5.27					
2007	5.96	4.87					
2008	5.58	4.63					
2009	5.26	4.33					
2010			1.91	0.38	\$5.16	6.21	4.30
2011			1.97	0.40	\$5.49	6.54	4.57
2012			2.02	0.42	\$6.17	7.13	5.11
2013			2.08	0.42	\$6.48	7.43	5.35
2014			2.14	0.42	\$6.51	7.52	5.37
2015			2.21	0.44	\$6.60	7.66	5.45
2016			2.27	0.45	\$6.77	7.86	5.59
2017			2.34	0.45	\$6.95	8.07	5.73
2018			2.41	0.45	\$7.12	8.27	5.86
2019			2.48	0.46	\$7.31	8.50	6.02
2020			2.55	0.47	\$7.50	8.72	6.17
2021			2.64	0.48	\$7.70	8.97	6.33
2022			2.73	0.49	\$7.90	9.23	6.49
2023			2.83	0.50	\$8.10	9.49	6.66
2024			2.93	0.51	\$8.31	9.75	6.82
2025			3.03	0.52	\$8.53	10.03	7.00
2026			3.13	0.53	\$8.75	10.31	7.18
2027			3.24	0.54	\$8.98	10.60	7.36
2028			3.35	0.55	\$9.21	10.90	7.55

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2004 IRP.
- (2) A heat rate of 0.76 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast Opal Gas Market Index prices.
Actual prices will be calculated each month using actual Opal Gas Market Index prices.

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Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices (Continued)
Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices ¢/kWh

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Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Gas Market Index		Opal Gas Index Price (2)	On-Peak Energy Price	Off-Peak Energy Price
					Floor	Ceiling			
					90%	110%	\$/MMBtu		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
			Avoided Firm Capacity Costs / (0.876 * 84.2% * 57%)	Total Avoided Energy Costs - ((e) * 0.76)	(g) * 0.76 * 90%	(g) * 0.76 * 110%		(i) + (c)	MIN(MAX(((g) * 0.76), (e)), (f)) + (d)
2005	7.13	5.98							
2006	6.36	5.27							
2007	5.96	4.87							
2008	5.58	4.63							
2009	5.26	4.33							
Market Based Prices 2005 through 2009									
2010			1.91	0.38	3.53	4.31	\$5.16	6.21	4.30
2011			1.97	0.40	3.75	4.59	\$5.49	6.54	4.57
2012			2.02	0.42	4.22	5.16	\$6.17	7.13	5.11
2013			2.08	0.42	4.43	5.42	\$6.48	7.43	5.35
2014			2.14	0.42	4.45	5.44	\$6.51	7.52	5.37
2015			2.21	0.44	4.51	5.51	\$6.60	7.66	5.45
2016			2.27	0.45	4.63	5.66	\$6.77	7.86	5.59
2017			2.34	0.45	4.75	5.81	\$6.95	8.07	5.73
2018			2.41	0.45	4.87	5.96	\$7.12	8.27	5.86
2019			2.48	0.46	5.00	6.11	\$7.31	8.50	6.02
2020			2.55	0.47	5.13	6.27	\$7.50	8.72	6.17
2021			2.64	0.48	5.27	6.44	\$7.70	8.97	6.33
2022			2.73	0.49	5.40	6.60	\$7.90	9.23	6.49
2023			2.83	0.50	5.54	6.77	\$8.10	9.49	6.66
2024			2.93	0.51	5.69	6.95	\$8.31	9.75	6.82
2025			3.03	0.52	5.83	7.13	\$8.53	10.03	7.00
2026			3.13	0.53	5.99	7.32	\$8.75	10.31	7.18
2027			3.24	0.54	6.14	7.51	\$8.98	10.60	7.36
2028			3.35	0.55	6.30	7.70	\$9.21	10.90	7.55

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 Sheet No. 37-5 P.R.

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2004 IRP.
- (2) A heat rate of 0.76 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast Opal Gas Market Index prices.
 Actual prices will be calculated each month using actual Opal Gas Market Index prices.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices (Continued)

Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder		On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Avoided Firm Capacity Costs / (0.876 * 90.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.715)		(g) + (c)	((e) * 0.715) + (d)
2010	5.12	3.95					
2011	5.51	4.21					
2012	5.87	4.36					
2013	6.14	4.50					
2014			1.86	1.38	\$6.61	7.96	6.10
2015			1.89	1.40	\$6.81	8.16	6.27
2016			1.92	1.41	\$7.07	8.39	6.46
2017			1.96	1.41	\$7.32	8.60	6.65
2018			1.99	1.44	\$7.60	8.87	6.87
2019			2.03	1.45	\$7.40	8.76	6.74
2020			2.06	1.47	\$7.44	8.85	6.79
2021			2.10	1.53	\$7.97	9.33	7.23
2022			2.14	1.59	\$8.55	9.84	7.70
2023			2.18	1.51	\$7.89	9.33	7.15
2024			2.21	1.45	\$7.50	9.03	6.81
2025			2.25	1.51	\$7.98	9.47	7.22
2026			2.29	1.52	\$8.17	9.65	7.36
2027			2.33	1.57	\$8.08	9.68	7.35
2028			2.37	1.64	\$8.43	10.04	7.67
2029			2.42	1.71	\$8.83	10.43	8.02
2030			2.46	1.78	\$9.15	10.78	8.32
2031			2.50	1.81	\$9.32	10.98	8.48
2032			2.55	1.84	\$9.49	11.17	8.62

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2008 IRP.
- (2) A heat rate of 0.715 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices (Continued)

Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder		On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Avoided Firm Capacity Costs / (0.876 * 90.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.715)		(g) + (c)	((e) * 0.715) + (d)
2009	3.72	3.05					
2010	4.82	3.80					
2011	5.68	4.34					
2012	6.16	4.50					
2013	6.30	4.61					
2014			1.86	1.43	\$6.87	8.19	6.34
2015			1.89	1.43	\$6.89	8.25	6.36
2016			1.93	1.42	\$6.69	8.13	6.21
2017			1.96	1.44	\$6.63	8.14	6.18
2018			2.00	1.47	\$6.69	8.26	6.26
2019			2.04	1.51	\$7.02	8.57	6.53
2020			2.08	1.56	\$7.41	8.94	6.86
2021			2.12	1.64	\$7.84	9.36	7.25
2022			2.16	1.68	\$7.79	9.41	7.25
2023			2.20	1.71	\$7.87	9.53	7.34
2024			2.24	1.61	\$6.84	8.74	6.50
2025			2.28	1.65	\$7.18	9.07	6.78
2026			2.33	1.70	\$7.70	9.54	7.21
2027			2.37	1.76	\$7.77	9.68	7.31
2028			2.42	1.83	\$8.10	10.03	7.62
2029			2.46	1.87	\$8.37	10.32	7.86
2030			2.51	1.96	\$8.78	10.75	8.24
2031			2.56	2.01	\$8.95	10.96	8.41
2032			2.61	2.04	\$9.13	11.18	8.57

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- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2008 IRP.
- (2) A heat rate of 0.715 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

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 Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Avoided Cost Prices (Continued)

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Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder		On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Avoided Firm Capacity Costs / (0.876 * 85.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.727)		(g) + (c)	((e) * 0.727) + (d)
2007	6.65	5.56					
2008	7.06	5.70					
2009	7.11	5.62	Market Based Prices				
2010	7.21	5.59	2007 through 2011				
2011	7.16	5.42					
2012			1.82	0.50	\$7.37	7.68	5.86
2013			1.85	0.51	\$7.36	7.72	5.86
2014			1.89	0.52	\$7.62	7.95	6.06
2015			1.93	0.54	\$7.96	8.25	6.32
2016			1.96	0.55	\$8.10	8.40	6.44
2017			2.00	0.56	\$8.24	8.55	6.55
2018			2.04	0.56	\$8.38	8.69	6.66
2019			2.08	0.57	\$8.54	8.86	6.78
2020			2.12	0.59	\$8.70	9.03	6.91
2021			2.16	0.59	\$8.62	9.01	6.86
2022			2.20	0.61	\$8.56	9.03	6.83
2023			2.24	0.61	\$8.54	9.06	6.82
2024			2.28	0.62	\$8.45	9.04	6.76
2025			2.32	0.63	\$8.38	9.04	6.72
2026			2.37	0.64	\$8.30	9.04	6.67
2027			2.41	0.65	\$8.32	9.11	6.70
2028			2.46	0.66	\$8.38	9.21	6.75

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2007 IRP.
- (2) A heat rate of 0.727 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
 Actual prices will be calculated each month using actual index gas prices.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

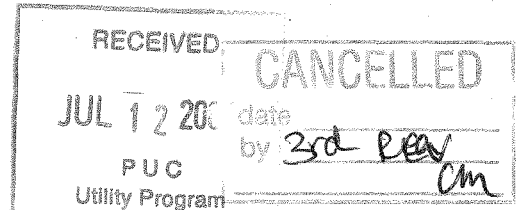
Avoided Cost Prices (Continued)

Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices \$/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)		(C)
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Gas Market Index			On-Peak Energy Price	Off-Peak Energy Price	
	(a)	(b)	(c)	(d)	Floor 90%	Ceiling 110%	(g)	(h)	(i)	
	Avoided Firm Capacity Costs / (0.876 * 85.4% * 57%)			Total Avoided Energy Costs - ((e) * 0.727)	(g) * 0.727 * 90%	(g) * 0.727 * 110%	(g)	(i) + (c)	MIN(MAX(((g) * 0.727), (e)), (f)) + (d)	
2007	6.65	5.56								(I,I)
2008	7.06	5.70								(C)
2009	7.11	5.62								(I,I)
2010	7.21	5.59								(N)
2011	7.16	5.42								(N)
Market Based Prices 2007 through 2011										
2012			1.82	0.50	4.82	5.89	\$7.37	7.68	5.86	(R,I,I,I,I,I)
2013			1.85	0.51	4.82	5.89	\$7.36	7.72	5.86	
2014			1.89	0.52	4.99	6.09	\$7.62	7.95	6.06	
2015			1.93	0.54	5.21	6.37	\$7.96	8.25	6.32	
2016			1.96	0.55	5.30	6.48	\$8.10	8.40	6.44	
2017			2.00	0.56	5.39	6.59	\$8.24	8.55	6.55	
2018			2.04	0.56	5.48	6.70	\$8.38	8.69	6.66	
2019			2.08	0.57	5.59	6.83	\$8.54	8.86	6.78	
2020			2.12	0.59	5.69	6.96	\$8.70	9.03	6.91	
2021			2.16	0.59	5.64	6.89	\$8.62	9.01	6.86	(R,I,I,I,I,I)
2022			2.20	0.61	5.60	6.85	\$8.56	9.03	6.83	(R,I,I,I,I,R)
2023			2.24	0.61	5.59	6.83	\$8.54	9.06	6.82	(R,I,I,I,I,R)
2024			2.28	0.62	5.53	6.76	\$8.45	9.04	6.76	(R,I,I,I,I,R)
2025			2.32	0.63	5.48	6.70	\$8.38	9.04	6.72	(R,I,R,R,R,R)
2026			2.37	0.64	5.43	6.64	\$8.30	9.04	6.67	
2027			2.41	0.65	5.44	6.65	\$8.32	9.11	6.69	
2028			2.46	0.66	5.48	6.70	\$8.38	9.21	6.75	(R,I,R,R,R,R)

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2007 IRP.
- (2) A heat rate of 0.727 is used to adjust gas prices from \$/MMBtu to \$/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

(Continued)



Issued: July April 12, 2007
 Effective: With service rendered on and after
 April 13, 2007
 AUGUST KW

P.U.C. OR No. 35
 Second Revision of Sheet No. 37-6
 Canceling First Revision of Sheet No. 37-6

Issued By
 Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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 APR 12 2007
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SCHEDULE 37
 Page 6

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Avoided Cost Prices (Continued)
Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast Opal Gas Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Gas Market Index			On-Peak Energy Price	Off-Peak Energy Price
					Floor 90%	Ceiling 110%			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
			Avoided Firm Capacity Costs / (0.876 * 84.2% * 57%)	Total Avoided Energy Costs - ((e) * 0.76)	(g) * 0.76 * 90%	(g) * 0.76 * 110%		MIN(MAX(((g) * (i) + (c) - 0.76), (e)) . (f)) + (d)	
2005	7.13	5.98							
2006	6.36	5.27							
2007	5.96	4.87							
2008	5.58	4.63							
2009	5.26	4.33							
2010			1.91	0.38	3.53	4.31	\$5.16	6.21	4.30
2011			1.97	0.40	3.75	4.59	\$5.49	6.54	4.57
2012			2.02	0.42	4.22	5.16	\$6.17	7.13	5.11
2013			2.08	0.42	4.43	5.42	\$6.48	7.43	5.35
2014			2.14	0.42	4.45	5.44	\$6.51	7.52	5.37
2015			2.21	0.44	4.51	5.51	\$6.60	7.66	5.45
2016			2.27	0.45	4.63	5.66	\$6.77	7.86	5.59
2017			2.34	0.45	4.75	5.81	\$6.95	8.07	5.73
2018			2.41	0.45	4.87	5.96	\$7.12	8.27	5.86
2019			2.48	0.46	5.00	6.11	\$7.31	8.50	6.02
2020			2.55	0.47	5.13	6.27	\$7.50	8.72	6.17
2021			2.64	0.48	5.27	6.44	\$7.70	8.97	6.33
2022			2.73	0.49	5.40	6.60	\$7.90	9.23	6.49
2023			2.83	0.50	5.54	6.77	\$8.10	9.49	6.66
2024			2.93	0.51	5.69	6.95	\$8.31	9.75	6.82
2025			3.03	0.52	5.83	7.13	\$8.53	10.03	7.00
2026			3.13	0.53	5.99	7.32	\$8.75	10.31	7.18
2027			3.24	0.54	6.14	7.51	\$8.98	10.60	7.36
2028			3.35	0.55	6.30	7.70	\$9.21	10.90	7.55

CANCELLED
 date 8-13-07
 by 2nd REV
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- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2004 IRP.
- (2) A heat rate of 0.76 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast Opal Gas Market Index prices.
 Actual prices will be calculated each month using actual Opal Gas Market Index prices.

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 April 13, 2007

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 First Revision of Sheet No. 37-6
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 Andrea L. Kelly, Vice President, Regulation

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37

Page 6

Example of Pricing Options available to the Qualifying Facility

An example of the three pricing options using different assumed gas prices is available at the Company web site.

CANCELLED
date 4-13-07
by Ist Rev. of
Sheet No. 37-6

P.R.

Qualifying Facilities Contracting Procedure

1. Qualifying Facilities up to 10,000 kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - a) demonstration of ability to obtain QF status;

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JUL 12 2005
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Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-6

Issued By
D. Douglas Larson, Vice President, Regulation

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Advice No. 05-006

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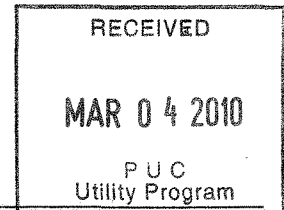
PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices (Continued)
Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries	Fixed Prices		Banded Gas Market Index				Forecast West Side Gas Market Index Price (2)	Estimated Prices (3)	
	On-Peak	Off-Peak	On-Peak	Off-Peak	Gas Market Index			On-Peak	Off-Peak
During	Energy	Energy	Capacity	Energy	Floor	Ceiling	\$/MMBtu	Energy	Energy
Calendar	Price	Price	Adder (1)	Adder	90%	110%		Price	Price
Year	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
			Avoided Firm Capacity Costs / (0.876 * 90.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.715)	(g) * 0.715 * 90%	(g) * 0.715 * 110%		(i) + (c)	MIN(MAX(((g) * 0.715), (e)), (f) + (d))
2010	5.12	3.95							
2011	5.51	4.21							
2012	5.87	4.36							
2013	6.14	4.50							
					Market Based Prices 2010 through 2013				
2014			1.86	1.38	4.25	5.20	\$6.61	7.96	6.10
2015			1.89	1.40	4.38	5.36	\$6.81	8.16	6.27
2016			1.92	1.41	4.55	5.56	\$7.07	8.39	6.46
2017			1.96	1.41	4.71	5.76	\$7.32	8.60	6.65
2018			1.99	1.44	4.89	5.98	\$7.60	8.87	6.87
2019			2.03	1.45	4.76	5.82	\$7.40	8.76	6.74
2020			2.06	1.47	4.79	5.85	\$7.44	8.85	6.79
2021			2.10	1.53	5.13	6.27	\$7.97	9.33	7.23
2022			2.14	1.59	5.50	6.72	\$8.55	9.84	7.70
2023			2.18	1.51	5.08	6.21	\$7.89	9.33	7.15
2024			2.21	1.45	4.83	5.90	\$7.50	9.03	6.81
2025			2.25	1.51	5.14	6.28	\$7.98	9.47	7.22
2026			2.29	1.52	5.26	6.43	\$8.17	9.65	7.36
2027			2.33	1.57	5.20	6.36	\$8.08	9.68	7.35
2028			2.37	1.64	5.42	6.63	\$8.43	10.04	7.67
2029			2.42	1.71	5.68	6.94	\$8.83	10.43	8.02
2030			2.46	1.78	5.89	7.20	\$9.15	10.78	8.32
2031			2.50	1.81	6.00	7.33	\$9.32	10.98	8.48
2032			2.55	1.84	6.11	7.46	\$9.49	11.17	8.62

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2008 IRP.
- (2) A heat rate of 0.715 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

(Continued)



Issued: March 4, 2010
 Effective: April 5, 2010

P.U.C. OR No. 35
 Sixth Revision of Sheet No. 37-7
 Canceling Fifth Revision of Sheet No. 37-7

Issued By
 Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices (Continued)

Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices €/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy	Off-Peak Energy	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Gas Market Index			On-Peak Energy Price	Off-Peak Energy Price
	Price	Price			Floor 90%	Ceiling 110%			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

$\text{MIN}(\text{MAX}(((g) * 0.715), (e)), (f)) + (d)$

$\text{Total Avoided Energy Costs} - ((e) * 0.715)$

Year	On-Peak Price	Off-Peak Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Floor 90%	Ceiling 110%	Forecast Price (2) \$/MMBtu	Estimated On-Peak Price	Estimated Off-Peak Price
2009	3.72	3.05							
2010	4.82	3.80							
2011	5.68	4.34							
2012	6.16	4.50							
2013	6.30	4.61							
Market Based Prices 2009 through 2013									
2014			1.86	1.43	4.42	5.40	\$6.87	8.19	6.34
2015			1.89	1.43	4.43	5.42	\$6.89	8.25	6.36
2016			1.93	1.42	4.31	5.26	\$6.69	8.13	6.21
2017			1.96	1.44	4.27	5.21	\$6.63	8.14	6.18
2018			2.00	1.47	4.31	5.26	\$6.69	8.26	6.26
2019			2.04	1.51	4.52	5.52	\$7.02	8.57	6.53
2020			2.08	1.56	4.77	5.83	\$7.41	8.94	6.86
2021			2.12	1.64	5.05	6.17	\$7.84	9.36	7.25
2022			2.16	1.68	5.01	6.13	\$7.79	9.41	7.25
2023			2.20	1.71	5.06	6.19	\$7.87	9.53	7.34
2024			2.24	1.61	4.40	5.38	\$6.84	8.74	6.50
2025			2.28	1.65	4.62	5.65	\$7.18	9.07	6.78
2026			2.33	1.70	4.96	6.06	\$7.70	9.54	7.21
2027			2.37	1.76	5.00	6.11	\$7.77	9.68	7.31
2028			2.42	1.83	5.21	6.37	\$8.10	10.03	7.62
2029			2.46	1.87	5.39	6.58	\$8.37	10.32	7.86
2030			2.51	1.96	5.65	6.91	\$8.78	10.75	8.24
2031			2.56	2.01	5.76	7.04	\$8.95	10.96	8.41
2032			2.61	2.04	5.88	7.18	\$9.13	11.18	8.57

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 date 4-5-10
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- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2008 IRP.
- (2) A heat rate of 0.715 is used to adjust gas prices from \$/MMBtu to €/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

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AUG 25 2009
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Issued: August 25, 2009 P.U.C. OR No. 35
 Effective: Upon approval by the Commission *hew* Fifth Revision of Sheet No. 37-7
 Canceling Fourth Revision of Sheet No. 37-7

SEP 09 2009

Issued By
 Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices (Continued)
Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Gas Market Index		West Side Gas Market Index Price (2) \$/MMBtu	On-Peak Energy Price	Off-Peak Energy Price
					Floor 90%	Ceiling 110%			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
			Avoided Firm Capacity Costs /(0.876 * 85.4% * 57%)	Total Avoided Energy Costs -((e) * 0.727)	(g) * 0.727 * 90%	(g) * 0.727 * 110%		(i) + (c)	MIN(MAX(((g) * 0.727), (e)), (f)) + (d)
2007	6.65	5.56							
2008	7.06	5.70							
2009	7.11	5.62							
2010	7.21	5.59							
2011	7.16	5.42							
2012			1.82	0.50	4.82	5.89	\$7.37	7.68	5.86
2013			1.85	0.51	4.82	5.89	\$7.36	7.72	5.86
2014			1.89	0.52	4.99	6.09	\$7.62	7.95	6.06
2015			1.93	0.54	5.21	6.37	\$7.96	8.25	6.32
2016			1.96	0.55	5.30	6.48	\$8.10	8.40	6.44
2017			2.00	0.56	5.39	6.59	\$8.24	8.55	6.55
2018			2.04	0.56	5.48	6.70	\$8.38	8.69	6.66
2019			2.08	0.57	5.59	6.83	\$8.54	8.86	6.78
2020			2.12	0.59	5.69	6.96	\$8.70	9.03	6.91
2021			2.16	0.59	5.64	6.89	\$8.62	9.01	6.86
2022			2.20	0.61	5.60	6.85	\$8.56	9.03	6.83
2023			2.24	0.61	5.59	6.83	\$8.54	9.06	6.82
2024			2.28	0.62	5.53	6.76	\$8.45	9.04	6.76
2025			2.32	0.63	5.48	6.70	\$8.38	9.04	6.72
2026			2.37	0.64	5.43	6.64	\$8.30	9.04	6.67
2027			2.41	0.65	5.44	6.65	\$8.32	9.11	6.69
2028			2.46	0.66	5.48	6.70	\$8.38	9.21	6.75

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- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2007 IRP.
- (2) A heat rate of 0.727 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

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 OCT 20 2008
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Issued: October 20, 2008 P.U.C. OR No. 35
 Effective: With service rendered on and after November 5, 2007 Fourth Revision of Sheet No. 37-7
 Canceling Third Revision of Sheet No. 37-7

Issued By
 Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Example of Pricing Options available to the Qualifying Facility

An example of the three pricing options using different assumed gas prices is provided at the end of this tariff. (C)

Qualifying Facilities Contracting Procedure

Interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (PacifiCorp Commercial and Trading).

