

POWER PURCHASE AGREEMENT
BETWEEN
CENTRAL OREGON IRRIGATION DISTRICT
AND
PACIFIC POWER & LIGHT COMPANY

THIS AGREEMENT, entered into on this 19th day of April, 1983, is between Central Oregon Irrigation District, hereinafter referred to as "Seller," and Pacific Power & Light Company, a Maine corporation, hereinafter referred to as "Pacific."

RECITALS:

Seller is an irrigation district organized under ORS Ch. 545;
and

Seller will own and operate the Central Oregon System Power Project ("Facility"), FERC Project No. 3571, a hydroelectric generation facility of 6,500 kilowatt rated capacity; located two miles southwest of Bend, Oregon at Deschutes River Mile 170.9; and

Seller anticipates the Facility will generate 35,000,000 kWh per year: and

Seller has applied for a FERC license for the Facility; and

Seller intends to issue revenue bonds to obtain funds to construct the Facility; and

Seller wishes to sell, and Pacific wishes to purchase, the

Net Metered Output from the Facility.

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

ARTICLE I: DEFINITIONS

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

(A) "Commercial Operation Date" is the date, after start-up testing of the Facility is completed, that Pacific receives a written statement from a licensed professional engineer certifying that the Facility is able to generate electric power reliably;

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

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

(1) $\frac{\text{kWh of Net Metered Output per 12 months}}{8760 \times 0.70}$

or

(2) the average rate of delivery (kW) during the highest consecutive 24-hour period of kWh deliveries of Net Metered Output in such 12-month period.

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

(E) "Point of Delivery" is the location where Pacific's and Seller's electrical facilities are connected at the point of metering on the high side of the transformation at the step-up substation;

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

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

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

ARTICLE II: TERM

This Agreement shall become effective when executed by both the parties hereto, and shall end on December 31, 2018.

ARTICLE III: DELIVERY OF POWER

Commencing in 1987, and for the term of this Agreement, Seller shall make available and sell from the Facility a minimum of 6,000,000 kWh of Net Metered Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Commercial Operation Date. Subject to Article XVI, Seller shall make

available and sell, and Pacific shall purchase all Net Metered Output from the Facility.

ARTICLE IV: PRICES

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

(A) Nonfirm Energy Prices

For all Net Metered Output delivered prior to the later of January 1, 1987, or the Commercial Operation Date, Pacific shall pay Seller Pacific's then established price for nonfirm energy.

(B) Capacity Prices

Commencing upon the later of January 1, 1987, or the Commercial Operation Date, and ending on December 31, 2018, Pacific shall pay \$8.58 per month for each kW of Demonstrated Capacity. Subject to change by mutual agreement of the parties hereto based upon the actual performance of the Facility, the Demonstrated Capacity for the first 12 months of deliveries hereunder is assumed to be 5,900 kW. If after the first 12 months of deliveries hereunder the calculated Demonstrated Capacity is greater or less than the Demonstrated Capacity assumed for the first 12 months of deliveries, all previous capacity payments which were

determined by using such assumed Demonstrated Capacity shall be adjusted retroactively to reflect underpayments or overpayments, and shall include interest at the average monthly prime rate as published by the Morgan Guaranty Trust Company of New York for such period of time.

(C) Energy Prices

Commencing upon the later of January 1, 1987, or the Commercial Operation Date, and ending on December 31, 2018, Pacific shall pay for each kWh of Net Metered Output the energy prices for the Contract Years set forth below:

<u>Contract Year</u>	<u>Energy Price Cents/kWh</u>
1987	7.41
1988	7.49
1989	7.58
1990	7.68
1991	7.79
1992	7.90
1993	8.02
1994	8.14
1995	8.24
1996	8.41
1997	8.55
1998	8.71
1999	8.88
2000	9.06
2001	9.24
2002	9.43
2003	9.64
2004	9.87
2005	10.11
2006	10.35
2007	10.61
2008	10.90
2009	11.20
2010	11.51
2011	11.84
2012	12.19
2013	12.57

<u>Contract Year</u>	<u>Energy Price Cents/kWh</u>
2014	12.97
2015	13.39
2016	13.84
2017	14.31
2018	14.82

(D) Curtailment of Seller's Deliveries by Pacific:

- (1) In the event of curtailments, reductions, or interruptions pursuant to Article XVI in excess of 400 hours in any Contract Year, such non-deliveries of Net Metered Output for all such excess hours shall for purposes of calculating energy and capacity payments be deemed to have been made to Pacific at the average rate of delivery during the preceding Contract Year.
- (2) Seller shall notify Pacific by February 1 of each Contract Year of any curtailments, reductions or interruptions pursuant to Article XVI in excess of those specified in the preceding subparagraph which occurred in the preceding Contract Year. Upon receipt of such notice and verification of such excess hours by Pacific, Pacific shall adjust payments to Seller to reflect the deliveries of Net Metered Output deemed to be made pursuant to sub-paragraph (1) above.

ARTICLE V: PAYMENTS AND COMPUTATIONS

(A) Pacific shall provide Seller with computations of Net Metered Output on a monthly basis and shall concurrently therewith make payments therefor in accordance with the terms and conditions of Article

IV, at the address specified in Article VI, below.

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

ARTICLE VI: NOTICES

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

To Seller: Central Oregon Irrigation District
Attention: Secretary-Manager
P. O. Box 548
Redmond, Oregon 97756

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

The parties may change their addresses by providing notice thereof as specified in this Article.

ARTICLE VII: FACILITY DESIGN AND CONSTRUCTION

(A) Seller shall design, construct, install, own, operate, and maintain the Facility. Seller shall provide Pacific with electrical data concerning its Facility sufficient to allow Pacific to make stability and protection studies. All specifications and changes in specifications, including new or additional equipment, shall be subject to Pacific's acceptance. If Pacific does not respond within 60 days of Pacific's receipt thereof, or in the case of interconnection facilities within 60

days of the later of (1) receipt of such specifications or (2) Seller's payment for review of such specifications, Seller may proceed as proposed. Pacific's acceptance of Seller's specifications shall not be construed as confirming nor endorsing the design, nor as a warranty of safety, durability, or reliability of the Facility. Pacific shall not, by reason of any review, acceptance, or failure to review, be responsible for the Facility, including but not limited to the strength, details of design, adequacy or capacity thereof, nor shall Pacific's acceptance be deemed to be an endorsement of the Facility.

(B) At the request of Pacific, Seller shall provide Pacific, prior to the initial delivery of Net Metered Output, with a statement from a licensed professional engineer certifying that the Facility can reasonably be expected to generate capacity and energy in the amounts set forth herein for the duration of this Agreement.

ARTICLE VIII: INTERCONNECTION

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

testing.

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

(C) In the event that it is necessary for Pacific to install any facilities and equipment on Pacific's system to accommodate Seller's deliveries, or to reinforce Pacific's system for purposes of this Agreement, Seller shall reimburse Pacific for all of Pacific's costs associated therewith, in accordance with the rules for repayment established by the appropriate state regulatory commission having jurisdiction. Seller shall also reimburse Pacific for Pacific's operation and maintenance costs resulting from Pacific's installation of facilities and equipment under this Paragraph and any equipment installed and owned by Pacific pursuant to Article XI. Such reimbursement for such operation and maintenance costs shall be paid at a rate of 4.14 percent annually of the actual cost(s) of such installation, modification, or reinforcement.

ARTICLE IX: SYSTEM EMERGENCY

In the event of a System Emergency, as defined in 18 C.F.R. Part 292, Pacific may require Seller to curtail its consumption of electricity purchased from Pacific in the same manner and to the same degree as other customers within the same customer class who do not own facilities for generating electricity.

ARTICLE X: OPERATION, PROTECTION, AND CONTROL

(A) Seller's Property shall meet the requirements of all applicable state and local laws. Prior to commencement of generation, and at

completion of any major changes, Seller's Property shall be inspected and approved by the appropriate state and local officials.

(B) Seller shall operate and maintain Seller's Property in a safe manner and in accordance with the applicable codes.

(C) Seller may operate the Facility in parallel with Pacific's system, but subject at all times to Pacific's operating instructions and any and all other reasonable conditions established by Pacific in its sole discretion. In the event that Pacific requires Seller to curtail, reduce, or interrupt deliveries in excess of 400 hours in any Contract Year for reasons other than Force Majeure, default by Seller of any obligation imposed by this Agreement, or any other reason caused by Seller, Pacific shall pay Seller pursuant to Article IV(D).

(D) Seller shall operate the Facility in such a manner as not to affect adversely Pacific's system and to be compatible with Pacific's system voltage level, fluctuating voltage guidelines (Engineering Bulletin No. 02.14), and voltage regulation at the Point of Delivery during all times that Seller's Facility is connected and operating in parallel with Pacific's system.

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

(F) Seller shall remedy any demonstrated harmonic distortions on Pacific's system attributable to the operation of Seller's Facility which

result in objectionable service to Pacific's other customers. Should Seller's actions to remedy such harmonic distortions be inadequate, Pacific may without liability disconnect Seller's Facility from Pacific's system. During such period of disconnection, Pacific's obligation to make payments to Seller shall be suspended.

(G) Seller agrees that in the event of and during a period of a shortage of energy or capacity on Pacific's system as declared by Pacific in its sole discretion, Seller shall, at Pacific's request and within the limits of reasonable safety requirements as determined by Seller, use its best efforts, without violating its legal obligations, if any, to deliver water, to provide requested energy or capacity, and shall, if necessary, delay any Scheduled Maintenance Periods.

(H) Seller shall furnish and install on the Seller's side of the Point of Delivery a disconnect switch which shall be capable of fully disconnecting the Facility from Pacific's system. The disconnect switch shall be of the visible-break type in a metal enclosure which can be secured by a padlock and shall be accessible to Pacific's personnel at all times. Pacific shall have the right to disconnect the Facility from Pacific's system at the disconnect switch when necessary to maintain safe electrical operating conditions or, if in Pacific's sole judgment, the Facility at any time causes adverse consequences to Pacific's operation of its electrical system or the quality of Pacific's service to other customers.

ARTICLE XI: METERING

(A) Flows to Pacific shall be measured by meters to be equipped

with detents so that the record of those flows will not be affected by flows to Seller. Flows to Seller shall continue to be metered separately in accordance with the terms of the service agreement, if any, existing between the parties, and/or otherwise in accordance with tariffs filed and approved by the regulatory authority having jurisdiction.

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

(C) All meters and metering equipment shall be operated and maintained by Pacific at Seller's expense, and shall be sealed by Pacific. The seal shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted and representatives of both Pacific and Seller shall be present upon such occasions. The metering equipment shall be inspected and tested periodically by Pacific and at other reasonable times upon request therefor by Seller. Any metering equipment found to be defective or inaccurate by an error in registration of more than plus or minus two percent (2%), at light load or at heavy load, shall be repaired,

readjusted, or replaced.

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

ARTICLE XII: LIABILITY AND INSURANCE

(A) Seller agrees to protect, indemnify, and hold harmless Pacific, its directors, officers, employees, agents, and representatives, against and from any and all loss, claims, actions, or suits, including costs and attorneys' fees, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction of property belonging to Pacific or others, 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, excepting only such injury or harm as may be caused solely by the fault or negligence of Pacific, its directors, officers, employees, agents, or representatives.