It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to allow time for studies, negotiation of agreements, engineering, procurement, and construction of the required interconnection facilities. Early application for interconnection will help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

1. Qualifying Facilities up to 10,000 kW

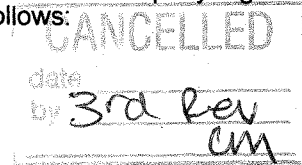
APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232



The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

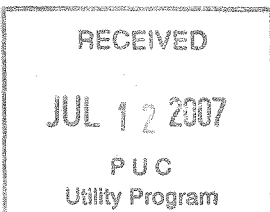
B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificcorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.

2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:

(a) demonstration of ability to obtain QF status;

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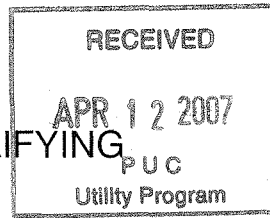


Issued: July 12, 2007
Effective: With service rendered on and after August 13, 2007

P.U.C. OR No. 35
Second Revision of Sheet No. 37-7
Canceling First Revision of Sheet No. 37-7

Issued By
Andrea L. Kelly, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS



Example of Pricing Options available to the Qualifying Facility

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1. Qualifying Facilities up to 10,000 kW

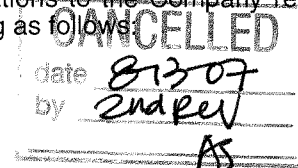
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The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificcorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - (a) demonstration of ability to obtain QF status;

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B. Procedures (Continued)

- b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
- c) generation technology and other related technology applicable to the site;
- d) proposed site location;
- e) schedule of monthly power deliveries;
- f) calculation or determination of minimum and maximum annual deliveries;
- g) motive force or fuel plan;
- h) proposed on-line date and other significant dates required to complete the milestones;
- i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
- j) status of interconnection or transmission arrangements;
- k) point of delivery or interconnection;

- 3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.
- 4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement.
- 5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 14 days to those comments and proposals.
- 6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

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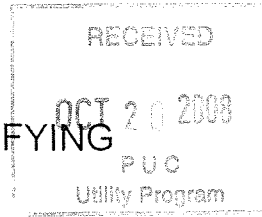
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Original Sheet No. 37-7

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS



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Example of Gas Pricing Options available to the Qualifying Facility

An example of the two gas pricing options using different assumed gas prices is provided at the end of this tariff.

Qualifying Facilities Contracting Procedure

Interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (PacifiCorp Commercial and Trading).

It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to allow time for studies, negotiation of agreements, engineering, procurement, and construction of the required interconnection facilities. Early application for interconnection will help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

1. Qualifying Facilities up to 10,000 kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - (a) demonstration of ability to obtain QF status;
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**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

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B. Procedures (Continued)

- b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
- c) generation technology and other related technology applicable to the site;
- d) proposed site location;
- e) schedule of monthly power deliveries;
- f) calculation or determination of minimum and maximum annual deliveries;
- g) motive force or fuel plan;
- h) proposed on-line date and other significant dates required to complete the milestones;
- i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
- j) status of interconnection or transmission arrangements;
- k) point of delivery or interconnection;

3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.

4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement. Within 15 business days following receipt of all information requested by the Company in this paragraph 4, the Company will provide the owner with a final draft power purchase agreement.

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5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 15 business days to those comments and proposals.

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6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner within 15 business days, a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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B. Procedures (Continued)

- b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
 - c) generation technology and other related technology applicable to the site;
 - d) proposed site location;
 - e) schedule of monthly power deliveries;
 - f) calculation or determination of minimum and maximum annual deliveries;
 - g) motive force or fuel plan;
 - h) proposed on-line date and other significant dates required to complete the milestones;
 - i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
 - j) status of interconnection or transmission arrangements;
 - k) point of delivery or interconnection;
3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.
4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement. Within 15 business days following receipt of all information requested by the Company in this paragraph 4, the Company will provide the owner with a final draft power purchase agreement.
5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 15 business days to those comments and proposals.
6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner within 15 business days, a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

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II. Process for Negotiating Interconnection Agreements

[NOTE: Section II applies only to QFs connecting directly to PacifiCorp's electrical system. An off-system QF should contact its local utility or transmission provider to determine the interconnection requirements and wheeling arrangement necessary to move the power to PacifiCorp's system.]

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon the QF completing all necessary interconnection arrangements. It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (including but not limited to PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (including but not limited to PacifiCorp's Commercial and Trading Group).

A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp
Director – Transmission Services
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's transmission function who will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) undertaking studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, and (3) executing an interconnection agreement to address facility construction, testing, acceptance, ownership, operation and maintenance issues. Consistent with PURPA and Oregon Public Utility Commission regulations, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis. For interconnections impacting the Company's Transmission and Distribution System, the Company will process the interconnection application through PacifiCorp Transmission Services.

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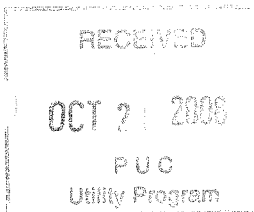
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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Example of Gas Pricing Options given Assumed Gas Prices

Banded Gas Market Index												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Gas Market Index		Assumed Gas Price \$/MMBtu	Fuel Index			Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%		Actual Gas Price	Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
					(e) x 0.727				(i) + (j)	(a) + (i)		
2012	1.82	0.50	4.82	5.89	\$5.00	3.64	4.82	Floor	5.32	7.14	5.86	7.68
2013	1.85	0.51	4.82	5.89	\$6.00	4.36	4.82	Floor	5.33	7.18	5.86	7.72
2014	1.89	0.52	4.99	6.09	\$7.00	5.09	5.09	Actual	5.61	7.50	6.06	7.95
2015	1.93	0.54	5.21	6.37	\$10.00	7.27	6.37	Ceiling	6.91	8.84	6.32	8.25
2016	1.96	0.55	5.30	6.48	\$12.00	8.72	6.48	Ceiling	7.03	8.99	6.44	8.40

Gas Market Method												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Fuel Index		Assumed Gas Price \$/MMBtu	Fuel Index			Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%		Actual Gas Price	Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
					(e) x 0.727				(i) + (j)	(a) + (i)		
2012	1.82	0.50			\$5.00	3.64			4.14	5.96	5.86	7.68
2013	1.85	0.51			\$6.00	4.36			4.87	6.72	5.86	7.72
2014	1.89	0.52	Not Relevant		\$7.00	5.09	Not Relevant		5.61	7.50	6.06	7.95
2015	1.93	0.54			\$10.00	7.27			7.81	9.74	6.32	8.25
2016	1.96	0.55			\$12.00	8.72			9.27	11.23	6.44	8.40

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Example of Gas Pricing Options given Assumed Gas Prices ¢/kWh

Banded Gas Market Index

Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Gas Market Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Fuel Index Floor / Ceiling Component	Type of Price	Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%					Off-Peak Price	On-Peak Price		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
2014	1.86	1.38	4.25	5.20	\$3.00	2.15	4.25	Floor	5.63	7.49	6.10	7.96
					\$5.00	3.58	4.25	Floor	5.63	7.49		
					\$7.00	5.01	5.01	Actual	6.39	8.25		
					\$9.00	6.44	5.20	Ceiling	6.58	8.44		
					\$12.00	8.58	5.20	Ceiling	6.58	8.44		

Gas Market Method

Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Fuel Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Fuel Index Floor / Ceiling Component	Type of Price	Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%					Off-Peak Price	On-Peak Price		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
2014	1.86	1.38	Not Relevant		\$3.00	2.15	Not Relevant		3.53	5.39	6.10	7.96
					\$5.00	3.58			4.96	6.82		
					\$7.00	5.01			6.39	8.25		
					\$9.00	6.44			7.82	9.68		
					\$12.00	8.58			9.96	11.82		

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Example of Gas Pricing Options given Assumed Gas Prices ¢/kWh

Banded Gas Market Index												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Gas Market Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price	Off-Peak Price	On-Peak Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
						(e) x 0.715			(b) + (i)	(a) + (j)		
2014	1.86	1.43	4.42	5.40	\$3.00	2.15	4.42	Floor	5.85	7.71	6.34	8.19
					\$5.00	3.58	4.42	Floor	5.85	7.71		
					\$7.00	5.01	5.01	Actual	6.44	8.30		
					\$9.00	6.44	5.40	Ceiling	6.83	8.69		
					\$12.00	8.58	5.40	Ceiling	6.83	8.69		

Gas Market Method												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Fuel Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price	Off-Peak Price	On-Peak Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
						(e) x 0.715			(b) + (i)	(a) + (j)		
2014	1.86	1.43	Not Relevant		\$3.00	2.15			3.58	5.44	6.34	8.19
					\$5.00	3.58			5.01	6.87		
					\$7.00	5.01	Not Relevant		6.44	8.30		
					\$9.00	6.44			7.87	9.73		
					\$12.00	8.58			10.01	11.87		

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Example of Gas Pricing Options given Assumed Gas Prices c/kWh

Banded Gas Market Index													
Year	Prices Listed in the Tariff				Example using assumed Gas Prices							Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Gas Market Index		Assumed Gas Price \$/MMBtu	Fuel Index			Price Paid to QF		Off-Peak Price	On-Peak Price	
			Floor 90%	Ceiling 110%		Floor	Ceiling	Type of Price	Off-Peak Price	On-Peak Price			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)		
2012	1.82	0.50	4.82	5.89	\$5.00	3.64	4.82	Floor	5.32	7.14	5.86	7.68	
					\$6.00	4.36	4.82	Floor	5.32	7.14			
					\$7.00	5.09	5.09	Actual	5.59	7.41			
					\$10.00	7.27	5.89	Ceiling	6.39	8.21			
					\$12.00	8.72	5.89	Ceiling	6.39	8.21			

Gas Market Method													
Year	Prices Listed in the Tariff				Example using assumed Gas Prices							Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Fuel Index		Assumed Gas Price \$/MMBtu	Fuel Index			Price Paid to QF		Off-Peak Price	On-Peak Price	
			Floor 90%	Ceiling 110%		Floor	Ceiling	Type of Price	Off-Peak Price	On-Peak Price			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)		
2012	1.82	0.50	Not Relevant		\$5.00	3.64	Not Relevant		4.14	5.96	5.86	7.72	
					\$6.00	4.36			4.86	6.68			
					\$7.00	5.09			5.59	7.41			
					\$10.00	7.27			7.77	9.59			
					\$12.00	8.72			9.22	11.04			

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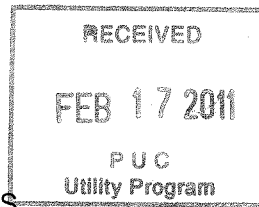
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PACIFIC POWER'S OREGON SCHEDULE 37

ISSUED FEBRUARY 17, 2011



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

West Side Gas Market Index

The monthly indexed gas price shall be the average of the price indexes published by Platts in "Inside FERC's Gas Market Report" monthly price report for Northwest Pipeline Corp. Rock Mountains, Northwest Pipeline Corp. Canadian Border, and Rockies/Northwest Stanfield, OR.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price as described and calculated under pricing option 5 for all Excess Output.

(continued)

**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Same Site

Generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Person(s) or Affiliated Person(s)

A natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a "passive investor" if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Shared Interconnection and Infrastructure

QFs otherwise meeting the separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

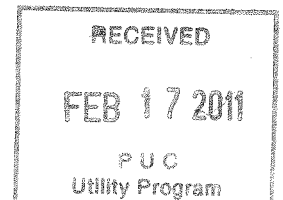
Dispute Resolution

Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the standard rates and standard contract. Any dispute concerning a QF's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.

Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either the Firm Market Indexed, the Banded Gas Market Indexed or the Gas Market Indexed Avoided Cost pricing option.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2012 through 2015), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years. (C)

3. Banded Gas Market Indexed Avoided Cost Prices

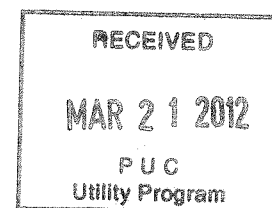
Fixed prices apply during the resource sufficiency period (2012 through 2015), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years. (C)

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Intercontinental Exchange (ICE) Day Ahead Power Price Report at market hubs for on-peak and off-peak prices. The monthly blending matrix is available upon request. (C)

5. Non-firm Market Index Avoided Cost Prices

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of ICE Day Ahead Power Price Report at market hubs for on-peak and off-peak prices. The monthly blending matrix is available upon request. (C)



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**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either the Firm Market Indexed, the Banded Gas Market Indexed or the Gas Market Indexed Avoided Cost pricing option.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2010 through 2013), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2010 through 2013), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

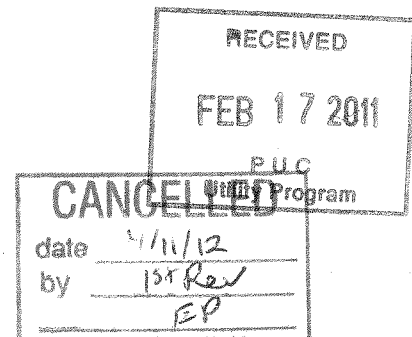
4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Dow Jones Index Firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

5. Non-firm Market Index Avoided Cost Prices

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of Dow Jones Index Non-firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

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**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.696 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price. (R)

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Banded Gas Indexed Avoided Cost Prices

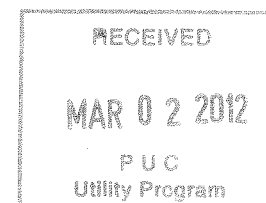
In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.696 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price. (R)

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Firm Market Indexed and Non-firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.



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**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.715 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.715 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Firm Market Indexed and Non-firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

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**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2012	3.09	2.32
2013	3.72	2.62
2014	4.13	2.80
2015	4.39	2.99
2016	6.04	3.69
2017	6.32	3.91
2018	6.66	4.21
2019	6.99	4.50
2020	6.94	4.41
2021	7.23	4.65
2022	7.67	5.04
2023	7.92	5.24
2024	7.89	5.16
2025	8.09	5.32
2026	8.39	5.57
2027	8.66	5.78
2028	8.88	5.95
2029	9.07	6.09
2030	9.20	6.16

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Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2010	5.12	3.95
2011	5.51	4.21
2012	5.87	4.36
2013	6.14	4.50
2014	7.96	6.10
2015	8.16	6.27
2016	8.39	6.46
2017	8.60	6.65
2018	8.87	6.87
2019	8.76	6.74
2020	8.85	6.79
2021	9.33	7.23
2022	9.84	7.70
2023	9.33	7.15
2024	9.03	6.81
2025	9.47	7.22
2026	9.65	7.36
2027	9.68	7.35
2028	10.04	7.67

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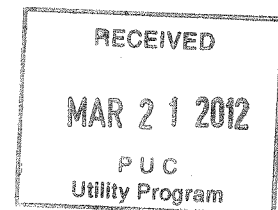
**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Avoided Cost Prices (Continued)

Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast	Estimated Prices (3)	
	On-Peak	Off-Peak	On-Peak	Off-Peak	West Side Gas Market Index Price (2) \$/MMBtu	On- Peak	Off-Peak
	Energy	Energy	Capacity	Energy		Energy	Energy
	Price	Price	Adder (1)	Adder	Price	Price	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
			Avoided Firm Capacity Costs / (0.876 * 88.6% * 57%)	Total Avoided Energy Costs - ((e) * 0.696)		(g) + (c)	((e) * 0.696) + (d)
2012	3.09	2.32	Market Based Prices 2012 through 2015				
2013	3.72	2.62					
2014	4.13	2.80					
2015	4.39	2.99					
2016			2.36	0.44	\$4.66	6.042	3.685
2017			2.40	0.47	\$4.95	6.316	3.914
2018			2.45	0.47	\$5.38	6.660	4.212
2019			2.49	0.47	\$5.79	6.988	4.496
2020			2.53	0.47	\$5.66	6.943	4.409
2021			2.58	0.48	\$5.98	7.225	4.645
2022			2.63	0.50	\$6.53	7.667	5.041
2023			2.67	0.52	\$6.78	7.916	5.242
2024			2.72	0.53	\$6.66	7.885	5.163
2025			2.77	0.54	\$6.87	8.093	5.322
2026			2.82	0.55	\$7.21	8.385	5.565
2027			2.87	0.57	\$7.49	8.655	5.781
2028			2.93	0.60	\$7.69	8.877	5.948
2029			2.98	0.62	\$7.85	9.070	6.086
2030			3.04	0.64	\$7.92	9.197	6.156
2031			3.10	0.64	\$8.06	9.348	6.246
2032			3.16	0.65	\$8.21	9.526	6.365
2033			3.22	0.66	\$8.37	9.705	6.484
2034			3.29	0.68	\$8.53	9.902	6.616

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2011 IRP.
- (2) A heat rate of 0.696 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices. Actual prices will be calculated each month using actual index gas prices.



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Avoided Cost Prices (Continued)

Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price (a)	Off-Peak Energy Price (b)	On-Peak Capacity Adder (1) (c)	Off-Peak Energy Adder (d)		On-Peak Energy Price (f)	Off-Peak Energy Price (g)
During							
Calendar							
Year							
			Avoided Firm Capacity Costs / (0.876 * 90.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.715)		(g) + (c)	((e) * 0.715) + (d)
2010	5.12	3.95					
2011	5.51	4.21					
2012	5.87	4.36					
2013	6.14	4.50					
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2008 IRP.
- (2) A heat rate of 0.715 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

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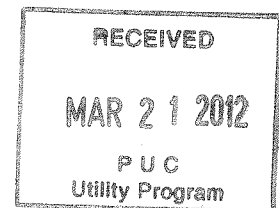
**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Avoided Cost Prices (Continued)

Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Gas Market Index			On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	Floor 90%	Ceiling 110%	(g)	(h)	(i)
	Avoided Firm Capacity Costs / (0.876 * 88.6% * 57%)			Total Avoided Energy Costs - ((e) * 0.696)	(g) * 0.696 * 90%	(g) * 0.696 * 110%	(g)	(i) + (c)	MIN(MAX((g) * 0.696), (e)), (f) + (d))
2012	3.09	2.32							
2013	3.72	2.62							
2014	4.13	2.80							
2015	4.39	2.99							
Market Based Prices 2010 through 2013									
2016			2.36	0.44	2.92	3.57	\$4.66	6.04	3.69
2017			2.40	0.47	3.10	3.79	\$4.95	6.32	3.91
2018			2.45	0.47	3.37	4.12	\$5.38	6.66	4.21
2019			2.49	0.47	3.63	4.43	\$5.79	6.99	4.50
2020			2.53	0.47	3.55	4.33	\$5.66	6.94	4.41
2021			2.58	0.48	3.75	4.58	\$5.98	7.23	4.65
2022			2.63	0.50	4.09	5.00	\$6.53	7.67	5.04
2023			2.67	0.52	4.25	5.19	\$6.78	7.92	5.24
2024			2.72	0.53	4.17	5.10	\$6.66	7.89	5.16
2025			2.77	0.54	4.30	5.26	\$6.87	8.09	5.32
2026			2.82	0.55	4.52	5.52	\$7.21	8.39	5.57
2027			2.87	0.57	4.69	5.73	\$7.49	8.66	5.78
2028			2.93	0.60	4.82	5.89	\$7.69	8.88	5.95
2029			2.98	0.62	4.92	6.01	\$7.85	9.07	6.09
2030			3.04	0.64	4.96	6.06	\$7.92	9.20	6.16
2031			3.10	0.64	5.05	6.17	\$8.06	9.35	6.25
2032			3.16	0.65	5.14	6.29	\$8.21	9.53	6.37
2033			3.22	0.66	5.24	6.41	\$8.37	9.71	6.48
2034			3.29	0.68	5.34	6.53	\$8.53	9.90	6.62

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2011 IRP.
- (2) A heat rate of 0.696 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices. Actual prices will be calculated each month using actual index gas prices.



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Avoided Cost Prices (Continued)

Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak	Off-Peak	On-Peak	Off-Peak	Gas Market Index			On-Peak	Off-Peak
	Energy	Energy	Capacity	Energy	Floor	Ceiling	Energy	Energy	
	Price	Price	Adder (1)	Adder	90%	110%	Price	Price	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
			Avoided Firm Capacity Costs / (0.876 * 90.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.715)	(g) * 0.715 * 90%	(g) * 0.715 * 110%		(i) + (c)	MIN(MAX((g) * 0.715), (e)), (f)) + (d)
2010	5.12	3.95							
2011	5.51	4.21	Market Based Prices						
2012	5.87	4.36	2010 through 2013						
2013	6.14	4.50							
2014			1.86	1.38	4.25	5.20	\$6.61	7.96	6.10
2015			1.89	1.40	4.38	5.36	\$6.81	8.16	6.27
2016			1.92	1.41	4.55	5.56	\$7.07	8.39	6.46
2017			1.96	1.41	4.71	5.76	\$7.32	8.60	6.65
2018			1.99	1.44	4.89	5.98	\$7.60	8.87	6.87
2019			2.03	1.45	4.76	5.82	\$7.40	8.76	6.74
2020			2.06	1.47	4.79	5.85	\$7.44	8.85	6.79
2021			2.10	1.53	5.13	6.27	\$7.97	9.33	7.23
2022			2.14	1.59	5.50	6.72	\$8.55	9.84	7.70
2023			2.18	1.51	5.08	6.21	\$7.89	9.33	7.15
2024			2.21	1.45	4.83	5.90	\$7.50	9.03	6.81
2025			2.25	1.51	5.14	6.28	\$7.98	9.47	7.22
2026			2.29	1.52	5.26	6.43	\$8.17	9.65	7.36
2027			2.33	1.57	5.20	6.36	\$8.08	9.68	7.35
2028			2.37	1.64	5.42	6.63	\$8.43	10.04	7.67
2029			2.42	1.71	5.68	6.94	\$8.83	10.43	8.02
2030			2.46	1.78	5.89	7.20	\$9.15	10.78	8.32
2031			2.50	1.81	6.00	7.33	\$9.32	10.98	8.48
2032			2.55	1.84	6.11	7.46	\$9.49	11.17	8.62

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2008 IRP.
- (2) A heat rate of 0.715 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

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(continued)

Example of Gas Pricing Options available to the Qualifying Facility

An example of the two gas pricing options using different assumed gas prices is provided at the end of this tariff.

Qualifying Facilities Contracting Procedure

Interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (PacifiCorp Commercial and Trading).