(B) Prior to connection of Seller's generation to Pacific's system, Seller shall secure and continuously carry, in an insurance company

or companies acceptable to Pacific, insurance policies for bodily injury and property damage liability. Such insurance shall include: provisions or endorsements naming Pacific, its directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of Pacific and that any insurance maintained by Pacific is excess and not contributory insurance with the insurance required hereunder; cross-liability or severability of insurance interest clause; and provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days' prior written notice to Pacific. A copy of each such insurance policy, certified as a true copy by an authorized representative of the issuing insurance company or, at the discretion of Pacific, in lieu thereof, a certificate in form satisfactory to Pacific certifying to the issuance of such insurance, shall be furnished to Pacific. Initial limits of liability for all requirements under this Section (B) shall be \$1,000,000 single limit, which limits may be required to be increased by Pacific's giving Seller two years' notice. Such increase shall not exceed fifteen percent (15%) per year.

(C) Prior to connection of Sellers' generation to Pacific's system, Seller shall obtain insurance acceptable to Pacific against property damage or destruction in an amount not less than the cost of replacement of the Property. Seller shall promptly notify Pacific of any loss or damage to the Property. Unless the parties agree otherwise, Seller shall repair or replace the damaged or destroyed Property. Except as provided in paragraph (A) of this Article XII, Seller agrees to waive its insurers' rights of subrogation regarding Facility property losses.

(D) Seller shall provide Pacific copies of all insurance

policies at the address listed in Article VI.

ARTICLE XIII: LAND RIGHTS

Seller hereby grants to Pacific for the term of this Agreement all necessary rights of way and easements to install, operate, maintain, replace, and remove Pacific's metering and other facilities necessary or useful to this Agreement, including adequate and continuing access rights on property of Seller. Seller agrees to execute such other grants, deeds or documents as Pacific may require to enable it to record such rights of way and easements. If any part of Pacific's facilities is installed on property owned by other than Seller, Seller shall, if Pacific is unable to do so without cost to Pacific, use its best efforts to procure from the owners thereof all necessary permanent rights of way and easements for the construction, operation, maintenance, and replacement of Pacific's facilities upon such property in a form satisfactory to Pacific. At Seller's request, Pacific shall, to the extent it is legally able, acquire such rights of way at Seller's cost.

ARTICLE XIV: COMMUNICATIONS

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

ARTICLE XV: MAINTENANCE

(A) Seller may shut down the Facility for Scheduled Maintenance Periods not to exceed thirty (30) days each Contract Year at such times as are approved in advance by Pacific. Seller shall propose to Pacific Scheduled Maintenance Periods for each Contract Year by the preceding

February 1, and within sixty (60) days of Pacific's receipt of such proposal, Pacific shall inform Seller of the acceptability or unacceptability of the proposed periods.

(B) In the event the Facility must be shut down for unscheduled maintenance, Seller shall notify Pacific immediately of the necessity of such shutdown, the time when such shutdown has occurred, or will occur, and the anticipated duration of such shutdown. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled maintenance and to limit the duration of such shutdowns.

ARTICLE XVI: CONTINUITY OF SERVICE

Pacific may require Seller to curtail, interrupt, or reduce deliveries of energy or capacity in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of Pacific's equipment or any part of its system or if Pacific determines that curtailment, interruption, or reduction is necessary because of emergencies, operating conditions on its system, or as otherwise required by prudent electrical practices. In such circumstances, Pacific shall not be obligated to accept deliveries of energy or capacity hereunder. In the event that Pacific requires Seller to curtail, reduce, or interrupt deliveries in excess of 400 hours in any Contract Year for reasons other than Force Majeure, default by Seller of any obligation imposed by this Agreement, or any other reason caused by Seller, Pacific shall pay Seller pursuant to Article IV(D).

ARTICLE XVII: QUALIFYING FACILITY STATUS

Seller covenants that the Facility is and shall continue to be a

"qualifying facility," as that term is used and defined in 18 C.F.R., Part 292, for the term of this Agreement. Pacific may, in its discretion, require certification by the Federal Energy Regulatory Commission of qualifying status under 18 C.F.R. Section 292.207(b)(1981).

ARTICLE XVIII: FORCE MAJEURE

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

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

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

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

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

inability to perform.

ARTICLE XIX: LIABILITY; DEDICATION

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a party to this Agreement. No undertaking by one party to the other under any provision of this Agreement shall constitute the dedication of that party's system or any portion thereof to the other party or to the public, nor affect the status of Pacific as an independent public utility corporation, or Seller as an independent individual or entity.

ARTICLE XX: SEVERAL OBLIGATIONS

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

ARTICLE XXI: WAIVER

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

with respect to any subsequent default or other matter.

ARTICLE XXII: CHOICE OF LAWS

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

ARTICLE XXIII: GOVERNMENTAL JURISDICTION
AND AUTHORIZATION

(A) This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or this Agreement. This Agreement shall become null and void if all required governmental authorizations and permits are not obtained and copies thereof are not submitted to Pacific by December 31, 1986. These authorizations and permits include without limitation a FERC license for the Facility, a zone change, and local permits necessary to allow construction and operation of the Facility.

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

(C) Seller shall hold a special election for authorization to issue revenue bonds for construction of the Facility prior to June 30, 1983. This Agreement shall become null and void unless (1) Seller holds a valid special election prior to June 30, 1983, for authorization to issue

revenue bonds for construction of the Facility, and (2) a majority of the qualified voters voting in such special election approve the issuance of such bonds.

(D) Seller and Pacific shall each deliver within 60 days of the receipt thereof copies of all authorizations and permits referred to herein.