It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to allow time for studies, negotiation of agreements, engineering, procurement, and construction of the required interconnection facilities. Early application for interconnection will help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

1. Qualifying Facilities up to 10,000 kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

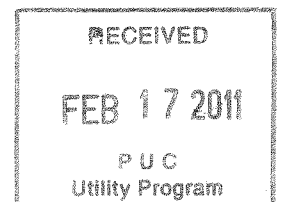
I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

PacifiCorp
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

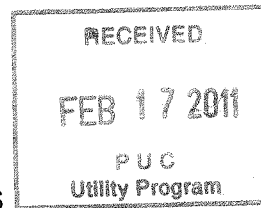


(continued)

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - (a) demonstration of ability to obtain QF status;
 - (b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
 - (c) generation technology and other related technology applicable to the site;
 - (d) proposed site location;
 - (e) schedule of monthly power deliveries;
 - (f) calculation or determination of minimum and maximum annual deliveries;
 - (g) motive force or fuel plan;
 - (h) proposed on-line date and other significant dates required to complete the milestones;
 - (i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
 - (j) status of interconnection or transmission arrangements;
 - (k) point of delivery or interconnection;
3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.
4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement. Within 15 business days following receipt of all information requested by the Company in this paragraph 4, the Company will provide the owner with a final draft power purchase agreement.

(continued)



B. Procedures (continued)

- 5 After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 15 business days to those comments and proposals.

6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner within 15 business days, a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

II. Process for Negotiating Interconnection Agreements

[NOTE: Section II applies only to QFs connecting directly to PacifiCorp's electrical system. An off-system QF should contact its local utility or transmission provider to determine the interconnection requirements and wheeling arrangement necessary to move the power to PacifiCorp's system.]

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon the QF completing all necessary interconnection arrangements. It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (including but not limited to PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (including but not limited to PacifiCorp's Commercial and Trading Group).

(continued)

II. Process for Negotiating Interconnection Agreements (continued)

A. Communications

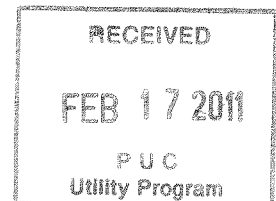
Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp
Director – Transmission Services
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's transmission function who will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) undertaking studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, and (3) executing an interconnection agreement to address facility construction, testing, acceptance, ownership, operation and maintenance issues. Consistent with PURPA and Oregon Public Utility Commission regulations, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis. For interconnections impacting the Company's Transmission and Distribution System, the Company will process the interconnection application through PacifiCorp Transmission Services.



(continued)

**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Example of Gas Pricing Options given Assumed Gas Prices ¢/kWh

(C)

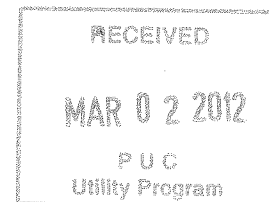
Banded Gas Market Index

Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Gas Market Index		Assumed Gas Price \$/MMBtu	Fuel Index			Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%		Actual Energy Price	Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
					(e) x 0.696				(b) + (g)	(a) + (i)		
2016	2.36	0.44	2.92	3.57	\$2.00	1.39	2.92	Floor	3.36	5.72		
					\$4.00	2.78	2.92	Floor	3.36	5.72		
					\$5.00	3.48	3.48	Actual	3.92	6.28	3.69	6.04
					\$7.00	4.87	3.57	Ceiling	4.01	6.37		
					\$10.00	6.96	3.57	Ceiling	4.01	6.37		

Gas Market Method

Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Fuel Index		Assumed Gas Price \$/MMBtu	Fuel Index			Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%		Actual Energy Price	Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
					(e) x 0.696				(b) + (f)	(a) + (i)		
2016	2.36	0.44	Not Relevant		\$2.00	1.39			1.83	4.19		
					\$4.00	2.78			3.22	5.58		
					\$5.00	3.48	Not Relevant		3.92	6.28	3.69	6.04
					\$7.00	4.87			5.31	7.67		
					\$10.00	6.96			7.40	9.76		

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**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Example of Gas Pricing Options given Assumed Gas Prices ¢/kWh

Banded Gas Market Index												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder (a)	Off-Peak Energy Adder (b)	Gas Market Index		Assumed Gas Price \$/MMBtu (e)	Actual Energy Price (f) <small>(e) x 0.715</small>	Fuel Index Floor / Ceiling Component (g)	Type of Price (h)	Price Paid to QF		Off-Peak Price (k)	On-Peak Price (l)
			Floor 90% (c)	Ceiling 110% (d)					Off-Peak Price (i) <small>(b) + (g)</small>	On-Peak Price (j) <small>(a) + (i)</small>		
2014	1.86	1.38	4.25	5.20	\$3.00	2.15	4.25	Floor	5.63	7.49	6.10	7.96
					\$5.00	3.58	4.25	Floor	5.63	7.49		
					\$7.00	5.01	5.01	Actual	6.39	8.25		
					\$9.00	6.44	5.20	Ceiling	6.58	8.44		
					\$12.00	8.58	5.20	Ceiling	6.58	8.44		

Gas Market Method												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder (a)	Off-Peak Energy Adder (b)	Fuel Index		Assumed Gas Price \$/MMBtu (e)	Actual Energy Price (f) <small>(e) x 0.715</small>	Fuel Index Floor / Ceiling Component (g)	Type of Price (h)	Price Paid to QF		Off-Peak Price (k)	On-Peak Price (l)
			Floor 90% (c)	Ceiling 110% (d)					Off-Peak Price (i) <small>(b) + (f)</small>	On-Peak Price (j) <small>(a) + (i)</small>		
2014	1.86	1.38	Not Relevant		\$3.00	2.15	Not Relevant		3.53	5.39	6.10	7.96
					\$5.00	3.58			4.96	6.82		
					\$7.00	5.01			6.39	8.25		
					\$9.00	6.44			7.82	9.68		
					\$12.00	8.58			9.96	11.82		

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**CONFIDENTIAL POWER PURCHASE
AGREEMENT EXTENSION WITH LOYD FERY
(JUNE 17, 2014)**

POWER PURCHASE AGREEMENT

BETWEEN

LOYD FERY

[an existing Qualifying Facility with 10,000 kW Facility Capacity Rating, or Less]

AND

PACIFICORP

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POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT ("Agreement"), entered into this 17th day of June, 2014, is between Loyd Fery, "Seller" and PacifiCorp (d/b/a Pacific Power & Light Company), an Oregon corporation acting in its regulated utility capacity, "PacifiCorp." (Seller and PacifiCorp are referred to individually as a "Party" or collectively as the "Parties").

RECITALS

- A. Seller owns, operates and maintains a hydroelectric facility for the generation of electric power, including interconnection facilities, located in Aumsville, Marion County, Oregon [City, County, State] with a Facility Capacity Rating of 65-kilowatts (kW) as further described in **Exhibit A** and **Exhibit B ("Facility")**; and
- B. The Parties desire to enter into this Agreement to replace in its entirety the power purchase agreement dated December 9, 2013 (the "PPA"), which terminates on June 30, 2014; and
- C. Seller intends to continue to deliver Net Output under this Agreement; and
- D. Seller intends to continue to operate the Facility as a Qualifying Facility, and is deemed to have established commercial operation under the previous PPA; and
- E. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is [REDACTED] kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and
- F. Seller shall sell and PacifiCorp shall purchase all Net Output from the Facility in accordance with the terms and conditions of this Agreement; and
- G. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

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

1.1 **“As-Built Supplement”** shall be a supplement to **Exhibit A** and **Exhibit B**, provided by Seller following completion of construction on the Facility, describing the Facility as actually built.

1.2 **“Average Annual Generation”** shall have the meaning set forth in Section 4.2.

1.3 **“Billing Period”** means the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.4 **“Commission”** means the Oregon Public Utilities Commission.

1.5 **“Contract Price”** means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1 and 5.2.

1.6 **“Contract Year”** means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time (“PPT”) on January 1 and ending on 24:00 hours PPT on December 31; *provided, however*, that the first Contract Year shall commence on the Effective Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.7 **“Credit Requirements”** means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) “Baa3” or greater by Moody’s, or (2) “BBB-” or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.8 **“Default Security”**, unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replace twelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at Mid-Columbia (as determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller’s average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.9 “**Effective Date**” of this Agreement shall be July 1, 2014, which is the date upon which the PPA terminates.

1.10 “**Energy Delivery Schedule**” shall have the meaning set forth in Section 4.5.

1.11 “**Environmental Attributes**” shall have the meaning set forth in Section 5.5.

1.12 “**Excess Output**” shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

1.13 “**Facility**” shall have the meaning set forth in Recital A.

1.14 “**Facility Capacity Rating**” means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

1.15 “**FERC**” means the Federal Energy Regulatory Commission, or its successor.

1.16 “**Generation Interconnection Agreement**” means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp’s transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp’s interconnection facilities required to accommodate deliveries of Seller’s Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.17 “**Letter of Credit**” means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of “A” or greater from S&P or “A2” or greater from Moody’s, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

1.18 “**Licensed Professional Engineer**” means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon, who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

1.19 “**Material Adverse Change**” means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller’s ability to operate, maintain or own the Facility as provided in this Agreement

1.20 “**Maximum Annual Delivery**” shall have the meaning set forth in Section 4.3.

1.21 “**Minimum Annual Delivery**” shall have the meaning set forth in Section 4.3.

1.22 “**Nameplate Capacity Rating**” means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovolt-

amperes, kilowatts, volts, or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

1.23 **"Net Energy"** means the energy component, in kWh, of Net Output.

1.24 **"Net Output"** means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller's load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

1.25 **"Net Replacement Power Costs"** shall have the meaning set forth in Section 11.4.1.

1.26 **"Off-Peak Hours"** means all hours of the week that are not On-Peak Hours.

1.27 **"On-Peak Hours"** means the hours between 6 a.m. Pacific Prevailing Time ("PPT") and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in Schedule 37.

1.28 **"Point of Delivery"** means the high side of the Seller's step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's distribution/transmission system, or as otherwise specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.29 **"Prime Rate"** means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.30 **"Prudent Electrical Practices"** means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.31 **"QF"** means **"Qualifying Facility,"** as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

1.32 **"Replacement Price"** means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to

be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.33 **"Required Facility Documents"** means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for operation, and maintenance of the Facility consistent with the terms of this Agreement and requested in writing by PacifiCorp, including without limitation those set forth in **Exhibit C**.

1.34 **"Schedule 37"** means the Schedule 37 of Pacific Power & Light Company's Commission-approved tariffs, providing pricing options for Qualifying Facilities of 10,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Schedule 37 is attached as **Exhibit F**.

1.35 **"Termination Date"** shall have the meaning set forth in Section 2.4.

SECTION 2: TERM; EFFECTIVE DATE

2.1 After execution by both Parties, this Agreement shall become effective on the Effective Date.

2.2 By the Effective Date, Seller shall provide PacifiCorp with (a) a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement, (b) the Required Facility Documents, and (c) an executed copy of **Exhibit E** – Seller's Interconnection Request.

2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.4 Except as otherwise provided herein, this Agreement shall terminate on June 30, 2015 [enter Date that is no later than 20 years after the Effective Date] (**"Termination Date"**).

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

- 3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.
 - 3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
- 3.2 Seller represents, covenants, and warrants to PacifiCorp that:
- 3.2.1 Seller is a sole proprietorship duly organized and validly existing under the laws of Oregon.
 - 3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.
 - 3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
 - 3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.
 - 3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
 - 3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of

this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

- 3.2.7 Compliance with Partial Stipulation in Commission Proceeding No. UM-1129. Seller will not make any changes in its ownership, control, or management during the term of this Agreement that would cause it to not be in compliance with the definition of a Small Cogeneration Facility or Small Power Production Facility provided in PacifiCorp's Schedule 37 tariff approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by PacifiCorp not more frequently than every 36 months, such documentation and information as reasonably may be required to establish Seller's continued compliance with such Definition. PacifiCorp agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except PacifiCorp will provide all such confidential information the Public Utility Commission of Oregon upon the Commission's request.
- 3.2.8 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:
- (a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.
 - (b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.
 - (c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction related financial obligations.
 - (d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free

and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.

- (e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3,000 kW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

LF Seller affirms and adopts all warranties of this Section 3.2.8, and therefore is not required to post security under Section 10; or

_____ Seller does not affirm and adopt all warranties of this Section 3.2.8, and therefore Seller elects to post the security specified in Section 10.

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Effective Date, Seller will sell and PacifiCorp will purchase all Net Output from the Facility delivered to the Point of Delivery.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, [REDACTED] kWh per Contract Year (“**Average Annual Generation**”). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Minimum and Maximum Delivery. Seller shall make available from the Facility a minimum of [REDACTED] kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Effective Date, and further provided that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure (“**Minimum Annual Delivery**”). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of [REDACTED] kWh of Net Output during each Contract Year (“**Maximum Annual Delivery**”). Seller’s basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D-1**.

4.4 Deliveries in Deficit of Delivery Obligation. Seller’s failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule. Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility (“**Energy Delivery Schedule**”), incorporated into **Exhibit D-1**.

SECTION 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of four pricing options: Fixed Avoided Cost Prices (“Fixed Price”), Firm Market Indexed Avoided Cost Prices (“Firm Electric Market”), Gas Market Indexed Avoided Cost Prices (“Gas Market”), or Banded Gas Market Indexed Avoided Cost Prices (“Banded Gas Market”), as published in Schedule 37. Once an option is selected the option will remain in effect for the duration of the Facility’s contract. Seller has selected the following (Seller to initial one):

- LF Fixed Price
- Firm Electric Market
- Gas Market
- Banded Gas Market

A copy of Schedule 37, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit F**.

5.2 (Fixed Price Sellers Only). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in **Schedule 37** during the first fifteen (15) years after the Effective Date. Thereafter, PacifiCorp shall pay Seller market-based rates, using the following pricing option (Seller to initial one):

- Firm Electric Market
- Gas Market
- Banded Gas Market

5.3 If the Seller elects a gas market indexed price option, the index shall be the Opal Gas Market Index as provided in Schedule 37. In the event that Platt ceases to publish the Opal Gas Market Index, the Company shall replace the index with a similar gas index.

5.4 For all Excess Output, PacifiCorp shall pay a blended market index price for day-ahead non-firm energy at Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde market indices as reported by Dow Jones, for the On-Peak and Off-Peak periods. PacifiCorp shall document its calculation of the blended rate, upon request, to Seller. Such payment will be accomplished by adjustments pursuant to Section 9.2.

5.5 Environmental Attributes. PacifiCorp waives any claim to Seller’s ownership of Environmental Attributes under this Agreement. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) (as those terms are commonly used in the regional electric utility industry) directly associated with the production of energy from the Seller’s Facility.

SECTION 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of any construction affecting the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built.

The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed.

6.2 Incremental Utility Upgrades. At start-up (and at any other time upon at least six month's prior written notice), Seller may increase Net Output, if such increase is due to normal variances in estimated versus actual performance, changed Facility operations, or improvements in Facility efficiency. Seller may not increase Net Output under this Agreement by installing additional generating units. In the case of substantial upgrades, PacifiCorp may require Seller to comply with Section 3.2.8(e) (in the event that the Facility upgrade causes the Facility Capacity Rating to exceed 3,000 kW) and increase its Minimum Annual Delivery obligation in Section 4.3 (if appropriate). PacifiCorp may also update Seller's security obligation (if applicable). So long as the Facility Capacity Rating after the upgrade is 10,000 kW or less, Seller will continue to receive the Contract Price for the Net Output, as set forth in Sections 5.1 and 5.2 of this Agreement. If Seller increases the Facility Capacity Rating above 10,000 kW, then (on a going forward basis) PacifiCorp shall pay Seller the Contract Price for the fraction of total Net Output equal to 10,000 kW divided by the Facility Capacity Rating of the upgraded Facility. For the remaining fraction of Net Output, PacifiCorp and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Facility Capacity Rating or the maximum instantaneous capacity of the Facility complies with Seller's Generation Interconnection Agreement and any other agreements with PacifiCorp.

6.3 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.3 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.4 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.5 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the Facility Capacity Rating (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to

avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1**, together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

SECTION 8: METERING

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement, or, if the Net Output is to be wheeled to PacifiCorp by another utility, metering will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such other utility. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If the Net Output is to be wheeled to PacifiCorp by another utility, meter inspection, testing, repair and replacement will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such utility. If any of the inspections or tests discloses 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 actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller's deliveries of Net Output to PacifiCorp, together with computations supporting such payment PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided, however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 10: SECURITY

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.8, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

- Cash Escrow
- Letter of Credit
- Senior Lien
- Step-in Rights
- LF Seller has adopted the Creditworthiness Warranties of Section 3.2.8.

In the event Seller's obligation to post default security (under Section 10 or Section 11.1.4) arises solely from Seller's delinquent performance of construction-related financial obligations, upon Seller's request, PacifiCorp will excuse Seller from such obligation in the event Seller has negotiated financial arrangements with its construction lenders that mitigate Seller's financial risks to PacifiCorp's reasonable satisfaction.

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

10.3 Senior Lien. Within thirty (30) days after the Effective Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

- 10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.
- 10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.
- 10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.

(a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.

(b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

SECTION 11: DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.

11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

- 11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.
- 11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;
- 11.1.5 Underdelivery. If Seller's Facility has a Facility Capacity Rating of 100 kW or less, Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for two (2) consecutive years; else Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for one year.

11.2 Notice; Opportunity to Cure.

- 11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.
- 11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.
- 11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 24.
- 11.2.4 Seller Delinquent on Construction-related Financial Obligations. Seller promptly shall notify PacifiCorp (or cause PacifiCorp to be notified) anytime it becomes delinquent under any construction related financing agreement or instrument related to the Facility. Such delinquency may constitute a Material Adverse Change, subject to Section 11.1.4.

11.3 Termination.

- 11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement; *provided, however* that PacifiCorp shall not terminate for a default under Section 11.1.5 unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.
- 11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.
- 11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.
- 11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

- 11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for any energy and capacity that Seller was otherwise obligated (under Section 4.3) to provide during the period of default ("**Net Replacement Power Costs**"); *provided, however*, that the positive difference obtained by subtracting the Contract Price from the Replacement Price shall not exceed the Contract Price, and the period of default under this Section 11.4.1 shall not exceed one Contract Year.
- 11.4.2 Recoupment of Damages.

- (a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.
- (b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

SECTION 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

- 12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller's side of the Point of Delivery, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.
- 12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

12.2 No 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 PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 13: INSURANCE (FACILITIES OVER 200KW ONLY)

13.1 Certificates. No later than the Effective Date of this Agreement, Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "B+" by the A.M. Best Company the insurance coverage specified below:

13.2.1 Commercial General Liability insurance, to include contractual liability, with a minimum single limit of \$1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each

insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

SECTION 14: FORCE MAJEURE

14.1 As used in this Agreement, "**Force Majeure**" or "**an event of Force Majeure**" means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall recommence performance of such obligation, provided that:

- 14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and
- 14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and
- 14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

SECTION 15: SEVERAL OBLIGATIONS

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 between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 16: CHOICE OF LAW

This Agreement shall be interpreted and enforced 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.

SECTION 17: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 18: 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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

SECTION 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

SECTION 21: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 22: ENTIRE AGREEMENT

22.1 Upon the Effective Date, this Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

SECTION 23: JURY TRIAL WAIVER

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED

SECTION 24: NOTICES

24.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5954 Facsimile: (503) 813 - 6291 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Loyd Fery 11022 Rainwater Lane S.E. Aumsville, OR 97325 Phone: (503) 769-6110 Cellphone: (503) 559-4874 Eric Fery Cell: (503) 949-6124 Facsimile: (503) 769-4092
All Invoices:	(same as street address above) Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 - 5580	(same as above)
Scheduling:	(same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265	(same as above)
Payments:	(same as street address above) Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 - 5580	(same as above)
Wire Transfer:	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	(same as above)
Credit and Collections:	(same as street address above) Attn: Credit Manager, Suite 1900 Phone: (503) 813 - 5684 Facsimile: (503) 813 - 5609	(same as above)
With Additional Notices of an Event of Default or Potential Event of Default to:	(same as street address above) Attn: PacifiCorp General Counsel Phone: (503) 813-5029 Facsimile: (503) 813-7252	(same as above)

24.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 24.

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

PacifiCorp

By: _____

Name: Bruce Griswold

Title: Director Short Term Origination
and QF Contracts

BWS 6-16-2014

Seller

By: _____

Name: Loyd FERRY

Title: Owner

EXHIBIT A
DESCRIPTION OF SELLER'S FACILITY
[Seller to Complete]

Seller's Facility consists of two generators. More specifically, each generator at the Facility is described as:

Generator #1

[REDACTED]

Generator #2

[REDACTED]

Facility Capacity Rating: [REDACTED]

Station service requirements, and other loads served by the Facility, if any, are described as follows: Facility requires minimal station service

Location of the Facility: The Facility is located in Aumsville in Marion County, Oregon. The location is more particularly described as follows:

11028 Stayton Rd.
Aumsville, OR 97325

Power factor requirements:
Rated Power Factor (PF) or reactive load (kVAR): [REDACTED]

EXHIBIT B

SELLER'S INTERCONNECTION FACILITIES

[Seller to provide its own diagram and description]

POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES

Instructions to Seller:

1. Include description of point of metering, and Point of Delivery
2. Provide interconnection single line drawing of Facility including any transmission facilities on Seller's side of the Point of Delivery.

1. Point of Delivery is at the PacifiCorp meter located at 11028 Stayton Rd. Southeast in Aumsville, Oregon

2. A single line diagram of the Facility is attached.



Form 8

**Interconnection Agreement for Small Generator Facility
Tier 1, Tier 2, Tier 3 or Tier 4 Interconnection
(Small Generator Facilities with Electric Nameplate Capacities of 10MW or less)**

Attachment 2

**One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering
Equipment, and Upgrades**

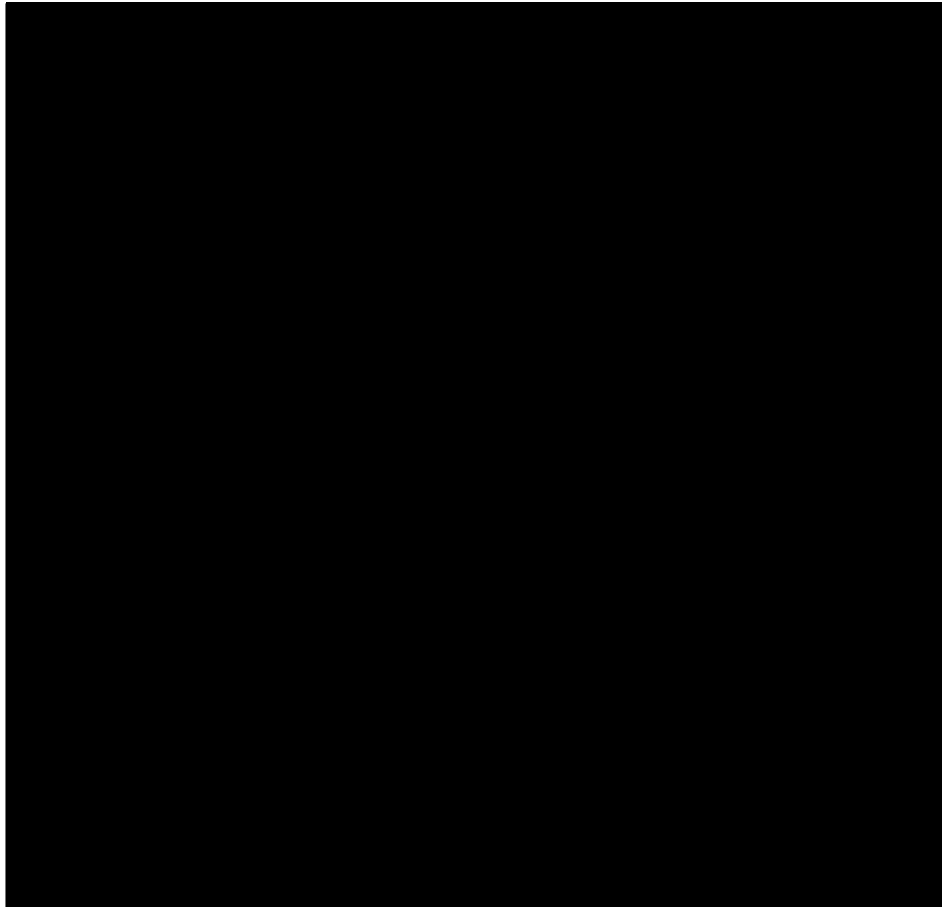


EXHIBIT C
REQUIRED FACILITY DOCUMENTS

Interconnection Agreement, Wheeling Agreement [if applicable], and [others to be identified]

QF Certification: Not required for projects less than 1,000 KW

Executed Interconnection Agreement: Provided October 29, 2013

Water Rights: HE 260 Issued February 20, 2001

FERC License or Exemption: Not required project is pre-FERC and grandfathered

**EXHIBIT D-1
SELLER'S MOTIVE FORCE PLAN**

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

Seller provide an estimate of the average monthly Net Output of the Facility, and explain the basis for the estimate. Average generation is based on historic generation.

B. MINIMUM ANNUAL DELIVERY CALCULATION

Seller specify the Minimum Annual Delivery of the Facility, and explain the basis for the estimate. NOTE: The Minimum Annual Delivery should be based on the most adverse natural motive force conditions reasonably expected and should take into account unscheduled repairs or maintenance and Seller's load (if any). Minimum estimate of [REDACTED] KWH based on historic generation.

C. MAXIMUM ANNUAL DELIVERY CALCULATION

Seller specify the estimated Maximum Annual Delivery of the Facility, and explain the basis for the estimate. Maximum estimate of [REDACTED] KWH based on historic generation.

EXHIBIT D-2
ENGINEER'S CERTIFICATION
OF
MOTIVE FORCE PLAN

Seller provide a written declaration from a Licensed Professional Engineer to PacifiCorp that the Facility is likely capable under average conditions foreseeable during the term of this Agreement of meeting Seller's estimated average, maximum, and minimum Net Output.

The Motive Force Plan comprising **Exhibit D-1** was provided to PacifiCorp by Seller. Based upon Seller's demonstrated delivery of Net Output to PacifiCorp under Previous PPAs and representations made by Seller PacifiCorp will not require an engineer's certificate at this time. PacifiCorp reserves the right in its discretion to require the Seller to provide the following from a Licensed Professional Engineer:

1. A certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the date of the request from PacifiCorp; and (b) that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement.
2. A certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, (a), in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with PacifiCorp's electric system, or (b) if the Facility is interconnected with another electric utility that will wheel Net Output to PacifiCorp, all required interconnection facilities have been completed and tested and are in place to allow for such wheeling.
3. A certificate addressed to PacifiCorp stating that Seller has obtained all Required Facility Documents and if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents.

Such documents shall be provided to PacifiCorp within 30 days of a request by PacifiCorp.

EXHIBIT E
Seller Authorization to Release Generation Data to PacifiCorp

See Attached Letter

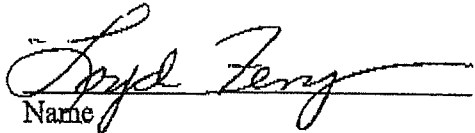
Seller Authorization to Release Generation Data to PacifiCorp
[Interconnection Customer Letterhead]

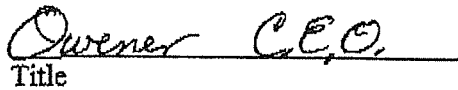
Transmission Services
Attn: Director, Transmission Services
825 NE Multnomah, Suite 1600
Portland, OR 97232

RE: Loyd Fery Interconnection Request

Dear Sir:

Loyd Fery hereby voluntarily authorizes PacifiCorp's Transmission business unit to share Loyd Fery's generator interconnection information and generator meter data with Marketing Affiliate employees of PacifiCorp Energy, including, but not limited to those in the Commercial and Trading group Loyd Fery acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.


Name


Title


Date

EXHIBIT F
SCHEDULE 37 and PRICING SUMMARY TABLE

Calendar Year	On-Peak Contract Price in ¢/kWh	Off-Peak Contract Price in ¢/kWh
2014	█	█
2015	█	█



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

West Side Gas Market Index

The monthly indexed gas price shall be the average of the price indexes published by Platts in "Inside FERC's Gas Market Report" monthly price report for Northwest Pipeline Corp. Rock Mountains, Northwest Pipeline Corp. Canadian Border, and Rockies/Northwest Stanfield, OR.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price as described and calculated under pricing option 5 for all Excess Output.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Same Site

Generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Person(s) or Affiliated Person(s)

A natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a "passive investor" if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Shared Interconnection and Infrastructure

QFs otherwise meeting the separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

Dispute Resolution

Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the standard rates and standard contract. Any dispute concerning a QF's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.

Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either the Firm Market Indexed, the Banded Gas Market Indexed or the Gas Market Indexed Avoided Cost pricing option.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2012 through 2015), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2012 through 2015), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Intercontinental Exchange (ICE) Day Ahead Power Price Report at market hubs for on-peak and off-peak prices. The monthly blending matrix is available upon request.

5. Non-firm Market Index Avoided Cost Prices

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of ICE Day Ahead Power Price Report at market hubs for on-peak and off-peak prices. The monthly blending matrix is available upon request.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.696 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.696 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Firm Market Indexed and Non-firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2012	3.09	2.32
2013	3.72	2.62
2014	4.13	2.80
2015	4.39	2.99
2016	6.04	3.69
2017	6.32	3.91
2018	6.66	4.21
2019	6.99	4.50
2020	6.94	4.41
2021	7.23	4.65
2022	7.67	5.04
2023	7.92	5.24
2024	7.89	5.16
2025	8.09	5.32
2026	8.39	5.57
2027	8.66	5.78
2028	8.88	5.95
2029	9.07	6.09
2030	9.20	6.16

(continued)



A DIVISION OF PACIFICORP

**OREGON
SCHEDULE 37**

**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Avoided Cost Prices (Continued)

Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder		On- Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Avoided Firm Capacity Costs / (0.876 * 88.6% * 57%)			Total Avoided Energy Costs - ((e) * 0.696)		(g) + (c)	((e) * 0.696) + (d)
2012	3.09	2.32					
2013	3.72	2.62	Market Based Prices				
2014	4.13	2.80	2012 through 2015				
2015	4.39	2.99					
2016			2.36	0.44	\$4.66	6.042	3.685
2017			2.40	0.47	\$4.95	6.316	3.914
2018			2.45	0.47	\$5.38	6.660	4.212
2019			2.49	0.47	\$5.79	6.988	4.496
2020			2.53	0.47	\$5.66	6.943	4.409
2021			2.58	0.48	\$5.98	7.225	4.645
2022			2.63	0.50	\$6.53	7.667	5.041
2023			2.67	0.52	\$6.78	7.916	5.242
2024			2.72	0.53	\$6.66	7.885	5.163
2025			2.77	0.54	\$6.87	8.093	5.322
2026			2.82	0.55	\$7.21	8.385	5.565
2027			2.87	0.57	\$7.49	8.655	5.781
2028			2.93	0.60	\$7.69	8.877	5.948
2029			2.98	0.62	\$7.85	9.070	6.086
2030			3.04	0.64	\$7.92	9.197	6.156
2031			3.10	0.64	\$8.06	9.348	6.246
2032			3.16	0.65	\$8.21	9.526	6.365
2033			3.22	0.66	\$8.37	9.705	6.484
2034			3.29	0.68	\$8.53	9.902	6.616

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2011 IRP.
- (2) A heat rate of 0.696 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

(continued)



**OREGON
SCHEDULE 37**

**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Avoided Cost Prices (Continued)

Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast West Side Gas Market Index Price (2)	Estimated Prices (3)	
	On-Peak	Off-Peak	On-Peak	Off-Peak	Gas Market Index			On-Peak	Off-Peak
	Energy	Energy	Capacity	Energy	Floor	Ceiling	Energy	Energy	
	Price	Price	Adder (1)	Adder	90%	110%			Price
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
			Avoided Firm Capacity Costs / (0.876 * 88.6% * 57%)	Total Avoided Energy Costs - ((e) * 0.696)	(g) * 0.696 * 90%	(g) * 0.696 * 110%		(i) + (c)	MIN(MAX((g) * 0.696, (e)), (f) + (d))
2012	3.09	2.32							
2013	3.72	2.62							
2014	4.13	2.80							
2015	4.39	2.99							
			Market Based Prices 2010 through 2013						
2016			2.36	0.44	2.92	3.57	\$4.66	6.04	3.69
2017			2.40	0.47	3.10	3.79	\$4.95	6.32	3.91
2018			2.45	0.47	3.37	4.12	\$5.38	6.66	4.21
2019			2.49	0.47	3.63	4.43	\$5.79	6.99	4.50
2020			2.53	0.47	3.55	4.33	\$5.66	6.94	4.41
2021			2.58	0.48	3.75	4.58	\$5.98	7.23	4.65
2022			2.63	0.50	4.09	5.00	\$6.53	7.67	5.04
2023			2.67	0.52	4.25	5.19	\$6.78	7.92	5.24
2024			2.72	0.53	4.17	5.10	\$6.66	7.89	5.16
2025			2.77	0.54	4.30	5.26	\$6.87	8.09	5.32
2026			2.82	0.55	4.52	5.52	\$7.21	8.39	5.57
2027			2.87	0.57	4.69	5.73	\$7.49	8.66	5.78
2028			2.93	0.60	4.82	5.89	\$7.69	8.88	5.95
2029			2.98	0.62	4.92	6.01	\$7.85	9.07	6.09
2030			3.04	0.64	4.96	6.06	\$7.92	9.20	6.16
2031			3.10	0.64	5.05	6.17	\$8.06	9.35	6.25
2032			3.16	0.65	5.14	6.29	\$8.21	9.53	6.37
2033			3.22	0.66	5.24	6.41	\$8.37	9.71	6.48
2034			3.29	0.68	5.34	6.53	\$8.53	9.90	6.62

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2011 IRP.
- (2) A heat rate of 0.696 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Example of Gas Pricing Options available to the Qualifying Facility

An example of the two gas pricing options using different assumed gas prices is provided at the end of this tariff.

Qualifying Facilities Contracting Procedure

Interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (PacifiCorp Commercial and Trading).

It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to allow time for studies, negotiation of agreements, engineering, procurement, and construction of the required interconnection facilities. Early application for interconnection will help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

1. Qualifying Facilities up to 10,000 kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

PacifiCorp
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.

2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - (a) demonstration of ability to obtain QF status;
 - (b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
 - (c) generation technology and other related technology applicable to the site;
 - (d) proposed site location;
 - (e) schedule of monthly power deliveries;
 - (f) calculation or determination of minimum and maximum annual deliveries;
 - (g) motive force or fuel plan;
 - (h) proposed on-line date and other significant dates required to complete the milestones;
 - (i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
 - (j) status of interconnection or transmission arrangements;
 - (k) point of delivery or interconnection;

3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.

4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement. Within 15 business days following receipt of all information requested by the Company in this paragraph 4, the Company will provide the owner with a final draft power purchase agreement.

(continued)



B. Procedures (continued)

- 5 After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 15 business days to those comments and proposals.
- 6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner within 15 business days, a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

II. Process for Negotiating Interconnection Agreements

[NOTE: Section II applies only to QFs connecting directly to PacifiCorp's electrical system. An off-system QF should contact its local utility or transmission provider to determine the interconnection requirements and wheeling arrangement necessary to move the power to PacifiCorp's system.]

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon the QF completing all necessary interconnection arrangements. It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (including but not limited to PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (including but not limited to PacifiCorp's Commercial and Trading Group).

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

**II. Process for Negotiating Interconnection Agreements (continued)
A. Communications**

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp
Director – Transmission Services
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's transmission function who will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) undertaking studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, and (3) executing an interconnection agreement to address facility construction, testing, acceptance, ownership, operation and maintenance issues. Consistent with PURPA and Oregon Public Utility Commission regulations, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis. For interconnections impacting the Company's Transmission and Distribution System, the Company will process the interconnection application through PacifiCorp Transmission Services.

(continued)



AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS

Example of Gas Pricing Options given Assumed Gas Prices ¢/kWh

Banded Gas Market Index												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Gas Market Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Floor / Ceiling Component	Type of Price	Price Paid to QF		Off-Peak Price	On-Peak Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
						(e) x 0.696			(b) + (g)	(a) + (j)		
2016	2.36	0.44	2.92	3.57	\$2.00	1.39	2.92	Floor	3.36	5.72	3.69	6.04
					\$4.00	2.78	2.92	Floor	3.36	5.72		
					\$5.00	3.48	3.48	Actual	3.92	6.28		
					\$7.00	4.87	3.57	Ceiling	4.01	6.37		
					\$10.00	6.96	3.57	Ceiling	4.01	6.37		

Gas Market Method												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Fuel Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Floor / Ceiling Component	Type of Price	Price Paid to QF		Off-Peak Price	On-Peak Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
						(e) x 0.696			(b) + (i)	(a) + (j)		
2016	2.36	0.44	Not Relevant		\$2.00	1.39			1.83	4.19	3.69	6.04
					\$4.00	2.78			3.22	5.58		
					\$5.00	3.48	Not Relevant		3.92	6.28		
					\$7.00	4.87			5.31	7.67		
					\$10.00	6.96			7.40	9.76		

**CONFIDENTIAL POWER PURCHASE
AGREEMENT WITH LOYD FERY
(JANUARY 1, 2004)**

POWER PURCHASE AGREEMENT

BETWEEN

Loyd Fery

AND

PACIFICORP

THIS AGREEMENT, dated and effective this 1st day of January, 2004, is between Loyd Fery ("Seller") and PacifiCorp. Seller and PacifiCorp are referred to herein individually as "Party" and collectively as "Parties"

RECITALS

Seller owns, operates and maintains a hydroelectric facility for the generation of electric power located 11028 Stayton Road Southeast, Aumsville Oregon with a Nameplate Capacity Rating of 40 kilowatt (kW) ("Facility"). Seller intends to operate the Facility as a "qualifying facility," as such term is defined in Section 3.2.6 below; and

Seller has sold and PacifiCorp has purchased energy under the terms and conditions of a Power Purchase Agreement dated May, 1980. The Power Purchase Agreement has been Amended and extended three consecutive terms of five years each. The last Extension of the Power Purchase Agreement terminates December 31, 2003, and is replaced in its entirety by this Agreement and

Seller's twelve year average annual Net Output delivered by the Facility to PacifiCorp is [REDACTED] kilowatt-hours (kWh) pursuant to the annual delivery schedule shown in Exhibit A hereto; which amount of energy PacifiCorp will include in its resource planning; and

Seller shall sell and PacifiCorp shall purchase the Net Output from the Facility in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

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

1.1. "Billing Period" means the time period between PacifiCorp's readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.2. "Contract Prices" means the applicable prices for Net Output as stated in Sections 5.1 and 5.2.

1.3. "Contract Year" means a twelve (12)- month period commencing at 00:00 hours on January 1 and ending on 24:00 hours on December 31.

1.4. "Capacity and Energy Price" means the capacity and energy price at a seventy-five (75) percent capacity factor set forth in Section 5.2 below, as excerpted from Pacific Power & Light Company Electric Service Schedule No. 5 as approved by the Oregon Public Utilities Commission on October 10, 2001.

1.5. "Energy Only Price" means the energy price set forth in Section 5.2 below, as excerpted from Pacific Power & Light Company Electric Service Schedule No. 5 as approved by the Oregon Public Utilities Commission on October 10, 2001.

1.6. "Facility" means Seller's 40 kW hydroelectric generator as further described in Exhibit B of this Agreement.

1.7. "Generation Interconnection Agreement" means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp's Power Delivery distribution department, providing for the construction, operation, and maintenance of PacifiCorp's interconnection facilities required to accommodate deliveries of Seller's Net Output.

1.8. "Nameplate Capacity Rating" means the maximum capacity of the Facility, expressed in kW, when operated consistent with the manufacturer's recommended power factor and operating parameters, as set forth in Exhibit B (not to exceed 100 kW).

1.9. "Net Output" means all energy and capacity, if applicable, produced by the Facility, less station use and less transformation and transmission losses and other adjustments, if any.

1.10. "Point of Delivery" means the high side of the generation step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's distribution system, as specified in the Generation Interconnection Agreement.

1.11. "Prime Rate" means the publicly announced prime rate or reference rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate or reference rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, N.Y., selected by the Party to whom interest based on the prime rate is being paid.

1.12. "Prudent Electrical Practices" means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.13. "Required Facility Documents" means all licenses, permits, authorizations, and agreements necessary for construction, operation, and maintenance of the Facility including without limitation those set forth in Exhibit C.

1.14. "Schedule 5" means the avoided cost prices currently approved by the Oregon Public Utilities Commission.

1.15. "Scheduled Maintenance Periods" means those times, as reflected in Exhibit A, during which the Facility is shut down for routine maintenance as provided in Section 6.2.

SECTION 2: TERM

2.1 This Agreement shall become effective upon execution by both Parties ("Effective Date").

2.2 Except as otherwise provided herein, this Agreement shall terminate one (1) year from the Effective Date.

2.3 Prior to the end of initial one (1) year term of this Agreement, Seller may elect to either extend the Agreement for (1) a term up to the number of years currently approved by the Oregon Public Utilities Commission or (2) options for up to three sequential five (5) year terms for a maximum of ~~seventeen (16) years~~, exercised one five-year period at a time; provided, however, that if PacifiCorp is not at the end of the initial one (1) year term or any such five-year term extension obligated by then existing federal and state laws and regulations to purchase the output from "qualifying facilities" generally, Seller shall not have a right to extend the Agreement, and PacifiCorp shall have no obligation to purchase output from the Facility. The prices for any term extension shall be the avoided cost prices in effect in Oregon Schedule 5 at the time the Agreement is extended. Seller must notify PacifiCorp in writing not later than November 1, 2004 that Seller intends to execute its option to extend this Agreement. For additional extensions under the provisions of item (2) above Seller's notice shall be no sooner than one year prior and no later than two months prior to the beginning of each such extension.

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.

3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2 Seller represents, covenants, and warrants to PacifiCorp that:

3.2.1 Seller is an individual residing in Oregon.

3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.

3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.

3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject

to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2.6 The Facility is and shall for the term of this Agreement continue to be a "qualifying facility" ("QF") as that term is defined in the version of 18 C.F.R. Part 292 in effect on the Effective Date. Seller has provided the appropriate QF certification, which may include a Federal Energy Regulatory Commission ("FERC") self-certification to PacifiCorp prior to PacifiCorp's execution of this Agreement. At any time during the term of this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney in good standing in the state of Oregon and who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

3.2.7 Seller is not or has not within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.

3.2.8 Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp or other utility providing station service to the Facility or otherwise.

3.2.9 Seller is not in default under any of its other agreements and is current on all of its financial obligations.

3.2.10 Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.

3.2.11 Seller has operated the Facility for a period of not less than five (5) years and has during such time period not defaulted in any material manner under any of its obligations under the supply contract between Seller and PacifiCorp or other load serving utility, as purchaser, associated with such operation.

SECTION 4: DELIVERY OF POWER

4.1 Seller shall make available from the Facility a minimum of 200,000 kWh of Net Output during each Contract Year, provided, that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure. Seller shall make available from the Facility

a maximum of 290,000 kWh of Net Output during each Contract Year. All deliveries of Net Output are subject to the prices found in Sections 5.1 and 5.2.

4.2 Seller agrees that if Seller does not deliver minimum Net Output each Contract Year PacifiCorp is damaged. As liquidated damages for Seller's failure to deliver a minimum of [REDACTED] kWh of Net Output (subject to adjustment for reasons of Force Majeure as provided in Section 4.1) in any Contract Year, notwithstanding any other provision of this Agreement, the purchase price payable by PacifiCorp for all deliveries in the Contract Year following the year in which Seller fails to deliver such minimum Net Output shall be the Energy Only Price as provided in Section 5.2. If during such succeeding Contract Year Seller succeeds in delivering the minimum Net Output for that Contract Year, then the purchase price payable by PacifiCorp for all deliveries in such Contract Year occurring after the billing period in which Seller attains delivery of the minimum Net Output for such Contract Year shall revert to the Capacity and Energy Price as set forth in Section 5.2 hereof. If Seller fails to deliver such minimum Net Output in any two consecutive Contract Years, then such condition shall be a breach of this Agreement as set forth in Section 10.1.4.

4.3 Seller shall not increase the Nameplate Capacity Rating above that specified in Exhibit B or increase the ability of the Facility to deliver Net Output in quantities in excess of the maximum delivery of Net Output as described in Section 4.1 above, through any means including, but not limited to, replacement of, modification of, or addition of existing equipment, without the written consent of PacifiCorp.

SECTION 5: PURCHASE PRICES

5.1 PacifiCorp shall pay Seller the Energy Only Price found in Section 5.2, (a) for all Net Output deliveries greater than [REDACTED] kWh in any Contract Year, and (b) in the event Seller fails to deliver at least [REDACTED] kWh in any Contract Year as provided in Section 4.2.