ARTICLE XXIV: SUCCESSORS AND ASSIGNS

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

ARTICLE XXV: MODIFICATION

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

ARTICLE XXVI: LIMITATION OF LIABILITY

(A) In the event that Seller is unable through no fault or negligence of its own to deliver the minimum output of 6,000,000 kWh of Net

Metered Output during any Contract Year, the liability of Seller for the resulting breach(s) of this Agreement shall be limited to one of the following at Pacific's option:

- 1) the difference between the highest cost energy Pacific has purchased during such Contract Year and the contract price of such energy to be supplied by the Seller hereunder provided such liability is paid within sixty days of Pacific's invoice therefor to Seller; or
- 2) replacement of the energy not delivered in such Contract Year during the immediately following Contract Year at the price existing during the Contract Year in which the breach occurred and prior to any other deliveries in such following Contract Year. Such replacement energy delivered in such following Contract Year shall not be included in the minimum delivery obligation for such year.

In the event of any such breach and payment or replacement by Seller the Agreement shall continue in full force.

(B) Nothing herein shall limit any other remedies to which Pacific is entitled arising out of any other breach of the Agreement.

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

CENTRAL OREGON IRRIGATION DISTRICT

PACIFIC POWER & LIGHT COMPANY

By Hal Meyer
Title President

By R. D. Fishback
Vice President

T. H. Nelson

By Thomas Kadega
Title Vice President

By Henry S. Lewis
Title Board of Director

By Neil K Davis
Title Board of Director

By Donald K. Simmons
Title Board of Director

This Agreement approved by Central Oregon Irrigation District Resolution No. 2, dated April 12, 1983.

Hal Meyer Chairman
Law S. Nelson Secretary

SCHEDULE A

REQUIRED EQUIPMENT STANDARDS

In the event that Seller's Facility incorporates a synchronous generator, Seller shall furnish, install, and maintain equipment necessary to establish and maintain synchronism automatically with Pacific's system.

Seller shall not employ anything other than three phase generators without first obtaining express written permission from Pacific.

In order to protect the Facility, Seller's Interconnection Equipment, and Pacific's system from property damage, to minimize the likelihood of injury to operating personnel and third parties, and to allow Pacific to provide service to its non-generating customers in the event Seller's Facility or Seller's Interconnection Equipment encounters operating difficulties, Seller shall provide, install, and maintain the following equipment:

1. A lockable main disconnect switch which allows isolation of Seller's generation from Pacific's system;
2. An automatic disconnecting device to be used in conjunction with relaying devices;
3. An overcurrent device to be used in conjunction with the automatic disconnecting device required under Paragraph 2;
4. Underfrequency and overfrequency relays to be used in conjunction with the automatic disconnecting device required under Paragraph 2;
5. A dedicated voltage transformation, with ground source as required by Pacific, for Seller's generation and load; and
6. Undervoltage and overvoltage relays.

AMENDMENT NO. 1 TO
POWER PURCHASE AGREEMENT

(Rescinded in its
entirety by
Amendment No. 2)

BETWEEN

CENTRAL OREGON IRRIGATION DISTRICT

AND

PACIFIC POWER & LIGHT COMPANY

THIS AMENDMENT NO. 1, entered into this 12th
November ~~October~~, 1985, modifies and amends that certain Power
Purchase Agreement between Central Oregon Irrigation District
("Seller") and Pacific Power & Light Company ("Pacific") dated
April 19, 1983. The parties hereby agree that such Agreement
hereby is amended as follows. Additions and revisions from the
original Agreement are shown by underlining and deletions are
shown by brackets. Such notations are not intended to be part of
the substantive amendment.


1. Page 3, ARTICLE II: TERM. The second line is revised to read as follows:

"This Agreement shall become effective
when executed by both the parties
hereto, and shall end on December 31,
(2018) 2020."

2. Page 3, ARTICLE II: TERM. The following is added as a second paragraph;

"If deliveries of Net Metered Output
do not commence by December 31, 1989,

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"This Agreement shall become effective
when executed by both the parties
hereto, and shall end on December 31,
(2018) 2020."

2. Page 3, ARTICLE II: TERM. The following is added as a second paragraph;

"If deliveries of Net Metered Output
do not commence by December 31, 1989,

this Agreement will terminate immediately without further action by either party. ^{ASB} unless Pacific notifies Seller in writing by March 1, 1990."

3. Page 3, ARTICLE III: DELIVERY OF POWER.

The first line is revised to read as follows:

"Commencing in (1987) 1989, and for the term of this Agreement, Seller shall make available and sell from the Facility a minimum of 6,000,000 kWh of Net Metered Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Commercial Operation Date.

4. Page 4, ARTICLE IV: PRICES, Paragraph A. The first sentence is revised to read as follows:

"For all Net Metered Output delivered prior to the later of January 1, (1987) 1989, or the Commercial Operation Date, Pacific shall pay Seller Pacific's then established price for nonfirm energy."

5. Page 4, ARTICLE IV: PRICES, Paragraph B. The first two lines are revised to read as follows:

"Commencing upon the later of January 1, (1987) 1989, or the Commercial Operation

Date, and ending on December 31, (2018)
2020, Pacific shall pay \$8.58 per month
for each kW of Demonstrated Capacity."

6. Page 5, ARTICLE IV: PRICES. Paragraph C is deleted in its entirety and replaced with the following:

"(C) Energy Prices

Commencing upon the later of January 1, 1989, or the Commercial Operation Date, and ending on December 31, 2020, Pacific shall pay for each kWh of Net Metered Output the energy prices for the Contract Years set forth below:

<u>Contract Year</u>	<u>Energy Price Cents/kWh</u>
1989	7.01
1990	7.09
1991	7.18
1992	7.28
1993	7.39
1994	7.90
1995	8.02
1996	8.14
1997	8.24
1998	8.41
1999	8.55
2000	8.71
2001	8.88
2002	9.06
2003	9.24
2004	9.43
2005	9.64
2006	9.87
2007	10.11
2008	10.35
2009	10.61
2010	10.90
2011	11.20

2012	11.51
2013	11.84
2014	12.19
2015	12.57
2016	12.97
2017	13.39
2018	13.84
2019	14.31
2020	14.82"

7. Page 19, ARTICLE XXIII: GOVERNMENTAL JURISDICTION AND AUTHORIZATION, Paragraph A. The first sentence is revised to read as follows:

"This Agreement shall become null and void if all required governmental authorizations and permits are not obtained and copies thereof are not submitted to Pacific by (December 31, 1986) July 1, 1988."