5.2 Except as provided in Section 5.1, PacifiCorp shall pay Seller the Capacity and Energy Price as stated in Schedule 5, as approved by the Oregon Public Utilities Commission on October 10, 2001, as set forth below:

<u>Calendar Year</u>	<u>Capacity and Energy Price (¢/kWh)</u>	<u>Energy Only (¢/kWh)</u>
2004	[REDACTED]	[REDACTED]

SECTION 6: OPERATION AND CONTROL

6.1 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement, Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the

Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement or this Section 6.1, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. If Seller does not meet Seller's obligations then Seller may be held in breach of this Agreement and PacifiCorp may exercise any and all of its rights for breach of this Agreement. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.2 Seller may cease operation of the entire Facility for Scheduled Maintenance Periods not to exceed thirty (30) days each Contract Year at such times as are provided in the monthly operating schedule set forth as Exhibit A.

6.3 If the Facility ceases operation for unscheduled maintenance, Sellers shall immediately notify PacifiCorp of the necessity of such unscheduled maintenance, 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 unscheduled maintenance.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a description of water rights and restrictions applicable to the Facility that PacifiCorp has deemed to be acceptable in its reasonable discretion. Such description is attached hereto as Exhibit D.

SECTION 8: METERING

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement. All Net Output purchased hereunder shall be adjusted to account for electrical losses, if any, between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of power flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement. If any of the inspections or tests 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 actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered. Such correction, when

made, shall constitute full adjustment of any claim between Seller and PacifiCorp arising out of such inaccuracy of metering equipment.

SECTION 9: BILLINGS, COMPUTATIONS AND PAYMENTS

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller's deliveries of Net Output to PacifiCorp, together with computations supporting such payment. PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, any other agreement related to the Facility between the parties or otherwise.

9.2 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; provided, however, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 10: DEFAULT AND REMEDIES

10.1 The following events shall constitute defaults under this Agreement:

10.1.1 Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure to make a payment when due) or breach by a Party of a representation or warranty set forth in this Agreement, if such failure or breach is not cured within thirty (30) days following written notice;

10.1.2 Filing of a petition in bankruptcy by or against a Party if such petition is not withdrawn or dismissed within sixty (60) days after it is filed;

10.1.3 Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument;

10.1.4 Seller's failure to deliver the minimum Net Output for two consecutive Contract Years, or

10.1.5 If Seller modifies the Facility such that the Nameplate Capacity Rating exceeds 100 kW.

10.2 In the event of any default hereunder, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement including without limitation damages related to the need to procure replacement power. The rights provided in this Section 10 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights.

SECTION 11: INDEMNIFICATION, LIABILITY

11.1 Seller agrees to release, indemnify and hold harmless PacifiCorp, its directors, officers, employees, agents, and representatives against and from any and all loss, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with, the facilities on Seller's side of the Point of Delivery, or Seller's operation and/or maintenance of the Facility, or arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.

11.2 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 PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

11.3 PacifiCorp shall not be liable to Seller for special, punitive, indirect or consequential damages, whether arising from contract, tort (including negligence), strict liability or otherwise.

SECTION 12: INSURANCE

12.1 Prior to the execution of this Agreement, Seller shall secure and continuously carry for the term hereof, with an insurance company or companies rated not lower than "A" by the A. M. Best Company, insurance policies for bodily injury and property damage liability. Such insurance shall include provisions or endorsements naming PacifiCorp, its directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of PacifiCorp and that any insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder; a 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 PacifiCorp. Initial limits of liability for all requirements under this section shall be One Million Dollars, (\$1,000,000) single limit, which limits may be required to be increased or decreased by PacifiCorp, as PacifiCorp determines in its reasonable judgment as economic conditions or claims experience may warrant.

12.2 Prior to the execution of this Agreement, Seller shall secure and continuously carry for the term hereof, in an insurance company or companies rated not lower than "A" by the A. M. Best Company, insurance acceptable to PacifiCorp against property damage or destruction in an amount not less than the cost of replacement of the Facility. Seller promptly shall notify PacifiCorp of any loss or damage to the Facility. Unless the Parties agree otherwise, Seller shall repair or replace the damaged or destroyed Facility. Seller shall waive its insurers' rights of subrogation against PacifiCorp regarding Facility property losses.

12.3 Prior to the execution of this Agreement and at all times such insurance policies are renewed and changed, Seller shall provide PacifiCorp with a copy of each insurance policy required under this Section, certified as a true copy by an authorized representative of the issuing insurance company or, at the discretion of PacifiCorp, in lieu thereof, a certificate in a form satisfactory to PacifiCorp certifying the issuance of such insurance. If Seller fails to provide PacifiCorp with copies of such currently effective insurance policies or certificates of insurance, PacifiCorp at its sole discretion and without limitation of other remedies, may upon ten (10) days advance written notice by certified or registered mail to Seller either disconnect the Facility from PacifiCorp's system, withhold payments due Seller until PacifiCorp has received such documents, or purchase the satisfactory insurance and offset the cost of obtaining such insurance from subsequent power purchase payments. If Seller and PacifiCorp are unable to obtain the required insurance within sixty (60) days, PacifiCorp, without risk of damages and without waiving any other claim or right PacifiCorp may then have, may terminate this Agreement.

SECTION 13: FORCE MAJEURE

13.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of hydro resource to operate the Facility or changes in market conditions that affect the price of energy or transmission, obligations for the payment of money when due. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the Force Majeure, after which such Party shall re-commence performance of such obligation, provided that:

13.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

13.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure; and

13.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

13.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the Force Majeure.

13.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

SECTION 14: SEVERAL OBLIGATIONS

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 between the Parties. If Seller includes two or more parties, each such Party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 15: CHOICE OF LAW

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

SECTION 16: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 17: 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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 18: GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide copies of same to PacifiCorp upon its written request.

SECTION 19: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and

such consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 20: ENTIRE AGREEMENT

20.1 This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

20.2 By executing this Agreement, Seller releases PacifiCorp from any claims related to the Facility, known or unknown, that may have arisen prior to the Effective Date.

SECTION 21: NOTICES

21.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested

To Seller:	Loyd Fery 11022 Rainwater Lane S.E. Aumsville, OR 97325
To PacifiCorp:	Manager QF Contracts PacifiCorp - Suite 600 LCT 825 N.E. Multnomah Portland, Oregon 97232

21.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 21.

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

PacifiCorp

By: [Signature]
Name: STAN WATTERS
Title: SENIOR VICE President

STATE OF Oregon)

COUNTY OF Multnomah

Subscribed and sworn to before me this 20th day of February, 2004 by
Stan Watters
[Name]

My commission expires: 10-29-04

[Signature]
Notary Public



Loyd F. Ferry
(Name Seller)

By: [Signature]
Name: Loyd Ferry
Title: Owner

STATE OF OREGON)

COUNTY OF Wasco)

Subscribed and sworn to before me this 19 day of February, 2004 by
Loyd Ferry
[Name]

My commission expires: 05/23/2006

[Signature]
Notary Public

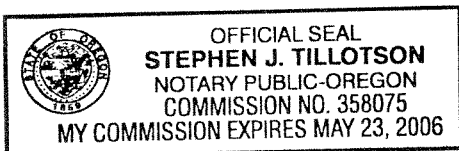
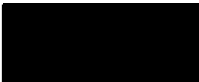


EXHIBIT A

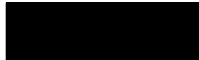
ANNUAL DELIVERY SCHEDULES / SCHEDULED MAINTENANCE

Scheduled Maintenance has been included in delivery amounts below.

Minimum Delivery



12-Year Average Delivery



Maximum Delivery

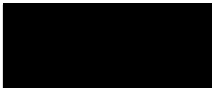


EXHIBIT B

DESCRIPTION OF SELLER'S FACILITY

40 Kw hydroelectric generator located at 11028 Stayton Road Southeast. Aumsville,

Oregon

EXHIBIT C

REQUIRED FACILITY DOCUMENTS

Seller shall provide:

State License

FERC Exemption

Certificate of Water Rights

EXHIBIT D

MOTIVE FORCE PLAN

[Seller to provide detailed description of water rights and restrictions]

**CONFIDENTIAL POWER PURCHASE AGREEMENT
AMENDMENT WITH LOYD FERY
(JANUARY 7, 2005)**

Attachment 4
Page 1



LETTER AGREEMENT

January 7, 2005

Loyd Fery
11022 Rainwater Lane S.E.
Aumsville, Oregon 97325

Dear Mr. Fery:

This Amendment (First Amendment) amends the January 1, 2004 Power Purchase Agreement between Loyd Fery (Seller) and PacifiCorp (PPA). Capitalized terms that are not defined in this First Amendment shall have the meanings ascribed to them in the PPA.

Seller owns, operates and maintains a hydroelectric facility for the generation of electric power located at 11028 Stayton Road Southeast, Aumsville, Oregon with a Nameplate Capacity of 40 kilowatts (kW)(Facility); and

Seller intends to continue to operate the Facility as a QF as described and defined in the PPA; and

Seller shall sell and PacifiCorp shall purchase the Net Output from the Facility in accordance with the terms and conditions of the PPA as amended by this First Amendment. This First Amendment shall be effective as of January 1, 2005.

The PPA shall be extended and amended to read as follows:

SECTION 2: TERM

Sections 2.2 and 2.3 of the PPA will shall be deleted and replaced in their entirety with the following:

- 2.2 Except as otherwise provided herein, this Agreement shall terminate at 12:00 AM PST on December 31, 2005.
- 2.3 Prior to December 31, 2005 and with no less than ninety (90) days written notice, Seller may terminate the Agreement or may elect to extend the Agreement for (1) a term equal to or less than the term approved by the Oregon Public Utilities Commission (OPUC) or (2) up to three sequential five (5) year terms for a maximum of fifteen (15) years, exercised one five-year period at a time: provided, however, that if at the end of the initial five-year term or any subsequent five-year term extension PacifiCorp is not obligated by then-existing federal and state laws and regulations to purchase the output from QFs, Seller shall not have the right to extend the

Loyd Fery
Page 2 – January 7, 2005

Agreement, and PacifiCorp shall not have any obligation to purchase output from the Facility. The applicable prices for any extension shall be the then-current avoided cost prices as listed in Oregon Schedule 5 at the time such extension is effective. Seller must notify PacifiCorp in writing not less than ninety (90) days prior to the anticipated effective date of Seller's request to extend the Agreement. At Seller's option, any extension of the Agreement effective after December 31, 2005 may apply the terms and conditions of the then-current standard form power purchase agreement approved by the OPUC, if any.

SECTION 5: PURCHASE PRICES

Section 5.2 shall be amended as follows:


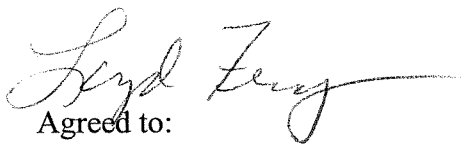
The Capacity and Energy Price shall be [REDACTED]

The Energy Only Price shall be [REDACTED]

If you agree to these terms and conditions, please execute and return one copy of this First Amendment to PacifiCorp, 825 N.E. Multnomah St., Portland, Oregon 97232 in care of John Younie, Suite 600. In order for PacifiCorp to continue purchasing the Net Output from your Facility, please return the executed copy no later than January 21, 2005.

If you have any questions, please call John Younie at 503-813-5960.

Sincerely,


Bruce Griswold
Manager, Origination
Agreed to:

By: Loyd Fery

Title: Owner

Date: 1/10/05

**CONFIDENTIAL POWER PURCHASE AGREEMENT
AMENDMENT WITH LOYD FERY
(DECEMBER 21, 2005)**



LETTER AGREEMENT

December 21, 2005

Loyd Fery
11022 Rainwater Lane S.E.
Aumsville, Oregon 97325

Dear Mr. Fery:

This Letter Agreement amends the January 7, 2005 First Amendment and the January 1, 2004 Power Purchase Agreement ("PPA") between Loyd Fery ("Seller") and PacifiCorp. Capitalized terms that are not defined in this Letter Agreement shall have the meanings ascribed to them in the PPA.

Seller owns, operates and maintains a hydroelectric facility for the generation of electric power located at 11028 Stayton Road Southeast, Aumsville, Oregon with a Nameplate Capacity of 40 kilowatts ("kw")("Facility"); and

Seller intends to continue to operate the Facility as a Qualifying Facility; and

Seller shall sell and PacifiCorp shall purchase the Net Output from the Facility in accordance with the terms and conditions of the PPA as amended by this Letter Agreement shall be effective as of January 1, 2006.

The PPA shall be extended and amended to read as follows:

SECTION 2: TERM

Sections 2.2 and 2.3 of the PPA will shall be deleted and replaced in its entirety with the following:

- 2.2 Except as otherwise provided herein, this Agreement shall terminate at midnight on December 31, 2006.
- 2.3 Prior to December 31, 2006 and with no less than ninety (90) days written notice, Seller or PacifiCorp may terminate the PPA and enter into a new power purchase agreement that conforms to the terms and conditions approved by the Oregon Public Utility Commission ("OPUC") in UM 1129. The applicable prices for any new power purchase agreement shall be the then-current avoided cost prices as listed in Oregon Schedule 37 at the time such agreement is effective. Any new agreement shall apply the terms and conditions of the then-current standard form power purchase agreement approved by the OPUC. The new power purchase agreement will trigger an update of

Loyd Fery
Page 2 – December 21, 2005

the Interconnection Agreement and the upgrade, if any, of the interconnection facilities identified in the updated Interconnection Agreement to the then current PacifiCorp interconnection standards at Seller's cost.

2.4 Either PacifiCorp or Seller may request to extend this Letter Agreement at the then-current Oregon Schedule 37 avoided cost price(s) through December 31, 2007 by providing the other party a written notice requesting such extension. Both PacifiCorp and Seller must agree in writing to any such one-year extension.

SECTION 5: PURCHASE PRICES

Section 5.2 shall be amended as follows:

The Firm Energy Price for 2006 shall be [REDACTED]

The Energy Only Price shall be [REDACTED]

SECTION 12 INSURANCE

Section 12 is deleted.

If you agree to these terms and conditions, please execute where indicated below. Please call John Younie at 503-813-5960 with any questions.

Sincerely,



Bruce Griswold
Manager, Origination

Agreed to:

Loyd Fery

By: Loyd Fery

Title: Owner

Date: 12/27/05

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be the holiday and will be Off-peak.

Off-Peak Hours

All hours other than On-Peak.

Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-1

Issued By
 D. Douglas Larson, Vice President, Regulation

**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

**OREGON
SCHEDULE 37
Page 2**

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

(Continued)

Issued: July 12, 2005
Effective: With service rendered on and after August 11, 2005

P.U.C. OR No. 35
Original Sheet No. 37-2

Issued By
D. Douglas Larson, Vice President, Regulation

Advice No. 05-006

Commission Approved

Avoided Costs

Year	Total Avoided Costs at 85% CF				
	(\$/MWH)				
	Oregon	Utah	Washington	Wyoming	Idaho

2005	\$66.34	\$46.14	\$58.23	\$44.90	\$51.41
2006	\$58.90	\$50.16	\$59.94	\$51.86	\$52.59
2007	\$54.92	\$46.78	\$56.37	\$45.09	\$53.80
2008	\$51.73	\$45.16	\$52.78	\$44.61	\$55.03
2009	\$48.60	\$45.46	\$49.77	\$43.85	\$56.30
2010	\$53.81	\$45.08	\$53.81	\$53.81	\$57.59
2011	\$56.82	\$46.04	\$56.81	\$56.81	\$58.92
2012	\$62.49	\$47.52	\$62.49	\$62.49	\$60.27
2013	\$65.21	\$48.61	\$65.21	\$65.21	\$61.66
2014	\$65.82	\$49.69	\$65.81	\$65.81	\$63.08
2015	\$66.96	\$50.99	\$66.96	\$66.96	\$64.53
2016	\$68.73	\$52.53	\$68.72	\$68.72	\$66.02
2017	\$70.51	\$53.98	\$70.50	\$70.50	\$67.54
2018	\$72.22	\$55.52	\$72.21	\$72.21	\$69.09
2019	\$74.18	\$57.09	\$74.17	\$74.17	\$70.68
2020	\$76.14	\$58.81	\$76.13	\$76.13	\$72.31
2021	\$78.21	\$60.53	\$78.27	\$78.27	\$73.97
2022	\$80.37	\$62.27	\$80.51	\$80.51	\$75.68
2023	\$82.54	\$64.00	\$82.77	\$82.77	\$77.42
2024	\$84.74	\$65.87	\$85.06	\$85.06	\$79.20
2025	\$87.12	\$67.83	\$87.52	\$87.52	\$81.03
2026	\$89.51	\$69.75	\$90.02	\$90.02	\$82.89
2027	\$91.93	\$71.71	\$92.54	\$92.54	\$84.80

State	Current Avoided Costs	20-Yr NPV (2005-2024)
Oregon	Approved by the Commission August 8, 2005	\$63.59
Utah	Approved by the Commission June 1, 2004	\$50.40
Washington	Allowed under "No Action Agenda" August 1, 2005	\$63.23
Wyoming	Approved by the Commission July 12, 2005	\$59.49
Idaho	Ordered by Commission December 5, 2003	\$61.12

20 Year Levelized Prices (Nominal) @ 7.20%

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
 Page 3

Monthly Payments (Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2005	7.13	5.98
2006	6.36	5.27
2007	5.96	4.87
2008	5.58	4.63
2009	5.26	4.33
2010	6.21	4.30
2011	6.54	4.57
2012	7.13	5.11
2013	7.43	5.35
2014	7.52	5.37
2015	7.66	5.45
2016	7.86	5.59
2017	8.07	5.73
2018	8.27	5.86
2019	8.50	6.02
2020	8.72	6.17
2021	8.97	6.33
2022	9.23	6.49
2023	9.49	6.66
2024	9.75	6.82
2025	10.03	7.00
2026	10.31	7.18
2027	10.60	7.36
2028	10.90	7.55

(Continued)

Issued: July 12, 2005
 Effective: With service rendered on and after
 August 11, 2005

P.U.C. OR No. 35
 Original Sheet No. 37-3

Issued By
 D. Douglas Larson, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
 Page 4

Avoided Cost Prices (Continued)
Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Opal Gas Index Price (2) \$/MMBtu	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Avoided Firm Capacity Costs / (0.876 * 84.2% * 57%)	Total Avoided Energy Costs - ((e) * 0.76)		(g) + (c)	((e) * 0.76) + (d)
2005	7.13	5.98	Market Based Prices 2005 through 2009				
2006	6.36	5.27					
2007	5.96	4.87					
2008	5.58	4.63					
2009	5.26	4.33					
2010			1.91	0.38	\$5.16	6.21	4.30
2011			1.97	0.40	\$5.49	6.54	4.57
2012			2.02	0.42	\$6.17	7.13	5.11
2013			2.08	0.42	\$6.48	7.43	5.35
2014			2.14	0.42	\$6.51	7.52	5.37
2015			2.21	0.44	\$6.60	7.66	5.45
2016			2.27	0.45	\$6.77	7.86	5.59
2017			2.34	0.45	\$6.95	8.07	5.73
2018			2.41	0.45	\$7.12	8.27	5.86
2019			2.48	0.46	\$7.31	8.50	6.02
2020			2.55	0.47	\$7.50	8.72	6.17
2021			2.64	0.48	\$7.70	8.97	6.33
2022			2.73	0.49	\$7.90	9.23	6.49
2023			2.83	0.50	\$8.10	9.49	6.66
2024			2.93	0.51	\$8.31	9.75	6.82
2025			3.03	0.52	\$8.53	10.03	7.00
2026			3.13	0.53	\$8.75	10.31	7.18
2027			3.24	0.54	\$8.98	10.60	7.36
2028			3.35	0.55	\$9.21	10.90	7.55

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2004 IRP.
- (2) A heat rate of 0.76 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast Opal Gas Market Index prices.
Actual prices will be calculated each month using actual Opal Gas Market Index prices.

(Continued)

Issued: July 12, 2005
 Effective: With service rendered on and after
 August 11, 2005

P.U.C. OR No. 35
 Original Sheet No. 37-4

Issued By
 D. Douglas Larson, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

Avoided Cost Prices (Continued)
Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices €/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Gas Market Index		Opal Gas Index Price (2) \$/MMBtu	On-Peak Energy Price	Off-Peak Energy Price
					Floor 90%	Ceiling 110%			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Avoided Firm Capacity Costs / (0.876 * 84.2% * 57%)			Total Avoided Energy Costs - ((e) * 0.76)		(g) * 0.76 * 90%	(g) * 0.76 * 110%	(i) + (c)	MIN(MAX(((g) * 0.76), (e)), (f)) + (d)	

2005	7.13	5.98	Market Based Prices 2005 through 2009												
2006	6.36	5.27													
2007	5.96	4.87													
2008	5.58	4.63													
2009	5.26	4.33													
2010			1.91	0.38	3.53	4.31	\$5.16	6.21	4.30						
2011			1.97	0.40	3.75	4.59	\$5.49	6.54	4.57						
2012			2.02	0.42	4.22	5.16	\$6.17	7.13	5.11						
2013			2.08	0.42	4.43	5.42	\$6.48	7.43	5.35						
2014			2.14	0.42	4.45	5.44	\$6.51	7.52	5.37						
2015			2.21	0.44	4.51	5.51	\$6.60	7.66	5.45						
2016			2.27	0.45	4.63	5.66	\$6.77	7.86	5.59						
2017			2.34	0.45	4.75	5.81	\$6.95	8.07	5.73						
2018			2.41	0.45	4.87	5.96	\$7.12	8.27	5.86						
2019			2.48	0.46	5.00	6.11	\$7.31	8.50	6.02						
2020			2.55	0.47	5.13	6.27	\$7.50	8.72	6.17						
2021			2.64	0.48	5.27	6.44	\$7.70	8.97	6.33						
2022			2.73	0.49	5.40	6.60	\$7.90	9.23	6.49						
2023			2.83	0.50	5.54	6.77	\$8.10	9.49	6.66						
2024			2.93	0.51	5.69	6.95	\$8.31	9.75	6.82						
2025			3.03	0.52	5.83	7.13	\$8.53	10.03	7.00						
2026			3.13	0.53	5.99	7.32	\$8.75	10.31	7.18						
2027			3.24	0.54	6.14	7.51	\$8.98	10.60	7.36						
2028			3.35	0.55	6.30	7.70	\$9.21	10.90	7.55						

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2004 IRP.
- (2) A heat rate of 0.76 is used to adjust gas prices from \$/MMBtu to €/kWh
- (3) Estimated avoided cost prices based upon forecast Opal Gas Market Index prices.
Actual prices will be calculated each month using actual Opal Gas Market Index prices.