All other terms and conditions of the April 19, 1983 Agreement are to remain unaltered and in full force and effect.

This Amendment No. 1 shall not become effective until and unless (1) the Public Utility Commissioner of the State of Oregon or his delegate has determined that these amendments should be allowed and that the amended prices are still appropriate to be paid by Pacific and (2) Seller has provided Pacific with an opinion of Seller's legal counsel satisfactory to Pacific that this Amendment No. 1 is binding on and enforceable against Seller in accordance with its terms without need of an election of voters of the Seller.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed by their respective names as of the date first above written.

CENTRAL OREGON IRRIGATION DISTRICT

PACIFIC POWER & LIGHT COMPANY

By: Hal Meyer

Title: President

By: Robert [Signature]
Vice-President

By: Amy S. Lewis

Title: Vice President

By: Frank [Signature]

Title: Board Member

By: Neil Davis

Title: Board Member

By: Thomas [Signature]

Title: Board Member

This Amendment No. 1 approved by Central Oregon Irrigation District Resolution No. , dated November 12, 1985.

Hal Meyer President
Tom Nelson Secretary

AMENDMENT NO. 2 TO
POWER PURCHASE AGREEMENT

BETWEEN

CENTRAL OREGON IRRIGATION DISTRICT

AND

PACIFIC POWER & LIGHT COMPANY

THIS AMENDMENT NO. 2, entered into this 30th day of September, 1987, modifies and amends that certain Power Purchase Agreement between Central Oregon Irrigation District ("Seller") and Pacific Power & Light Company ("Pacific") dated April 19, 1983 ("Agreement") which Agreement was amended by Amendment No. 1 dated November 12, 1985 ("Amendment No. 1"). The Agreement establishes a long term contractual relationship between the parties for the sale and purchase of electrical energy. The parties anticipate that from time to time events may arise which were unexpected as of the date of the Agreement. If appropriate, the parties hope to attempt to address any problems raised by such events by negotiation, compromise, and amendments to the Agreement prior to attempting to resolve the problem through legal proceedings. In addition the parties will cooperate during the term of this Agreement by proceeding in their ordinary course of business to obtain governmental permits and licenses and take other action regarding interconnection as may be necessary to permit Seller to commence to sell and Buyer to commence to buy electricity hereunder. Accordingly, the parties hereby agree that such Agreement hereby is amended as follows.

1. Amendment No. 1 is hereby rescinded in its entirety.
2. Page 1, RECITALS. The second and third paragraphs are revised to read as follows:

KRU *4/26/00* *STB* *W.D.*
Syphon *System*
7/17/00

"Seller will own and operate the Central Oregon
No. 3571, a hydroelectric generation Facility of
6,000 kilowatt rated capacity; located two miles
southwest of Bend, Oregon at Deschutes River Mile
170.9; and
Seller anticipates the Facility will generate
26,200,000 kWh per year; and"

3. Page 3, ARTICLE II: TERM. The second line is revised to read as follows:

"This Agreement shall become effective when executed by both the parties hereto, and shall end on December 31, 2020; provided however Seller may extend the term of this Agreement for five additional one-year periods provided Seller notifies Pacific in writing of its desire to do so two years before each one-year period. In such event the prices to be paid under paragraph (c) Energy Prices of Article IV, PRICES shall be 10.00 cents/kWh."

4. Page 3, ARTICLE II: TERM. The following is added as a second paragraph;

"If deliveries of Net Metered Output do not commence by December 31, 1990, this Agreement will terminate immediately without further action by either party.

5. Page 3, ARTICLE III: DELIVERY OF POWER. The first sentence is revised to read as follows:

"Commencing in 1990, and for the term of this Agreement, Seller shall make available and sell from the Facility a minimum of 6,000,000 kWh of Net Metered Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Commercial Operation Date.

6. Page 4, ARTICLE IV: PRICES, Paragraph A. The first sentence is revised to read as follows:

"For all Net Metered Output delivered prior to the later of September 1, 1989 or the Commercial Operation Date, and for all Net Metered Output delivered each Contract Year in excess of the kWh Cap Pacific shall pay Seller Pacific's then established price for nonfirm energy. The kWh Cap shall be 36,500,000 kWh for Contract Years 1989-2005 and the kWh Cap shall be 37,500,000 kWh for Contract Years 2006-2020 and the option years described in Article II."

7. Page 4, ARTICLE IV: PRICES, Paragraph B. The first two lines are revised to read as follows:

"Commencing upon the later of September 1, 1989, or the Commercial Operation Date, and ending on

December 31, 2020, Pacific shall pay \$8.58 per month for each kW of Demonstrated Capacity." ✓

8. Page 5, ARTICLE IV: PRICES. Paragraph C is deleted in its entirety and replaced with the following:

(C) Energy Prices

Commencing upon the later of September 1, 1989, or the Commercial Operation Date, and ending on December 31, 2020, Pacific shall pay for each kWh of Net Metered Output delivered each Contract Year below the kWh Cap described in Paragraph A the energy prices for the Contract Years set forth below:

<u>Contract Year</u>	<u>Energy Price Cents/kWh</u>
1989 (starting 9/1/89)	4.98
1990	7.05
1991	7.05
1992	7.05
1993	7.05
1994	7.05
1995	7.08
1996	7.13
1997	7.17
1998	7.30
1999	7.39
2000	7.51
2001	7.62
2002	7.78
2003	7.88
2004	8.03
2005	8.24
2006	8.47
2007	8.71
2008	8.95
2009	9.21
2010	9.50
2011	9.80
2012	10.11

2013	10.44
2014	10.79
2015	11.17
2016	11.57
2017	11.99
2018	12.44
2019	12.91
2020	13.42

9. Page 6, ARTICLE IV: PRICES. Paragraph (D)(1) is deleted in its entirety and replaced with the following:

(1) In the event of curtailments, reductions, or interruptions pursuant to Article XVI in excess of 100 hours in any Contract Year, such non-deliveries of Net Metered Output for all such excess hours shall for purposes of calculating energy and capacity payments be deemed to have been made to Pacific at the average rate of delivery during the preceding Contract Year.