(Continued)

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 Original Sheet No. 37-5

Issued By
 D. Douglas Larson, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Example of Pricing Options available to the Qualifying Facility

An example of the three pricing options using different assumed gas prices is available at the Company web site.

Qualifying Facilities Contracting Procedure

1. Qualifying Facilities up to 10,000 kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - a) demonstration of ability to obtain QF status;

(Continued)

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Original Sheet No. 37-6

Issued By
D. Douglas Larson, Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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B. Procedures (Continued)

- b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
- c) generation technology and other related technology applicable to the site;
- d) proposed site location;
- e) schedule of monthly power deliveries;
- f) calculation or determination of minimum and maximum annual deliveries;
- g) motive force or fuel plan;
- h) proposed on-line date and other significant dates required to complete the milestones;
- i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
- j) status of interconnection or transmission arrangements;
- k) point of delivery or interconnection;

3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.
4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement.
5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 14 days to those comments and proposals.
6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

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 Original Sheet No. 37-7

Issued By
 D. Douglas Larson, Vice President, Regulation

**CONFIDENTIAL POWER PURCHASE AGREEMENT
AMENDMENT WITH LOYD FERY
(NOVEMBER 14, 2006)**



825 NE Multnomah, Suite 600
Portland, Oregon 97232

LETTER AGREEMENT

November 14, 2006

Loyd Fery
11022 Rainwater Lane S.E.
Aumsville, Oregon 97325

Dear Mr. Fery:

This Letter Agreement amends and extends the January 1, 2004 Power Purchase Agreement ("PPA") between Loyd Fery ("Seller") and PacifiCorp. As of the effective date, below, this Letter Agreement supersedes the previous Letter Agreement, dated December 21, 2005, between the parties. Capitalized terms that are not defined in this Letter Agreement shall have the meanings ascribed to them in the PPA.

PacifiCorp is agreeing to this extension, in part, to give you more time to apply for and obtain a Distribution Interconnection Agreement. Because PacifiCorp's PURPA obligation to purchase output from a qualifying facility ("QF") is contingent upon the QF executing a separate interconnection agreement, PacifiCorp will not purchase output from your facility after December 31, 2007, if you have not yet executed such agreement. Please contact James Tanneberger in the Transmission Department at (503) 813-6138, to obtain a Distribution Interconnection application, complete the application, and return it to him before executing this Letter Agreement.

Recitals

Seller owns, operates and maintains a hydroelectric facility for the generation of electric power located at 11028 Stayton Road Southeast, Aumsville, Oregon with a Nameplate Capacity of 40 kilowatts ("kw")("Facility"); and

Seller desires to extend its January 1, 2004, PPA, to December 31, 2007; and

Seller has completed and submitted a Distribution Interconnection Application; and

PacifiCorp also desires to extend the expiration of Seller's PPA to December 31, 2007.

NOW, THEREFORE, PacifiCorp and Seller agree as follows:

Effective Date

This Letter Agreement shall be effective as of January 1, 2007.

Amendments to the PPA

The PPA shall be amended to read as follows:

SECTION 2: TERM

Sections 2.2 and 2.3 of the PPA shall be deleted and replaced in their entirety with the following:

- 2.2 Except as otherwise provided herein, this Letter Agreement shall terminate at midnight on December 31, 2007.
- 2.3 Prior to December 31, 2007 and with no less than ninety (90) days written notice, Seller or PacifiCorp may terminate the PPA and enter into a new power purchase agreement that conforms to the terms and conditions approved by the Oregon Public Utility Commission ("OPUC") in UM 1129. The applicable prices for any new power purchase agreement shall be the then-current avoided cost prices as listed in Oregon Schedule 37 at the time such agreement is effective. Any new agreement shall apply the terms and conditions of the then-current standard form power purchase agreement approved by the OPUC. The new power purchase agreement will trigger an update of the Interconnection Agreement and the upgrade, if any, of the interconnection facilities identified in the updated Interconnection Agreement to the then current PacifiCorp interconnection standards at Seller's cost.

SECTION 5: PURCHASE PRICES

Section 5.2 shall be amended as follows:

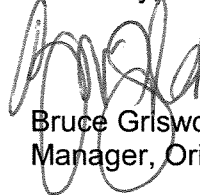
The Firm Energy Price for 2007 shall be [REDACTED]

The Energy Only Price shall be [REDACTED]

SECTION 12 INSURANCE

Section 12 is deleted.

Sincerely,



Bruce Griswold
Manager, Origination

Agreed to:

Lloyd Fery

By: Lloyd Fery

Title: Owner

Date: 11/16/06

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Monthly Payments (Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in \$/MMBtu by 0.76 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2005	7.13	5.98
2006	6.36	5.27
2007	5.96	4.87
2008	5.58	4.63
2009	5.26	4.33
2010	6.21	4.30
2011	6.54	4.57
2012	7.13	5.11
2013	7.43	5.35
2014	7.52	5.37
2015	7.66	5.45
2016	7.86	5.59
2017	8.07	5.73
2018	8.27	5.86
2019	8.50	6.02
2020	8.72	6.17
2021	8.97	6.33
2022	9.23	6.49
2023	9.49	6.66
2024	9.75	6.82
2025	10.03	7.00
2026	10.31	7.18
2027	10.60	7.36
2028	10.90	7.55

(Continued)

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Issued By
 D. Douglas Larson, Vice President, Regulation

Commission Approved

Avoided Costs

Year	Total Avoided Costs at 85% CF				
	(\$/MWH)				
	Oregon	Utah	Washington	Wyoming	Idaho

2005	\$66.34	\$46.14	\$58.23	\$44.90	\$51.41
2006	\$58.90	\$50.16	\$59.94	\$51.86	\$52.59
2007	\$54.92	\$46.78	\$56.37	\$45.09	\$53.80
2008	\$51.73	\$45.16	\$52.78	\$44.61	\$55.03
2009	\$48.60	\$45.46	\$49.77	\$43.85	\$56.30
2010	\$53.81	\$45.08	\$53.81	\$53.81	\$57.59
2011	\$56.82	\$46.04	\$56.81	\$56.81	\$58.92
2012	\$62.49	\$47.52	\$62.49	\$62.49	\$60.27
2013	\$65.21	\$48.61	\$65.21	\$65.21	\$61.66
2014	\$65.82	\$49.69	\$65.81	\$65.81	\$63.08
2015	\$66.96	\$50.99	\$66.96	\$66.96	\$64.53
2016	\$68.73	\$52.53	\$68.72	\$68.72	\$66.02
2017	\$70.51	\$53.98	\$70.50	\$70.50	\$67.54
2018	\$72.22	\$55.52	\$72.21	\$72.21	\$69.09
2019	\$74.18	\$57.09	\$74.17	\$74.17	\$70.68
2020	\$76.14	\$58.81	\$76.13	\$76.13	\$72.31
2021	\$78.21	\$60.53	\$78.27	\$78.27	\$73.97
2022	\$80.37	\$62.27	\$80.51	\$80.51	\$75.68
2023	\$82.54	\$64.00	\$82.77	\$82.77	\$77.42
2024	\$84.74	\$65.87	\$85.06	\$85.06	\$79.20
2025	\$87.12	\$67.83	\$87.52	\$87.52	\$81.03
2026	\$89.51	\$69.75	\$90.02	\$90.02	\$82.89
2027	\$91.93	\$71.71	\$92.54	\$92.54	\$84.80

State	Current Avoided Costs	20-Yr NPV (2005-2024)
Oregon	Approved by the Commission August 8, 2005	\$63.59
Utah	Approved by the Commission June 1, 2004	\$50.40
Washington	Allowed under "No Action Agenda" August 1, 2005	\$63.23
Wyoming	Approved by the Commission July 12, 2005	\$59.49
Idaho	Ordered by Commission December 5, 2003	\$61.12

20 Year Levelized Prices (Nominal) @ 7.20%

**CONFIDENTIAL POWER PURCHASE
AGREEMENT WITH LOYD FERY
(NOVEMBER 7, 2007)**

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT ("Agreement"), entered into this 7th day of November, 2007, is between Loyd Fery, "**Seller**" and PacifiCorp (d/b/a Pacific Power & Light Company), an Oregon corporation acting in its regulated utility capacity, "**PacifiCorp.**" (Seller and PacifiCorp are referred to individually as a "**Party**" or collectively as the "**Parties**").

RECITALS

- A. Seller owns, operates and maintains a hydroelectric facility for the generation of electric power, including interconnection facilities, located in Aumsville, Marion County, Oregon [City, County, State] with a Facility Capacity Rating of 40 -kilowatts (kW) as further described in **Exhibit A** and **Exhibit B ("Facility")**; and
- B. The Parties desire to enter into this Agreement to replace in its entirety the power purchase agreement dated November 14, 2006 (the "PPA"), which terminates on December 31, 2007 and
- C. Seller intends to continue to deliver Net Output under this Agreement; and
- D. Seller intends to continue to operate the Facility as a Qualifying Facility, and is deemed to have established commercial operation under the previous PPA; and
- E. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is [REDACTED] (kWh), which amount of energy PacifiCorp will include in its resource planning, and
- F. Seller shall sell and PacifiCorp shall purchase all Net Output from the Facility in accordance with the terms and conditions of this Agreement; and
- G. This Agreement is an "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

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

1.1 **"As-Built Supplement"** shall be a supplement to **Exhibit A** and **Exhibit B**, provided by Seller following completion of construction on the Facility, describing the Facility as actually built.

1.2 **"Average Annual Generation"** shall have the meaning set forth in Section 4.2.

1.3 **"Billing Period"** means the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.4 **"Commission"** means the Oregon Public Utilities Commission.

1.5 **"Contract Price"** means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1 and 5.2.

1.6 **"Contract Year"** means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time ("PPT") on January 1 and ending on 24:00 hours PPT on December 31; *provided, however*, that the first Contract Year shall commence on the Effective Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.7 **"Credit Requirements"** means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) "Baa3" or greater by Moody's, or (2) "BBB-" or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.8 **"Default Security"**, unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replace twelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at Mid-Columbia [**specify POD**] (as determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller's average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.9 “**Effective Date**” of this Agreement shall be January 1, 2008, which is the date upon which the PPA terminates.

1.10 “**Energy Delivery Schedule**” shall have the meaning set forth in Section 4.5.

1.11 “**Environmental Attributes**” shall have the meaning set forth in Section 5.5.

1.12 “**Excess Output**” shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

1.13 “**Facility**” shall have the meaning set forth in Recital A.

1.14 “**Facility Capacity Rating**” means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

1.15 “**FERC**” means the Federal Energy Regulatory Commission, or its successor.

1.16 “**Generation Interconnection Agreement**” means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp’s transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp’s interconnection facilities required to accommodate deliveries of Seller’s Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.17 “**Letter of Credit**” means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of “A” or greater from S&P or “A2” or greater from Moody’s, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

1.18 “**Licensed Professional Engineer**” means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon, who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

1.19 “**Material Adverse Change**” means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller’s ability to operate, maintain or own the Facility as provided in this Agreement

1.20 “**Maximum Annual Delivery**” shall have the meaning set forth in Section 4.3.

1.21 “**Minimum Annual Delivery**” shall have the meaning set forth in Section 4.3.

1.22 “**Nameplate Capacity Rating**” means the maximum generating capacity, as provided by the manufacturer, in kW, of any qualifying small power or cogeneration unit

supplying all or part of the Facility's Net Output. Voluntary curtailment by Seller of a generating unit cannot reduce the Nameplate Capacity Rating of that unit.

1.23 "**Net Energy**" means the energy component, in kWh, of Net Output.

1.24 "**Net Output**" means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller's load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

1.25 "**Net Replacement Power Costs**" shall have the meaning set forth in Section 11.4.1.

1.26 "**Off-Peak Hours**" means all hours of the week that are not On-Peak Hours.

1.27 "**On-Peak Hours**" means the hours between 6 a.m. Pacific Prevailing Time ("PPT") and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in Schedule 37.

1.28 "**Point of Delivery**" means the high side of the Seller's step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's distribution/transmission system, or as otherwise specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.29 "**Prime Rate**" means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.30 "**Prudent Electrical Practices**" means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.31 "**QF**" means "**Qualifying Facility**," as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

1.32 "**Replacement Price**" means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to

be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.33 "**Required Facility Documents**" means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for operation, and maintenance of the Facility consistent with the terms of this Agreement and requested in writing by PacifiCorp, including without limitation those set forth in **Exhibit C**.

1.34 "**Schedule 37**" means the Schedule 37 of Pacific Power & Light Company's Commission-approved tariffs, providing pricing options for Qualifying Facilities of 10,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Schedule 37 is attached as **Exhibit E**.

1.35 "**Termination Date**" shall have the meaning set forth in Section 2.4.

SECTION 2: TERM; EFFECTIVE DATE

2.1 After execution by both Parties, this Agreement shall become effective on the Effective Date.

2.2 By the Effective Date, Seller shall provide PacifiCorp with (a) a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement, and (b) the Required Facility Documents.

2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.4 Except as otherwise provided herein, this Agreement shall terminate on December 31, 2013 [enter Date that is no later than 20 years after the Effective Date] ("**Termination Date**").

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

- 3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.
 - 3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
- 3.2 Seller represents, covenants, and warrants to PacifiCorp that:
- 3.2.1 Seller is a sole proprietorship duly organized and validly existing under the laws of Oregon.
 - 3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.
 - 3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
 - 3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.
 - 3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
 - 3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of

this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

3.2.7 Compliance with Partial Stipulation in Commission Proceeding No. UM-1129. Seller will not make any changes in its ownership, control, or management during the term of this Agreement that would cause it to not be in compliance with the definition of a Small Cogeneration Facility or Small Power Production Facility provided in PacifiCorp's Schedule 37 tariff approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by PacifiCorp not more frequently than every 36 months, such documentation and information as reasonably may be required to establish Seller's continued compliance with such Definition. PacifiCorp agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except PacifiCorp will provide all such confidential information the Public Utility Commission of Oregon upon the Commission's request.

3.2.8 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:

- (a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.
- (b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.
- (c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction related financial obligations.
- (d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free

and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.

- (e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3,000 kW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

LF Seller affirms and adopts all warranties of this Section 3.2.8, and therefore is not required to post security under Section 10; or

_____ Seller does not affirm and adopt all warranties of this Section 3.2.8, and therefore Seller elects to post the security specified in Section 10.

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Effective Date, Seller will sell and PacifiCorp will purchase all Net Output from the Facility.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, [REDACTED] kWh per Contract Year ("**Average Annual Generation**"). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Minimum and Maximum Delivery. Seller shall make available from the Facility a minimum of [REDACTED] kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Effective Date, and further provided that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of [REDACTED] kWh of Net Output during each Contract Year ("**Maximum Annual Delivery**"). Seller's basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D**.

4.4 Deliveries in Deficit of Delivery Obligation. Seller's failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule. Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility ("**Energy Delivery Schedule**"), incorporated into **Exhibit D**.

SECTION 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of three pricing options: Fixed Avoided Cost Prices ("Fixed Price"), Gas Market Indexed Avoided Cost Prices ("Gas Market"), or Banded Gas Market Indexed Avoided Cost Prices ("Banded Gas Market"), as published in Schedule 37. Once an option is selected the option will remain in effect for the duration of the Facility's contract. Seller has selected the following (Seller to initial one):

11/12/07 LF Fixed Price
_____ Gas Market
_____ Banded Gas Market

A copy of Schedule 37, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit E**.

5.2 (Fixed Price Sellers Only). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in **Schedule 37** during the first fifteen (15) years after the Effective Date. Thereafter, PacifiCorp shall pay Seller market-based rates, using the following pricing option (Seller to initial one):

_____ Gas Market
_____ Banded Gas Market

5.3 If the Seller elects a gas market indexed price option, the index shall be the Opal Gas Market Index as provided in Schedule 37. In the event that Platt ceases to publish the Opal Gas Market Index, the Company shall replace the index with a similar gas index.

5.4 PacifiCorp shall pay Seller the Off-peak Price for all Excess Output. Such payment will be accomplished by adjustments pursuant to Section 9.2.

5.5 Environmental Attributes. PacifiCorp waives any claim to Seller's ownership of Environmental Attributes under this Agreement. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) (as those terms are commonly used in the regional electric utility industry) directly associated with the production of energy from the Seller's Facility.

SECTION 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of any construction affecting the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built. The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed.

6.2 Incremental Utility Upgrades. At start-up (and at any other time upon at least six month's prior written notice), Seller may increase Net Output, if such increase is due to normal variances in estimated versus actual performance, changed Facility operations, or improvements in Facility efficiency. Seller may not increase Net Output under this Agreement by installing additional generating units. In the case of substantial upgrades, PacifiCorp may require Seller to

comply with Section 3.2.8(e) (in the event that the Facility upgrade causes the Facility Capacity Rating to exceed 3,000 kW) and increase its Minimum Annual Delivery obligation in Section 4.3 (if appropriate). PacifiCorp may also update Seller's security obligation (if applicable). So long as the Facility Capacity Rating after the upgrade is 10,000 kW or less, Seller will continue to receive the Contract Price for the Net Output, as set forth in Sections 5.1 and 5.2 of this Agreement. If Seller increases the Facility Capacity Rating above 10,000 kW, then (on a going forward basis) PacifiCorp shall pay Seller the Contract Price for the fraction of total Net Output equal to 10,000 kW divided by the Facility Capacity Rating of the upgraded Facility. For the remaining fraction of Net Output, PacifiCorp and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Facility Capacity Rating or the maximum instantaneous capacity of the Facility complies with Seller's Generation Interconnection Agreement and any other agreements with PacifiCorp.

6.3 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.3 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.4 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.5 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the Facility Capacity Rating (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1**, together with a certification from a Licensed Professional Engineer to PacifiCorp attached

hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

SECTION 8: METERING

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement, or, if the Net Output is to be wheeled to PacifiCorp by another utility, metering will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such other utility. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If the Net Output is to be wheeled to PacifiCorp by another utility, meter inspection, testing, repair and replacement will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such utility. If any of the inspections or tests discloses 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 actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller's deliveries of Net Output to PacifiCorp, together with computations supporting such payment. PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided, however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 10: SECURITY

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.8, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

- Cash Escrow
- Letter of Credit
- Senior Lien
- Step-in Rights
- Seller has adopted the Creditworthiness Warranties of Section 3.2.8.

In the event Seller's obligation to post default security (under Section 10 or Section 11.1.4) arises solely from Seller's delinquent performance of construction-related financial obligations, upon Seller's request, PacifiCorp will excuse Seller from such obligation in the event Seller has negotiated financial arrangements with its construction lenders that mitigate Seller's financial risks to PacifiCorp's reasonable satisfaction.

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

10.3 Senior Lien. Within thirty (30) days after the Effective Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed

of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

- 10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.
- 10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.
- 10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.
- 10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.

- (a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.
- (b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

SECTION 11: DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

- 11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.
- 11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.
- 11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a

petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.

11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;

11.1.5 Underdelivery. If Seller's Facility has a Facility Capacity Rating of 100 kW or less, Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for two (2) consecutive years; else Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for one year.

11.2 Notice: Opportunity to Cure.

11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.

11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.

11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 23.

11.2.4 Seller Delinquent on Construction-related Financial Obligations. Seller promptly shall notify PacifiCorp (or cause PacifiCorp to be notified) anytime it becomes delinquent under any construction related financing agreement or instrument related to the Facility. Such delinquency may constitute a Material Adverse Change, subject to Section 11.1.4.

11.3 Termination.

11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the

other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement; *provided, however* that PacifiCorp shall not terminate for a default under Section 11.1.5 unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.

11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.

11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.

11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for any energy and capacity that Seller was otherwise obligated (under Section 4.3) to provide during the period of default ("**Net Replacement Power Costs**"); *provided, however*, that the positive difference obtained by subtracting the Contract Price from the Replacement Price shall not exceed the Contract Price, and the period of default under this Section 11.4.1 shall not exceed one Contract Year.

11.4.2 Recoupment of Damages.

- (a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.
- (b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

SECTION 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

- 12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller's side of the Point of Delivery, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.
- 12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

12.2 No 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 PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 13: INSURANCE (FACILITIES OVER 200KW ONLY)

13.1 Certificates. No later than the Effective Date of this Agreement, Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "B+" by the A.M. Best Company the insurance coverage specified below:

13.2.1 Commercial General Liability insurance, to include contractual liability, with a minimum single limit of \$1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each

insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

SECTION 14: FORCE MAJEURE

14.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall recommence performance of such obligation, provided that:

- 14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and
- 14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and
- 14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

SECTION 15: SEVERAL OBLIGATIONS

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 between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 16: CHOICE OF LAW

This Agreement shall be interpreted and enforced 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.

SECTION 17: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 18: 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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

SECTION 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

SECTION 21: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 22: ENTIRE AGREEMENT

22.1 Upon the Effective Date, this Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

SECTION 23: NOTICES

23.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

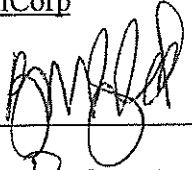
Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5952 Facsimile: (503) 813 - 6291 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Loyd Fery 11022 Rainwater Lane S.E. Aumsville, OR 97325 Phone: (503) 769-6110 Cellphone: (503) 559-4874 Eric Fery Cell: (503) 949-6124 Facsimile: (503) 769-4092
All Invoices:	(same as street address above) Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 - 5580	(same as above)

Notices	PacifiCorp	Seller
Scheduling:	(same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265	(same as above)
Payments:	(same as street address above) Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 - 5580	(same as above)
Wire Transfer:	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	(same as above)
Credit and Collections:	(same as street address above) Attn: Credit Manager, Suite 1900 Phone: (503) 813 - 5684 Facsimile: (503) 813 - 5609	(same as above)
With Additional Notices of an Event of Default or Potential Event of Default to:	(same as street address above) Attn: PacifiCorp General Counsel Phone: (503) 813-5029 Facsimile: (503) 813-7252	(same as above)

23.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 23.

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

PacifiCorp

By: 
 Name: Bruce Griswold
 Title: Director, Origination

Seller

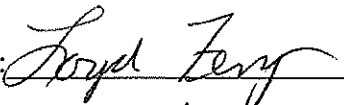
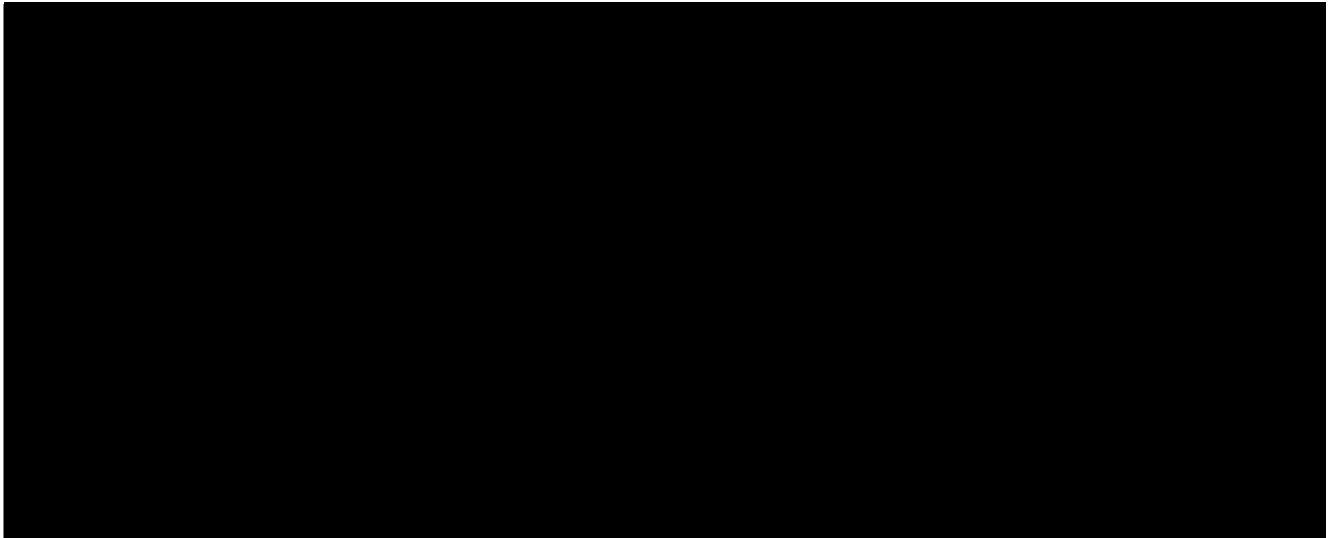
By: 
 Name: Loyd Ferry
 Title: Owner

EXHIBIT A
DESCRIPTION OF SELLER'S FACILITY
[Seller to Complete]

Seller's Facility consists of one generators manufactured by Sterling. More specifically, each generator at the Facility is described as:



Station service requirements, and other loads served by the Facility, if any, are described as follows:

Location of the Facility: The Facility is located in Aumsville in Marion County, Oregon. The location is more particularly described as follows:

11028 Stayton Rd.
Aumsville, OR 97325

Power factor requirements:

Rated Power Factor (PF) or reactive load (kVAR): .080

EXHIBIT B

SELLER'S INTERCONNECTION FACILITIES

[Seller to provide its own diagram and description]

POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES

Instructions to Seller:

1. Include description of point of metering, and Point of Delivery
2. Provide interconnection single line drawing of Facility including any transmission facilities on Seller's side of the Point of Delivery.

Point of Delivery is at the PacifiCorp meter located on Stayton Rd.

EXHIBIT C
REQUIRED FACILITY DOCUMENTS

Interconnection Agreement, Wheeling Agreement [if applicable], and [others to be identified]

Executed Interconnection Agreement

**EXHIBIT D-1
SELLER'S MOTIVE FORCE PLAN**

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)
January	[REDACTED]
February	[REDACTED]
March	[REDACTED]
April	[REDACTED]
May	[REDACTED]
June	[REDACTED]
July	[REDACTED]
August	[REDACTED]
September	[REDACTED]
October	[REDACTED]
November	[REDACTED]
December	[REDACTED]

Seller provide an estimate of the average monthly Net Output of the Facility, and explain the basis for the estimate.

Based on the average production for the years 1991 through 2006

B. MINIMUM ANNUAL DELIVERY CALCULATION

Seller specify the Minimum Annual Delivery of the Facility, and explain the basis for the estimate. NOTE: The Minimum Annual Delivery should be based on the most adverse natural motive force conditions reasonably expected and should take into account unscheduled repairs or maintenance and Seller's load (if any).

Minimum delivery is based on lowest historic generation year [REDACTED] with 60 days of unscheduled maintenance [REDACTED] per month [REDACTED]

C. MAXIMUM ANNUAL DELIVERY CALCULATION

Seller specify the estimated Maximum Annual Delivery of the Facility, and explain the basis for the estimate.

Maximum delivery based on historic highest generation year [REDACTED] rounded up to [REDACTED]

**EXHIBIT D-2
ENGINEER'S CERTIFICATION
OF
MOTIVE FORCE PLAN**

Seller provide a written declaration from a Licensed Professional Engineer to PacifiCorp that the Facility is likely capable under average conditions foreseeable during the term of this Agreement of meeting Seller's estimated average, maximum, and minimum Net Output.

Historic generating data is sufficient for Exhibit D-2

EXHIBIT E
SCHEDULE 37 and PRICING SUMMARY TABLE

**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

**OREGON
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Page 1**

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

West Side Gas Market Index

The monthly indexed gas price shall be the average of the price indexes published by Platts in "Inside FERC's Gas Market Report" monthly price report for Northwest Pipeline Corp. Rock Mountains, Northwest Pipeline Corp. Canadian Border, and Rockies/Northwest Stanfield, OR.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price as described and calculated under pricing option 5 for all Excess Output. (C)
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Issued:	November 2, 2007	P.U.C. OR No. 35
Effective:	With service rendered on and after November 5, 2007	Sixth Revision of Sheet No. 37-1 Canceling Fifth Revision of Sheet No. 37-1

Issued By
Andrea L. Kelly, Vice President, Regulation

**PACIFIC POWER & LIGHT COMPANY
 AVOIDED COST PURCHASES FROM QUALIFYING
 FACILITIES OF 10,000 KW OR LESS**

**OREGON
 SCHEDULE 37
 Page 2**

Same Site

Generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Person(s) or Affiliated Person(s):

A natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a "passive investor" if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

Dispute Resolution:

Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the standard rates and standard contract. Any dispute concerning a QF's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.

(Continued)

Issued:	April 12, 2007	P.U.C. OR No. 35
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Issued By
 Andrea L. Kelly, Vice President, Regulation

**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

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SCHEDULE 37
Page 3**

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2007 through 2011), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Dow Jones Index Firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

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5. Non-firm Market Index Avoided Cost Prices

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of Dow Jones Index Non-firm day-ahead Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde on-peak and off-peak prices. The monthly blending matrix is available upon request.

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Effective:	With service rendered on and after November 5, 2007	Third Revision of Sheet No. 37-3 Canceling Second Revision of Sheet No. 37-3

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Andrea L. Kelly, Vice President, Regulation

**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

**OREGON
SCHEDULE 37
Page 4**

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

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Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.727 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

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The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.727 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Firm Market Indexed and Non-firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

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Issued:	November 2, 2007	P.U.C. OR No. 35
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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
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Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2007	6.65	5.56
2008	7.06	5.70
2009	7.11	5.62
2010	7.21	5.59
2011	7.16	5.42
2012	7.68	5.86
2013	7.72	5.86
2014	7.95	6.06
2015	8.25	6.32
2016	8.40	6.44
2017	8.55	6.55
2018	8.69	6.66
2019	8.86	6.78
2020	9.03	6.91
2021	9.01	6.86
2022	9.03	6.83
2023	9.06	6.82

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Issued: November 2, 2007
 Effective: With service rendered on and after
 November 5, 2007

P.U.C. OR No. 35
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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
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Avoided Cost Prices (Continued)

Pricing Option 2 – Gas Market Indexed Avoided Cost Prices €/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder		On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Avoided Firm Capacity Costs / (0.876 * 85.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.727)		(g) + (c)	((e) * 0.727) + (d)
2007	6.65	5.56					
2008	7.06	5.70					
2009	7.11	5.62	Market Based Prices				
2010	7.21	5.59	2007 through 2011				
2011	7.16	5.42					
2012			1.82	0.50	\$7.37	7.68	5.86
2013			1.85	0.51	\$7.36	7.72	5.86
2014			1.89	0.52	\$7.62	7.95	6.06
2015			1.93	0.54	\$7.96	8.25	6.32
2016			1.96	0.55	\$8.10	8.40	6.44
2017			2.00	0.56	\$8.24	8.55	6.55
2018			2.04	0.56	\$8.38	8.69	6.66
2019			2.08	0.57	\$8.54	8.86	6.78
2020			2.12	0.59	\$8.70	9.03	6.91
2021			2.16	0.59	\$8.62	9.01	6.86
2022			2.20	0.61	\$8.56	9.03	6.83
2023			2.24	0.61	\$8.54	9.06	6.82
2024			2.28	0.62	\$8.45	9.04	6.76
2025			2.32	0.63	\$8.38	9.04	6.72
2026			2.37	0.64	\$8.30	9.04	6.67
2027			2.41	0.65	\$8.32	9.11	6.70
2028			2.46	0.66	\$8.38	9.21	6.75

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2007 IRP.
- (2) A heat rate of 0.727 is used to adjust gas prices from \$/MMBtu to €/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

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 Andrea L. Kelly, Vice President, Regulation

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
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Avoided Cost Prices (Continued)
Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices \$/kWh

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak	Off-Peak	On-Peak	Off-Peak	Gas Market Index			On-Peak	Off-Peak
	Energy	Energy	Capacity	Energy	Floor	Ceiling	Energy	Energy	
	Price	Price	Adder (1)	Adder	90%	110%	Price	Price	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
			Avoided Firm Capacity Costs /(0.876 * 85.4% * 57%)	Total Avoided Energy Costs - ((e) * 0.727)	(g) * 0.727 * 90%	(g) * 0.727 * 110%		(i) + (c)	MIN(MAX(((g) * 0.727), (e)), (f)) + (d)
2007	6.65	5.56							
2008	7.06	5.70							
2009	7.11	5.62							
2010	7.21	5.59							
2011	7.16	5.42							
2012			1.82	0.50	4.82	5.89	\$7.37	7.68	5.86
2013			1.85	0.51	4.82	5.89	\$7.36	7.72	5.86
2014			1.89	0.52	4.99	6.09	\$7.62	7.95	6.06
2015			1.93	0.54	5.21	6.37	\$7.96	8.25	6.32
2016			1.96	0.55	5.30	6.48	\$8.10	8.40	6.44
2017			2.00	0.56	5.39	6.59	\$8.24	8.55	6.55
2018			2.04	0.56	5.48	6.70	\$8.38	8.69	6.66
2019			2.08	0.57	5.59	6.83	\$8.54	8.86	6.78
2020			2.12	0.59	5.69	6.96	\$8.70	9.03	6.91
2021			2.16	0.59	5.64	6.89	\$8.62	9.01	6.86
2022			2.20	0.61	5.60	6.85	\$8.56	9.03	6.83
2023			2.24	0.61	5.59	6.83	\$8.54	9.06	6.82
2024			2.28	0.62	5.53	6.76	\$8.45	9.04	6.76
2025			2.32	0.63	5.48	6.70	\$8.38	9.04	6.72
2026			2.37	0.64	5.43	6.64	\$8.30	9.04	6.67
2027			2.41	0.65	5.44	6.65	\$8.32	9.11	6.69
2028			2.46	0.66	5.48	6.70	\$8.38	9.21	6.75

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2007 IRP.
- (2) A heat rate of 0.727 is used to adjust gas prices from \$/MMBtu to \$/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

(Continued)

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P.U.C. OR No. 35
 Third Revision of Sheet No. 37-7
 Canceling Second Revision of Sheet No. 37-7

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 Andrea L. Kelly, Vice President, Regulation

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**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

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Example of Gas Pricing Options available to the Qualifying Facility

An example of the two gas pricing options using different assumed gas prices is provided at the end of this tariff.

Qualifying Facilities Contracting Procedure

Interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (PacifiCorp Commercial and Trading).

It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to allow time for studies, negotiation of agreements, engineering, procurement, and construction of the required interconnection facilities. Early application for interconnection will help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

1. Qualifying Facilities up to 10,000 kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purchase Agreement

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power & Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at www.pacificcorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
 - (a) demonstration of ability to obtain QF status;

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**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

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B. Procedures (Continued)

- b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
- c) generation technology and other related technology applicable to the site;
- d) proposed site location;
- e) schedule of monthly power deliveries;
- f) calculation or determination of minimum and maximum annual deliveries;
- g) motive force or fuel plan;
- h) proposed on-line date and other significant dates required to complete the milestones;
- i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
- j) status of interconnection or transmission arrangements;
- k) point of delivery or interconnection;

3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.

4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement. Within 15 business days following receipt of all information requested by the Company in this paragraph 4, the Company will provide the owner with a final draft power purchase agreement.

5. After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 15 business days to those comments and proposals.

6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner within 15 business days, a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

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**PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS**

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II. Process for Negotiating Interconnection Agreements

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[NOTE: Section II applies only to QFs connecting directly to PacifiCorp's electrical system. An off-system QF should contact its local utility or transmission provider to determine the interconnection requirements and wheeling arrangement necessary to move the power to PacifiCorp's system.]

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon the QF completing all necessary interconnection arrangements. It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (including but not limited to PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (including but not limited to PacifiCorp's Commercial and Trading Group).

A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp
Director – Transmission Services
825 NE Multnomah St, Suite 1600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's transmission function who will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) undertaking studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, and (3) executing an interconnection agreement to address facility construction, testing, acceptance, ownership, operation and maintenance issues. Consistent with PURPA and Oregon Public Utility Commission regulations, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis. For interconnections impacting the Company's Transmission and Distribution System, the Company will process the interconnection application through PacifiCorp Transmission Services.

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PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

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Example of Gas Pricing Options given Assumed Gas Prices c/kWh

Banded Gas Market Index												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Gas Market Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Fuel Index		Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%			Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
					(f) x 0.727				(i) - (j)	(k) - (l)		
2012	1.82	0.50	4.82	5.89	\$5.00	3.64	4.82	Floor	5.32	7.14	5.86	7.68
					\$6.00	4.36	4.82	Floor	5.32	7.14		
					\$7.00	5.09	5.09	Actual	5.59	7.41		
					\$10.00	7.27	5.89	Ceiling	6.39	8.21		
					\$12.00	8.72	5.89	Ceiling	6.39	8.21		

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Gas Market Method												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Fuel Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Fuel Index		Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%			Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
					(f) x 0.727				(i) - (j)	(k) - (l)		
2012	1.82	0.50	Not Relevant		\$5.00	3.64			4.14	5.96	5.86	7.72
					\$6.00	4.36			4.86	6.68		
					\$7.00	5.09	Not Relevant		5.59	7.41		
					\$10.00	7.27			7.77	9.59		
					\$12.00	8.72			9.22	11.04		

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 Andrea L. Kelly, Vice President, Regulation

**CONFIDENTIAL POWER PURCHASE
AGREEMENT WITH LOYD FERY
(DECEMBER 9, 2013)**

POWER PURCHASE AGREEMENT

BETWEEN

LOYD FERY

[an existing Qualifying Facility with 10,000 kW Facility Capacity Rating, or Less]

AND

PACIFICORP

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POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT ("Agreement"), entered into this 9th day of December, 2013, is between Loyd Fery, "**Seller**" and PacifiCorp (d/b/a Pacific Power & Light Company), an Oregon corporation acting in its regulated utility capacity, "**PacifiCorp**." (Seller and PacifiCorp are referred to individually as a "**Party**" or collectively as the "**Parties**").

RECITALS

- A. Seller owns, operates and maintains a hydroelectric facility for the generation of electric power, including interconnection facilities, located in Aumsville, Marion County, Oregon [City, County, State] with a Facility Capacity Rating of [REDACTED] kilowatts (kW) as further described in **Exhibit A** and **Exhibit B** ("**Facility**"); and
- B. The Parties desire to enter into this Agreement to replace in its entirety the power purchase agreement dated November 7, 2007 (the "PPA"), which terminates on December 31, 2013; and
- C. Seller intends to continue to deliver Net Output under this Agreement; and
- D. Seller intends to continue to operate the Facility as a Qualifying Facility, and is deemed to have established commercial operation under the previous PPA; and
- E. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is [REDACTED] kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and
- F. Seller shall sell and PacifiCorp shall purchase all Net Output from the Facility in accordance with the terms and conditions of this Agreement; and
- G. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

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

1.1 “**As-Built Supplement**” shall be a supplement to **Exhibit A** and **Exhibit B**, provided by Seller following completion of construction on the Facility, describing the Facility as actually built.

1.2 “**Average Annual Generation**” shall have the meaning set forth in Section 4.2.

1.3 “**Billing Period**” means the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.4 “**Commission**” means the Oregon Public Utilities Commission.

1.5 “**Contract Price**” means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1 and 5.2.

1.6 “**Contract Year**” means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time (“PPT”) on January 1 and ending on 24:00 hours PPT on December 31; *provided, however*, that the first Contract Year shall commence on the Effective Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.7 “**Credit Requirements**” means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) “Baa3” or greater by Moody’s, or (2) “BBB-” or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.8 “**Default Security**”, unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replace twelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at Mid-Columbia (as determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller’s average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.9 “**Effective Date**” of this Agreement shall be January 1, 2014, which is the date upon which the PPA terminates.

1.10 “**Energy Delivery Schedule**” shall have the meaning set forth in Section 4.5.

1.11 “**Environmental Attributes**” shall have the meaning set forth in Section 5.5.

1.12 “**Excess Output**” shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

1.13 “**Facility**” shall have the meaning set forth in Recital A.

1.14 “**Facility Capacity Rating**” means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

1.15 “**FERC**” means the Federal Energy Regulatory Commission, or its successor.

1.16 “**Generation Interconnection Agreement**” means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp’s transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp’s interconnection facilities required to accommodate deliveries of Seller’s Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.17 “**Letter of Credit**” means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of “A” or greater from S&P or “A2” or greater from Moody’s, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

1.18 “**Licensed Professional Engineer**” means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon, who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

1.19 “**Material Adverse Change**” means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller’s ability to operate, maintain or own the Facility as provided in this Agreement

1.20 “**Maximum Annual Delivery**” shall have the meaning set forth in Section 4.3.

1.21 “**Minimum Annual Delivery**” shall have the meaning set forth in Section 4.3.

1.22 “**Nameplate Capacity Rating**” means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovolt-

amperes, kilowatts, volts, or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

1.23 **"Net Energy"** means the energy component, in kWh, of Net Output.

1.24 **"Net Output"** means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller's load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

1.25 **"Net Replacement Power Costs"** shall have the meaning set forth in Section 11.4.1.

1.26 **"Off-Peak Hours"** means all hours of the week that are not On-Peak Hours.

1.27 **"On-Peak Hours"** means the hours between 6 a.m. Pacific Prevailing Time (**"PPT"**) and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in Schedule 37.

1.28 **"Point of Delivery"** means the high side of the Seller's step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's distribution/transmission system, or as otherwise specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.29 **"Prime Rate"** means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.30 **"Prudent Electrical Practices"** means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.31 **"QF"** means **"Qualifying Facility,"** as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

1.32 **"Replacement Price"** means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to

be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.33 **"Required Facility Documents"** means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for operation, and maintenance of the Facility consistent with the terms of this Agreement and requested in writing by PacifiCorp, including without limitation those set forth in **Exhibit C**.

1.34 **"Schedule 37"** means the Schedule 37 of Pacific Power & Light Company's Commission-approved tariffs, providing pricing options for Qualifying Facilities of 10,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Schedule 37 is attached as **Exhibit F**.

1.35 **"Termination Date"** shall have the meaning set forth in Section 2.4.

SECTION 2: TERM; EFFECTIVE DATE

2.1 After execution by both Parties, this Agreement shall become effective on the Effective Date.

2.2 By the Effective Date, Seller shall provide PacifiCorp with (a) a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement, (b) the Required Facility Documents, and (c) an executed copy of **Exhibit E** – Seller's Interconnection Request.

2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.4 Except as otherwise provided herein, this Agreement shall terminate on June 30, 2014 [enter Date that is no later than 20 years after the Effective Date] (**"Termination Date"**).

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

- 3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.
 - 3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
- 3.2 Seller represents, covenants, and warrants to PacifiCorp that:
- 3.2.1 Seller is a sole proprietorship duly organized and validly existing under the laws of Oregon.
 - 3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.
 - 3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
 - 3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.
 - 3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
 - 3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of

this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

- 3.2.7 Compliance with Partial Stipulation in Commission Proceeding No. UM-1129. Seller will not make any changes in its ownership, control, or management during the term of this Agreement that would cause it to not be in compliance with the definition of a Small Cogeneration Facility or Small Power Production Facility provided in PacifiCorp's Schedule 37 tariff approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by PacifiCorp not more frequently than every 36 months, such documentation and information as reasonably may be required to establish Seller's continued compliance with such Definition. PacifiCorp agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except PacifiCorp will provide all such confidential information the Public Utility Commission of Oregon upon the Commission's request.
- 3.2.8 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:
- (a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.
 - (b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.
 - (c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction related financial obligations.
 - (d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free

and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.

- (e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3,000 kW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

LF Seller affirms and adopts all warranties of this Section 3.2.8, and therefore is not required to post security under Section 10; or

_____ Seller does not affirm and adopt all warranties of this Section 3.2.8, and therefore Seller elects to post the security specified in Section 10.

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Effective Date, Seller will sell and PacifiCorp will purchase all Net Output from the Facility delivered to the Point of Delivery.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, [REDACTED] kWh per Contract Year (“**Average Annual Generation**”). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Minimum and Maximum Delivery. Seller shall make available from the Facility a minimum of [REDACTED] kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Effective Date, and further provided that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure (“**Minimum Annual Delivery**”). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of [REDACTED] kWh of Net Output during each Contract Year (“**Maximum Annual Delivery**”). Seller’s basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D-1**.

4.4 Deliveries in Deficit of Delivery Obligation. Seller’s failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule. Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility (“**Energy Delivery Schedule**”), incorporated into **Exhibit D-1**.

SECTION 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of four pricing options: Fixed Avoided Cost Prices (“Fixed Price”), Firm Market Indexed Avoided Cost Prices (“Firm Electric Market”), Gas Market Indexed Avoided Cost Prices (“Gas Market”), or Banded Gas Market Indexed Avoided Cost Prices (“Banded Gas Market”), as published in Schedule 37. Once an option is selected the option will remain in effect for the duration of the Facility’s contract. Seller has selected the following (Seller to initial one):

- LF Fixed Price
- Firm Electric Market
- Gas Market
- Banded Gas Market

A copy of Schedule 37, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit F**.