10. Page 10, ARTICLE X: OPERATION, PROTECTION, AND CONTROL, Paragraph C. The second sentence is revised to read as follows:

"In the event that Pacific requires Seller to curtail, reduce, or interrupt deliveries in excess of 100 hours in any Contract Year for reasons other than Force Majeure, default by Seller of any obligation imposed by this Agreement, or any other reason caused by Seller, Pacific shall pay Seller pursuant to Article IV(D).

11. Page 19, ARTICLE XXIII: GOVERNMENTAL JURISDICTION AND AUTHORIZATION, Paragraph A. The second sentence is revised to read as follows:

"This Agreement shall become null and void if all required governmental authorizations and permits are not obtained and copies thereof are not submitted to Pacific by the later of December 1, 1989 or the date which is 30 days prior to the Commercial Operation Date."

12. Page 20, ARTICLE XXIV: SUCCESSORS AND ASSIGNS. The following is added to the paragraph:

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

13. Page 21. The following ARTICLE XXVII is added to the Agreement:

"ARTICLE XXVII: DEFAULT

Except for defaults of obligations which must be performed by specified dates and except for defaults which affect the safety and integrity of Pacific's electrical system, each party shall provide the other party with notice of a default hereunder and permit the defaulting party to cure the default within 45 days thereafter before taking any further action based on such default."

All other terms and conditions of the April 19, 1983 Agreement are to remain unaltered and in full force and effect.

Seller represents that this Amendment No. 2 is binding on and enforceable against Seller in accordance with its terms without need of an election of voters of the Seller.

CENTRAL OREGON
IRRIGATION DISTRICT

PACIFIC POWER & LIGHT COMPANY

By: Lenny S. Lewis
Title: _____

By: [Signature]
Title: VICE PRESIDENT

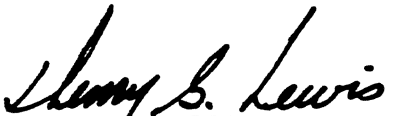
By: Thomas Keeney
Title: _____

By: Ernest Hutchinson
Title: _____


By: Neil Davis
Title: _____

By: David H. Simmons
Title: _____

This Amendment No. 2 was approved by Central Oregon
Irrigation District Resolution No. 1, dated September 29,
1987.



President



Secretary



INTERCONNECTION FACILITIES CONSTRUCTION AGREEMENT

BETWEEN

CENTRAL OREGON IRRIGATION DISTRICT

AND

PACIFIC POWER & LIGHT COMPANY

THIS AGREEMENT, entered into on this 18th day of August, 1988, is between Central Oregon Irrigation District hereinafter referred to as "Seller," and Pacific Power & Light Company, an electric utility with corporate headquarters in Portland, Oregon, hereinafter referred to as "Pacific."

RECITALS:

WHEREAS, Seller will own, operate, and maintain a 6,000 kilowatt ("kW") hydroelectric facility ("Facility") at a site located two miles southwest of Bend, Oregon at Deschutes River mile 170.9; and

WHEREAS, Seller and Pacific have entered into an agreement dated April 19, 1983 and amended on November 12, 1985 and September 30, 1987 ("Power Purchase Agreement") which provides for Pacific to purchase the net metered output of the Facility; and

WHEREAS, certain facilities and equipment ("Materials") are required to be installed on Pacific's electric system to accommodate deliveries of net metered output from the Facility; and

WHEREAS, such Materials will be installed, owned, operated, and maintained by Pacific at Seller's expense;

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

ARTICLE I: PROVISION OF MATERIALS AND CONSTRUCTION SERVICES

(A) Pacific shall, at Seller's expense, furnish Materials and construction services deemed necessary and desirable by Pacific to accommodate the interconnections of the Facility to Pacific's electric system and the delivery of net metered output to Pacific.

(B) If necessary, Pacific will use reasonable efforts to secure any rights-of-way, easements, and other land rights required to accommodate the installation, operation, and maintenance of the Materials.

- (C) If necessary, Pacific shall furnish and install additional protective relaying and associated equipment at the two terminal ends of Pacific's South Loop 69 kV transmission line.
- (D) On September 29, 1987, Pacific was issued a license from the Federal Energy Regulatory Commission to construct, operate and maintain the South Bend 69/115 kV Transmission Line Project ("Project"). This Project will connect the Seller's Facility to Pacific's existing transmission line. Pacific shall design, furnish necessary materials for, and construct approximately 1.3 miles of 69 kV transmission tap line from Pacific's existing South Loop 69 kV transmission line ("Tap Point") to the 69 kV bus in the Facility substation. Pacific shall own and maintain the transmission tap line up to and including pole number 1/1. Pacific shall also construct, in the Facility Substation, a deadend structure with associated insulators. (This point, where Seller's and Pacific's facilities interconnect, will be the point of delivery described in the Power Purchase Agreement.)

- (E) Pacific shall design, furnish, and install three (3) 69 kV group-operated air break switches for sectionalizing at the Tap Point.
- (F) Pacific shall install protective relaying equipment for the purpose of effecting separation of Pacific's and Seller's systems during abnormal system conditions. Such protective equipment shall include impedance, overcurrent, under- and over- voltage relays, and under-and over-frequency relays. Relaying equipment panels provided by Pacific shall be mounted in Seller's switchyard building. Power for relaying equipment provided by Pacific shall be from same source as will be used by the telemetry equipment covered in paragraph (I), below. If necessary, Pacific shall require additional relaying equipment at its Bend Plant and Pilot Butte substations.
- (G) Pacific shall furnish Materials and construct an approximate six-tenths (0.6) mile extension of the 12,470 volt, three-phase, four-wire power line between the Wickiup feeder and Seller's project substation. This extension will serve the

Facility with construction power and emergency station service, and shall be metered on the high side of Seller's step down transformer.

- (H) Pacific shall provide and install the standard metering equipment to measure Facility output and non-emergency station service as set forth in Article XI of the Power Purchase Agreement. All such metering equipment shall be installed on the low side of Seller's step-up transformer in a metering cabinet procured and installed by Pacific. Upon construction and testing of Seller's step-up transformer, a correction loss factor will be determined to adjust net metered output and the Power Purchase Agreement will be amended accordingly. Pacific shall also install, in Seller-installed conduits, the wiring necessary for Pacific's metering circuits related to the Facility. Seller shall provide 120 volts A.C. power for use with Pacific's metering equipment and for heating the metering cabinet. Seller shall provide Pacific with billing potential transformer supports in the Facility switchyard, and will provide the billing current transformers for the Facility.

(I) From the metering equipment, Pacific shall provide output signals for kW, kWh, and KVAR for use at Pacific's dispatch center. Pacific's telemetry equipment shall be installed in a 90-inch-high open communications rack furnished by Pacific and located in Seller's switchyard building, accessible to Pacific upon request. Power for Pacific's telemetry equipment shall be provided by Seller at 125 Volts D.C.

(J) Pacific shall provide a UHF radio for telemetry communications if a suitable UHF path is available between Seller's switchyard and Pacific's Bend dispatch center. This UHF radio will be mounted in the open communications rack in the Seller's switchyard building. Pacific shall install a pole and UHF antenna outside the switchyard building. Should a suitable UHF path not be available, Seller shall provide a dedicated leased telephone line between the switchyard building and Pacific's Bend dispatch center for the purpose of telemetry communications.

ARTICLE II: SUBCONTRACTING

Pacific may subcontract any portion of the work to be performed under this Agreement.

ARTICLE III: PAYMENTS FOR MATERIALS AND CONSTRUCTION SERVICES

- (A) Seller shall pay Pacific the amount(s) of Pacific's estimate(s) of cost for providing the Materials and construction services to be performed pursuant to this Agreement, including any of Pacific's overheads which are regularly applicable to the provision of such Materials and services. Seller's payment(s) of Pacific's estimated costs shall be made prior to Pacific acquiring any Materials or starting any construction activity.
- (B) Following completion of the revisions to Pacific's system, Pacific shall total its actual costs, including overheads, of providing such Materials and construction services and refund or bill, as appropriate, to Seller the difference between Pacific's actual installed costs and Seller's total payment(s) pursuant to Paragraph (A) of this Article.

(C) Pacific will provide Seller with written statements of Pacific's costs, both estimated and actual, pursuant to Paragraphs (A) and (B) of this Article. Seller shall pay Pacific the amounts billed at the address specified in Article IV, below, within thirty (30) days of receipt of Pacific's written statement.

ARTICLE IV: NOTICES

All written notices, statements, and payments for all billings under this Agreement shall be directed as follows, and shall be considered delivered when deposited in the U.S. mail, return receipt requested:

To Seller: Central Oregon Irrigation District
 Attention: Secretary-Manager
 P. O. Box 548
 Redmond, Oregon 97756

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

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

ARTICLE V: WARRANTY DISCLAIMER AND LIABILITY LIMITATION

- (A) Pacific shall provide Materials and services as set forth herein in accordance with normal electric utility standards of quality. PACIFIC HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS.
- (B) The Parties recognize that Pacific is receiving no compensation hereunder for risks normally assumed by a contractor. Accordingly, Seller hereby releases Pacific from any liability, and will hold Pacific harmless from all claims or liability, including without limitation, any which arise out of contract, warranty, strict liability, or Pacific's sole or partial negligence arising out of this Agreement or the Materials or construction services provided hereunder. Seller shall also hold Pacific harmless for costs and attorneys' fees, both at trial and upon appeal. In no event shall Pacific be liable for incidental or consequential damages, including, without limitation, loss of use or lost profits.

ARTICLE VI: FORCE MAJEURE

Pacific's delay or failure hereunder shall be excused by any cause beyond Pacific's control, including without limitation, strikes, war, illness, harsh weather, lack of Materials or supplies, and lack of transportation.

ARTICLE VII: TERMINATION

Seller may terminate this Agreement at any time by providing Pacific written notice of such termination and paying Pacific for all of Pacific's costs for Materials and construction services incurred to date. Seller also shall reimburse Pacific for any other costs resulting from such termination.

ARTICLE VIII: ENTIRE AGREEMENT

This Agreement between Seller and Pacific supplements the Power Purchase Agreement, and this Agreement with the Power Purchase Agreement is the entire agreement between the Seller and Pacific concerning the provision of Materials and services for the construction of modifications to Pacific's system required to permit interconnection of the Facility to Pacific's system, and both parties hereby expressly recognize that they are not proceeding upon any other prior or contemporaneous

representations. No modifications of this Agreement shall be effective unless they are in writing and signed by both parties hereto.

ARTICLE IX: ATTORNEYS' FEES

In the event of any litigation between the parties under this Agreement, the prevailing party shall recover its reasonable costs and attorneys' fees from the losing party, both at trial and on appeal.