5.2 (Fixed Price Sellers Only). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in **Schedule 37** during the first fifteen (15) years after the Effective Date. Thereafter, PacifiCorp shall pay Seller market-based rates, using the following pricing option (Seller to initial one):

- Firm Electric Market
- Gas Market
- Banded Gas Market

5.3 If the Seller elects a gas market indexed price option, the index shall be the Opal Gas Market Index as provided in Schedule 37. In the event that Platt ceases to publish the Opal Gas Market Index, the Company shall replace the index with a similar gas index.

5.4 For all Excess Output, PacifiCorp shall pay a blended market index price for day-ahead non-firm energy at Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde market indices as reported by Dow Jones, for the On-Peak and Off-Peak periods. PacifiCorp shall document its calculation of the blended rate, upon request, to Seller. Such payment will be accomplished by adjustments pursuant to Section 9.2.

5.5 Environmental Attributes. PacifiCorp waives any claim to Seller’s ownership of Environmental Attributes under this Agreement. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) (as those terms are commonly used in the regional electric utility industry) directly associated with the production of energy from the Seller’s Facility.

SECTION 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of any construction affecting the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built.

The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed.

6.2 Incremental Utility Upgrades. At start-up (and at any other time upon at least six month's prior written notice), Seller may increase Net Output, if such increase is due to normal variances in estimated versus actual performance, changed Facility operations, or improvements in Facility efficiency. Seller may not increase Net Output under this Agreement by installing additional generating units. In the case of substantial upgrades, PacifiCorp may require Seller to comply with Section 3.2.8(e) (in the event that the Facility upgrade causes the Facility Capacity Rating to exceed 3,000 kW) and increase its Minimum Annual Delivery obligation in Section 4.3 (if appropriate). PacifiCorp may also update Seller's security obligation (if applicable). So long as the Facility Capacity Rating after the upgrade is 10,000 kW or less, Seller will continue to receive the Contract Price for the Net Output, as set forth in Sections 5.1 and 5.2 of this Agreement. If Seller increases the Facility Capacity Rating above 10,000 kW, then (on a going forward basis) PacifiCorp shall pay Seller the Contract Price for the fraction of total Net Output equal to 10,000 kW divided by the Facility Capacity Rating of the upgraded Facility. For the remaining fraction of Net Output, PacifiCorp and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Facility Capacity Rating or the maximum instantaneous capacity of the Facility complies with Seller's Generation Interconnection Agreement and any other agreements with PacifiCorp.

6.3 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.3 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.4 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.5 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the Facility Capacity Rating (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to

avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1**, together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

SECTION 8: METERING

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement, or, if the Net Output is to be wheeled to PacifiCorp by another utility, metering will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such other utility. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If the Net Output is to be wheeled to PacifiCorp by another utility, meter inspection, testing, repair and replacement will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such utility. If any of the inspections or tests discloses 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 actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller's deliveries of Net Output to PacifiCorp, together with computations supporting such payment PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided, however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 10: SECURITY

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.8, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

- Cash Escrow
- Letter of Credit
- Senior Lien
- Step-in Rights
- LF Seller has adopted the Creditworthiness Warranties of Section 3.2.8.

In the event Seller's obligation to post default security (under Section 10 or Section 11.1.4) arises solely from Seller's delinquent performance of construction-related financial obligations, upon Seller's request, PacifiCorp will excuse Seller from such obligation in the event Seller has negotiated financial arrangements with its construction lenders that mitigate Seller's financial risks to PacifiCorp's reasonable satisfaction.

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

10.3 Senior Lien. Within thirty (30) days after the Effective Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

- 10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.
- 10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.
- 10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.

(a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.

(b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

SECTION 11: DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.

11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

- 11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.
- 11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;
- 11.1.5 Underdelivery. If Seller's Facility has a Facility Capacity Rating of 100 kW or less, Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for two (2) consecutive years; else Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for one year.
- 11.2 Notice; Opportunity to Cure.
- 11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.
- 11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.
- 11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 24.
- 11.2.4 Seller Delinquent on Construction-related Financial Obligations. Seller promptly shall notify PacifiCorp (or cause PacifiCorp to be notified) anytime it becomes delinquent under any construction related financing agreement or instrument related to the Facility. Such delinquency may constitute a Material Adverse Change, subject to Section 11.1.4.
- 11.3 Termination.

- 11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement; *provided, however* that PacifiCorp shall not terminate for a default under Section 11.1.5 unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.
- 11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.
- 11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.
- 11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

- 11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for any energy and capacity that Seller was otherwise obligated (under Section 4.3) to provide during the period of default ("**Net Replacement Power Costs**"); *provided, however*, that the positive difference obtained by subtracting the Contract Price from the Replacement Price shall not exceed the Contract Price, and the period of default under this Section 11.4.1 shall not exceed one Contract Year.
- 11.4.2 Recoupment of Damages.

- (a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.
- (b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

SECTION 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

- 12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller's side of the Point of Delivery, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.
- 12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

12.2 No 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 PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 13: INSURANCE (FACILITIES OVER 200KW ONLY)

13.1 Certificates. No later than the Effective Date of this Agreement, Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "B+" by the A.M. Best Company the insurance coverage specified below:

13.2.1 Commercial General Liability insurance, to include contractual liability, with a minimum single limit of \$1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each

insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

SECTION 14: FORCE MAJEURE

14.1 As used in this Agreement, "**Force Majeure**" or "**an event of Force Majeure**" means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall recommence performance of such obligation, provided that:

14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and

14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

SECTION 15: SEVERAL OBLIGATIONS

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 between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 16: CHOICE OF LAW

This Agreement shall be interpreted and enforced 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.

SECTION 17: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 18: 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 must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

SECTION 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

SECTION 21: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 22: ENTIRE AGREEMENT

22.1 Upon the Effective Date, this Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

SECTION 23: JURY TRIAL WAIVER

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED

SECTION 24: NOTICES

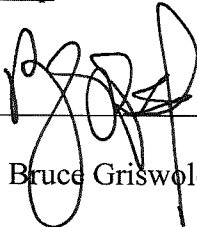

24.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5954 Facsimile: (503) 813 - 6291 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Loyd Fery 11022 Rainwater Lane S.E. Aumsville, OR 97325 Phone: (503) 769-6110 Cellphone: (503) 559-4874 Eric Fery Cell: (503) 949-6124 Facsimile: (503) 769-4092
All Invoices:	(same as street address above) Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 - 5580	(same as above)
Scheduling:	(same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265	(same as above)
Payments:	(same as street address above) Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 - 5580	(same as above)
Wire Transfer:	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	(same as above)
Credit and Collections:	(same as street address above) Attn: Credit Manager, Suite 1900 Phone: (503) 813 - 5684 Facsimile: (503) 813 - 5609	(same as above)
With Additional Notices of an Event of Default or Potential Event of Default to:	(same as street address above) Attn: PacifiCorp General Counsel Phone: (503) 813-5029 Facsimile: (503) 813-7252	(same as above)

24.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 24.

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

PacifiCorp

By:  _____ 
Name: Bruce Griswold
Title: Director Short Term Origination
and QF Contracts

Seller

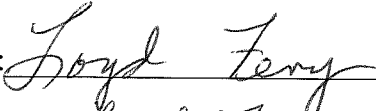
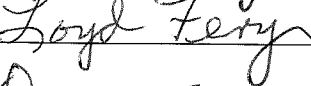
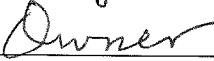
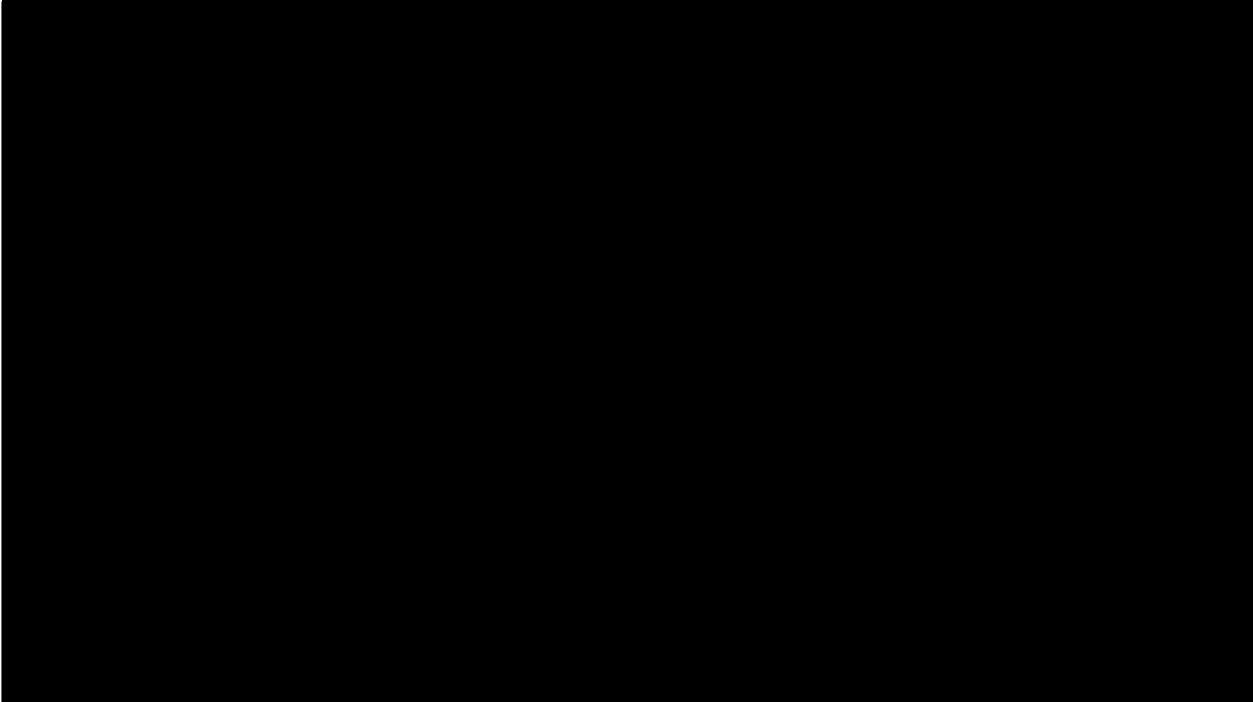
By:  _____
Name:  _____
Title:  _____

EXHIBIT A
DESCRIPTION OF SELLER'S FACILITY
[Seller to Complete]

Seller's Facility consists of two generators. More specifically, each generator at the Facility is described as:



Facility Capacity Rating:

Station service requirements, and other loads served by the Facility, if any, are described as follows: Facility requires minimal station service

Location of the Facility: The Facility is located in Aumsville in Marion County, Oregon. The location is more particularly described as follows:

11028 Stayton Rd.
Aumsville, OR 97325

Power factor requirements:
Rated Power Factor (PF) or reactive load (kVAR): .080"

EXHIBIT B

SELLER'S INTERCONNECTION FACILITIES

[Seller to provide its own diagram and description]

POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES

Instructions to Seller:

1. Include description of point of metering, and Point of Delivery
2. Provide interconnection single line drawing of Facility including any transmission facilities on Seller's side of the Point of Delivery.

1. Point of Delivery is at the PacifiCorp meter located at 11028 Stayton Rd. Southeast in Aumsville, Oregon
2. A single line diagram of the Facility is attached.



**Interconnection Agreement for Small Generator Facility
Tier 1, Tier 2, Tier 3 or Tier 4 Interconnection
(Small Generator Facilities with Electric Nameplate Capacities of 10MW or less)**

Attachment 2

**One-line Diagram Depicting the Generating Facility, Interconnection Facilities, Metering
Equipment, and Upgrades**

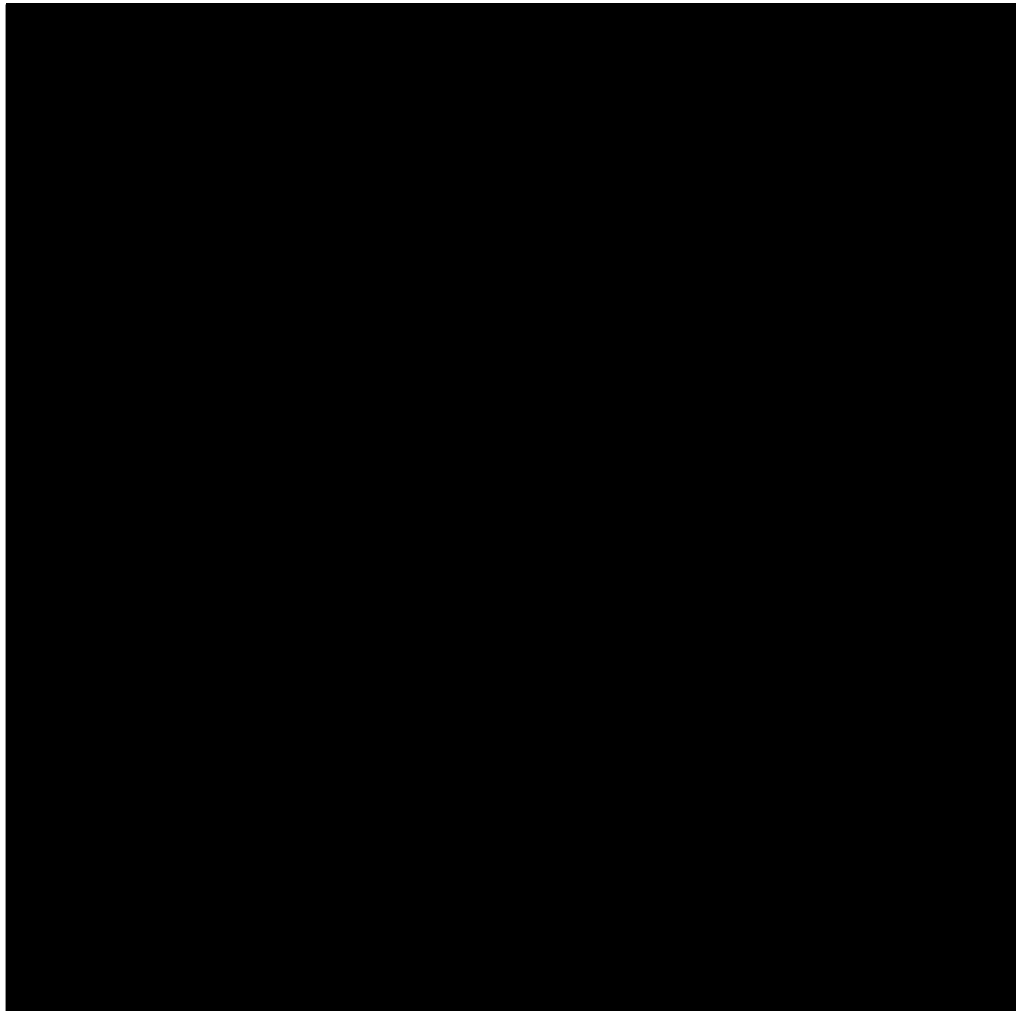


EXHIBIT C
REQUIRED FACILITY DOCUMENTS

Interconnection Agreement, Wheeling Agreement [if applicable], and [others to be identified]

QF Certification: Not required for projects less than 1,000 KW

Executed Interconnection Agreement: Provided October 29, 2013

Water Rights: HE 260 Issued February 20, 2001

FERC License or Exemption: Not required project is pre-FERC and grandfathered

**EXHIBIT D-1
SELLER'S MOTIVE FORCE PLAN**

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

Seller provide an estimate of the average monthly Net Output of the Facility, and explain the basis for the estimate. Average generation is based on historic generation.

B. MINIMUM ANNUAL DELIVERY CALCULATION

Seller specify the Minimum Annual Delivery of the Facility, and explain the basis for the estimate. NOTE: The Minimum Annual Delivery should be based on the most adverse natural motive force conditions reasonably expected and should take into account unscheduled repairs or maintenance and Seller's load (if any). Minimum estimate of [REDACTED] based on historic generation.

C. MAXIMUM ANNUAL DELIVERY CALCULATION

Seller specify the estimated Maximum Annual Delivery of the Facility, and explain the basis for the estimate. Maximum estimate of [REDACTED] based on historic generation.

EXHIBIT D-2
ENGINEER'S CERTIFICATION
OF
MOTIVE FORCE PLAN

Seller provide a written declaration from a Licensed Professional Engineer to PacifiCorp that the Facility is likely capable under average conditions foreseeable during the term of this Agreement of meeting Seller's estimated average, maximum, and minimum Net Output.

The Motive Force Plan comprising **Exhibit D-1** was provided to PacifiCorp by Seller. Based upon Seller's demonstrated delivery of Net Output to PacifiCorp under Previous PPAs and representations made by Seller PacifiCorp will not require an engineer's certificate at this time. PacifiCorp reserves the right in its discretion to require the Seller to provide the following from a Licensed Professional Engineer:

1. A certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the date of the request from PacifiCorp; and (b) that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement.
2. A certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, (a), in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with PacifiCorp's electric system, or (b) if the Facility is interconnected with another electric utility that will wheel Net Output to PacifiCorp, all required interconnection facilities have been completed and tested and are in place to allow for such wheeling.
3. A certificate addressed to PacifiCorp stating that Seller has obtained all Required Facility Documents and if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents.

Such documents shall be provided to PacifiCorp within 30 days of a request by PacifiCorp.

EXHIBIT E
Seller Authorization to Release Generation Data to PacifiCorp

See Attached Letter

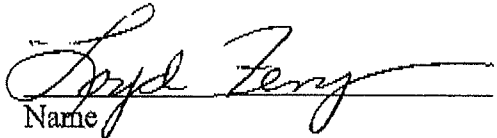
Seller Authorization to Release Generation Data to PacifiCorp
[Interconnection Customer Letterhead]

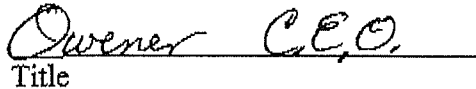
Transmission Services
Attn: Director, Transmission Services
825 NE Multnomah, Suite 1600
Portland, OR 97232

RE: Loyd Fery Interconnection Request

Dear Sir:

Loyd Fery hereby voluntarily authorizes PacifiCorp's Transmission business unit to share Loyd Fery's generator interconnection information and generator meter data with Marketing Affiliate employees of PacifiCorp Energy, including, but not limited to those in the Commercial and Trading group. Loyd Fery acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.


Name


Title

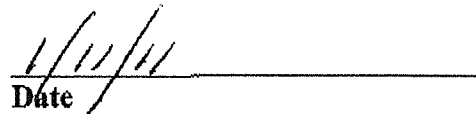

Date

EXHIBIT F
SCHEDULE 37 and PRICING SUMMARY TABLE

Calendar Year	On-Peak Contract Price in £/kWh	Off-Peak Contract Price in £/kWh
2014		



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

West Side Gas Market Index

The monthly indexed gas price shall be the average of the price indexes published by Platts in "Inside FERC's Gas Market Report" monthly price report for Northwest Pipeline Corp. Rock Mountains, Northwest Pipeline Corp. Canadian Border, and Rockies/Northwest Stanfield, OR.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price as described and calculated under pricing option 5 for all Excess Output.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Same Site

Generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Person(s) or Affiliated Person(s)

A natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a "passive investor" if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Shared Interconnection and Infrastructure

QFs otherwise meeting the separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

Dispute Resolution

Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the standard rates and standard contract. Any dispute concerning a QF's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.

Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Pricing Options

1. Fixed Avoided Cost Prices

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either the Firm Market Indexed, the Banded Gas Market Indexed or the Gas Market Indexed Avoided Cost pricing option.

2. Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2012 through 2015), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices

Fixed prices apply during the resource sufficiency period (2012 through 2015), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

4. Firm Market Indexed Avoided Cost Prices

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Intercontinental Exchange (ICE) Day Ahead Power Price Report at market hubs for on-peak and off-peak prices. The monthly blending matrix is available upon request.

5. Non-firm Market Index Avoided Cost Prices

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of ICE Day Ahead Power Price Report at market hubs for on-peak and off-peak prices. The monthly blending matrix is available upon request.

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Monthly Payments

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.696 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.696 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Firm Market Indexed and Non-firm Market Index Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

(continued)



A DIVISION OF PACIFICORP

**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Avoided Cost Prices

Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2012	3.09	2.32
2013	3.72	2.62
2014	4.13	2.80
2015	4.39	2.99
2016	6.04	3.69
2017	6.32	3.91
2018	6.66	4.21
2019	6.99	4.50
2020	6.94	4.41
2021	7.23	4.65
2022	7.67	5.04
2023	7.92	5.24
2024	7.89	5.16
2025	8.09	5.32
2026	8.39	5.57
2027	8.66	5.78
2028	8.88	5.95
2029	9.07	6.09
2030	9.20	6.16

(continued)



**AVOIDED COST PURCHASES FROM
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

Avoided Cost Prices (Continued)

Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2) \$/MMBtu	Estimated Prices (3)	
	On-Peak Energy Price (a)	Off-Peak Energy Price (b)	On-Peak Capacity Adder (1) (c) Avoided Firm Capacity Costs / (0.876 * 88.6% * 57%)	Off-Peak Energy Adder (d) Total Avoided Energy Costs - ((e) * 0.696)		On- Peak Energy Price (f) (g) + (c)	Off-Peak Energy Price (g) ((e) * 0.696) + (d)
2012	3.09	2.32					
2013	3.72	2.62	Market Based Prices				
2014	4.13	2.80	2012 through 2015				
2015	4.39	2.99					
2016			2.36	0.44	\$4.66	6.042	3.685
2017			2.40	0.47	\$4.95	6.316	3.914
2018			2.45	0.47	\$5.38	6.660	4.212
2019			2.49	0.47	\$5.79	6.988	4.496
2020			2.53	0.47	\$5.66	6.943	4.409
2021			2.58	0.48	\$5.98	7.225	4.645
2022			2.63	0.50	\$6.53	7.667	5.041
2023			2.67	0.52	\$6.78	7.916	5.242
2024			2.72	0.53	\$6.66	7.885	5.163
2025			2.77	0.54	\$6.87	8.093	5.322
2026			2.82	0.55	\$7.21	8.385	5.565
2027			2.87	0.57	\$7.49	8.655	5.781
2028			2.93	0.60	\$7.69	8.877	5.948
2029			2.98	0.62	\$7.85	9.070	6.086
2030			3.04	0.64	\$7.92	9.197	6.156
2031			3.10	0.64	\$8.06	9.348	6.246
2032			3.16	0.65	\$8.21	9.526	6.365
2033			3.22	0.66	\$8.37	9.705	6.484
2034			3.29	0.68	\$8.53	9.902	6.616

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2011 IRP.
- (2) A heat rate of 0.696 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.
Actual prices will be calculated each month using actual index gas prices.

(continued)