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

CENTRAL OREGON IRRIGATION DISTRICT

PACIFIC POWER & LIGHT COMPANY

By

Henry S. Lewis
Chairman

By

John Kendrick
Vice President

By

Ron Nelson
Secretary-Manager

This Agreement approved by Central Oregon Irrigation District
Resolution No. 1, dated July 18, 1988. MHP

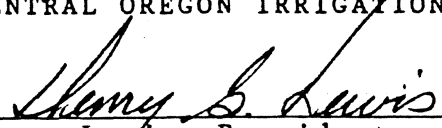
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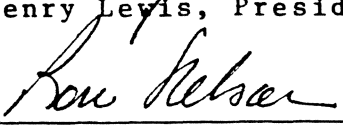
RESOLVED THAT as required by the Power Purchase Agreement between Pacific Power & Light, hereinafter referred to as PP&L, and Central Oregon Irrigation District, hereinafter referred to as the District, dated April 19, 1983, and amended on November 12, 1985, and September 29, 1987, the District is required to enter into an Interconnection Agreement in which the District is to pay for the design, the materials and the construction of 1.3 miles of 69KV transmission tap line between PP&L's existing 69KV South Loop transmission line and the 69KV bus at the District Siphon Power Project.

FURTHER RESOLVED that the District execute the Interconnection Agreement with PP&L, a copy of which agreement is attached hereto marked Exhibit-B and by reference made a part hereof.

DATED this 18 day of ~~June~~ ^{July}, 1988.

CENTRAL OREGON IRRIGATION DISTRICT


Henry Lewis, President


Ron Nelson, Secretary-Manager

March 18, 2008

Mr. Steve Johnson
Central Oregon Irrigation District
Attention: Secretary-Manager
P.O. Box 548
Redmond, OR 97756

Re: **AMENDMENT NO. 3 TO POWER PURCHASE AGREEMENT
BETWEEN CENTRAL OREGON IRRIGATION DISTRICT AND
PACIFIC POWER & LIGHT COMPANY**

Dear Mr. Johnson,

This letter amends Section XI of the *Power Purchase Agreement Between Central Oregon Irrigation District and Pacific Power & Light Company* dated April 19, 1983 (“Agreement”) and the *Amendment No. 2 to Power Purchase Agreement Between Central Oregon Irrigation District and Pacific Power & Light Company* dated September 30, 1987 (“Amendment No. 2”) to specify how Generator Step-up Transformer losses are calculated, from November 1, 2007 forward, applying transformer loss values in new Schedule B.¹

Amendment to Article XI: Metering

PacifiCorp and Central Oregon Irrigation District hereby agree to add the following new paragraph to Article XI of the Agreement:

(E) Commencing November 1, 2007, the output meter located at the low side of the Generator Step-up Transformer will calculate transformer losses between that point of measurement and the Point of Delivery on the high side of the Generator Step-up Transformer, taking into account the measured current and the measured voltage. The calculated total transformation losses for a range of transformer loading scenarios, at constant voltage, is set forth in **Schedule B**.

Schedule B, “Transformer Test Data,” is attached hereto and expressly made part of Amendment No. 3. This letter amendment otherwise makes no substantive changes to the Agreement.

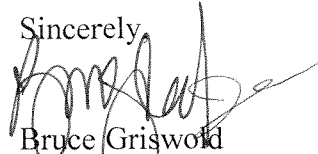
¹ Amendment No. 2 rescinded Amendment No. 1, dated November 12, 1985, in its entirety.

Steve Johnson
March 18, 2008
Page 2

Upon your execution in the space provided below, this letter agreement amends the Agreement and Amendment No. 2.

Please indicate your approval of the foregoing amendment by signing below and returning a copy to the above address. Thank you for your assistance in this matter.

Sincerely,



Bruce Griswold
Director, Origination
Commercial & Trading

GENERAL OREGON IRRIGATION DISTRICT:



By _____

Name

SECRETARY-MANAGER
Title

19 March, 2008
Date

Attachment: *Schedule B "Transformer Test Data"*

SCHEDULE B

TRANSFORMER TEST DATA

Manufacturer: GE, Serial No. M160469	Percent impedance (%)	7.22
Primary Voltage (L-L)	67000 Full Load KW loss	20.561
Secondary Voltage (L-L)	4160 No Load KW Loss	3.689
Self Cooled Xfmr Rating (KVA)	5200 (From 12/10/88 Test Data)	
% Excitation Current	0.09	

Generation Rate at Low Side Transformer Kw	Percent of Meter Full Load Setting (7274.61 KVA)	Load Loss Cu Kw	No Load Loss (Fe) Kw		Total Transformer Loss Kw
0.0	0.00	0	3.69		3.69
400.0	5.50	0.12	3.69		3.81
800.0	11.00	0.49	3.69		4.18
1,200.0	16.50	1.09	3.69		4.78
1,600.0	21.99	1.95	3.69		5.64
1,818.7	25.00	2.51	3.69		6.2
2,000.0	27.49	3.04	3.69		6.73
2,400.0	32.99	4.38	3.69		8.07
2,800.0	38.49	5.96	3.69		9.65
3,200.0	43.99	7.79	3.69		11.48
3,600.0	49.49	9.85	3.69		13.54
3,637.5	50.00	10.06	3.69		13.75
4,000.0	54.99	12.17	3.69		15.86
4,400.0	60.48	14.72	3.69		18.41
4,800.0	65.98	17.52	3.69		21.21
5,200.0	71.48	20.56	3.69		24.25
5,456.0	75.00	22.21	3.69		25.89
5,600.0	76.98	23.85	3.69		27.53
6,000.0	82.48	27.37	3.69		31.06
6,400.0	87.98	31.15	3.69		34.83
6,800.0	93.48	35.16	3.69		38.85
7,200.0	98.97	39.42	3.69		43.11
7,274.6	100.00	40.24	3.69		43.93