

POWER PURCHASE AGREEMENT

BETWEEN

GREGORY RYAN AND PERNINA RYAN

AND

PACIFIC POWER & LIGHT COMPANY

THIS AGREEMENT, entered into on this 28 day of September 1983 is between Gregory Ryan and Pernina Ryan, husband and wife, hereinafter referred to collectively or individually as "Seller," and Pacific Power & Light Company, a Maine corporation, hereinafter referred to as "Pacific."

RECITALS:

Seller will own and operate a single unit 720 kilowatt (kW) hydroelectric facility for the generation of electric power located in the southwest $\frac{1}{4}$ of Section 19 or the northwest $\frac{1}{4}$ of Section 30, T-35-S, R-1-EWM, immediately downstream of Pacific's Eagle Point Project, and near the site commonly known as "Nichols Gap." The average annual energy production of the facility is estimated to be 2,657,000 kilowatt-hours (kWh); and

Seller's facility will use only waters excess to Eagle Point Irrigation District's ("District") irrigation water requirements; and

The District holds Permit Number 25063 for the right to divert up to 100 cubic feet per second of the waters of Big Butte Creek for the purpose of generating electric power; and

The District under an agreement dated September 1, 1954 has

transferred its right to generate electric power at Pacific's Eagle Point Project to Pacific; and

The District by the undated "Waiver of Statutory Preference" agreement has waived any and all rights it may have under ORS 543.650 to 543.685 in the southeast $\frac{1}{4}$ of Section 19 and the northwest $\frac{1}{4}$ of Section 30, T-35-S, R-1-E, WM; and

Pacific wishes to grant to Seller the right to cross Pacific's lands with Seller's penstock and divert water, in accordance with Seller's agreement with the District, at an elevation near that of the water control structures controlling flows into the District's east and west laterals that begin at the outlets to the tailrace pond for Pacific's Eagle Point Project; and

Seller will secure the District's agreement, in writing, to minimize its diversion of water away from Seller's Facility during the non-irrigation season for the term of this agreement; and

Seller will construct, own and maintain 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 agreed to by Seller and Pacific, after start-up testing of the facility is completed and after Pacific receives a written statement from a licensed profes-

sional engineer acceptable to Pacific 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 kW and determined monthly from the Net Metered Output, available to Pacific in meeting its capacity requirements. **The Demonstrated Capacity shall be determined each month** as the lesser of:

(1) kwh of Net Metered Output per Month

$$730 \times 0.70$$

or

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

or

(3) 860 kW.

(D) "Facility" is the single unit 720 kW hydroelectric facility for the generation of electric power, and includes the diversion structure, penstock, turbine, generator, powerhouse and Seller's Interconnection Equipment;

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

(F) "Point of Delivery" is the location where Pacific's and Seller's electrical facilities are connected at a mutually agreeable point selected by Pacific;

(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.

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

ARTICLE II: TERM

Subject to the provisions of Article XXIII, this Agreement shall become effective when executed by both the parties hereto, and shall end on **December 31, 2021**; provided, however, that if the deliveries of power do not commence by July 1, 1987, Pacific may, without waiving any claim or right Pacific may then have, terminate this Agreement by providing notice thereof to Seller.

ARTICLE III: DELIVERY OF POWER

Commencing on January 1, 1987, and for the term of this Agreement, Seller shall make available from the Facility a minimum of 437,000 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 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, and for all Net Metered Output delivered in excess of 4,000,000 kWh in any Contract Year, Pacific shall pay Seller Pacific's then effective price for nonfirm energy, as reviewed and approved by the appropriate public utility regulatory authority.

(B) Firm Capacity Prices

Commencing upon the later of January 1, 1987, or the Commercial Operation Date, Pacific shall pay \$8.47 per month for each kW of Demonstrated Capacity only in those months in which Seller's Net Metered Output in kWh equals or exceeds 53,000 kWh.

(C) Firm Energy Prices

Commencing upon the later of January 1, 1987 or the

Commercial Operation Date, and except as provided in Subparagraph (A) hereof, 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	7.28
1988	7.36
1989	7.45
1990	7.54
1991	7.65
1992	7.75
1993	7.87
1994	7.98
1995	8.10
1996	8.24
1997	8.38
1998	8.53
1999	8.69
2000	8.86
2001	9.03
2002	9.22
2003	9.42
2004	9.64
2005	9.87
2006	10.11
2007	10.36
2008	10.63
2009	10.92
2010	11.22
2011	11.53
2012	11.88
2013	12.24
2014	12.62
2015	13.02
2016	13.45
2017	13.90
2018	14.38
2019	14.90
2020	15.44
2021	16.01

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: Gregory Ryan
Ryan Land & Cattle Company
3660 Brophy Road
Eagle Point, OR 97524

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 review and acceptance. Pacific's acceptance of Seller's specifications shall not be construed as confirming nor endorsing the design, nor as a warranty of safety, durability, or reliability of the Facility. Pacific shall not, by reason of any review, acceptance, or failure to review, be responsible for the Facility, including but not limited to the strength, details of design, adequacy or capacity thereof, nor shall Pacific's acceptance be deemed to be an endorsement of the Facility.

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

(C) At the request of Pacific, Seller shall provide Pacific, prior to the Commercial Operation Date, with a statement from a licensed professional engineer acceptable to Pacific 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 at 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 initial testing and such periodic testing.

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

(C) In the event that it is necessary for Pacific to install any facilities and equipment on Pacific's system to accommodate Seller's deliveries, or to reinforce Pacific's system for purposes of this Agreement, Seller shall reimburse Pacific for all of Pacific's costs associated therewith, in accordance with the rules for repayment established by the appropriate state regulatory commission having jurisdiction. Not less often than annually, Seller shall also reimburse Pacific, pursuant to Article V(B) above, for Pacific's operation and maintenance costs resulting from Pacific's installation of facilities and equipment under this Paragraph and under Article XI. Such reimbursement shall be paid at the rate of eight percent annually of the actual installed cost of such facilities and equipment.

ARTICLE IX: SYSTEM EMERGENCY

In the event of a System Emergency, Pacific may require Seller to curtail its consumption of electricity purchased from Pacific in the same manner and to the same degree as other customers within the same

customer class who do not own facilities for generating electricity.

ARTICLE X: OPERATION, PROTECTION, AND CONTROL

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

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

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

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

(E) Seller shall remedy any demonstrated harmonic distortions on Pacific's system attributable to the operation of 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. Pacific's obligation to make payments to Seller for capacity and/or energy that would otherwise have been delivered during such period of disconnection shall be suspended.

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

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

(H) Seller shall keep Seller's diversion and penstock in good repair at all times and shall take no action which affects adversely

Pacific's continued operation and maintenance of Pacific's Eagle Point Project.

ARTICLE XI: METERING

(A) Flows of electricity 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 and billed monthly in accordance with the terms of the service agreement, if any, existing between the parties, and/or otherwise in accordance with tariffs filed and approved by the regulatory authority having jurisdiction.

(B) Pacific shall procure, install, own, inspect, test and maintain meters to record flows to Pacific. Such meters shall be located at a mutually agreed upon designated location(s) and shall record and indicate the integrated demand for each sixty (60)-minute period, and shall also measure kWh. Pacific shall also procure, install, own, inspect, test and maintain meters for measurement of reactive volt-ampere hours. Pacific may also, in its sole discretion, install additional metering devices at a location agreed upon by both parties within Seller's Facility to enable Seller to transmit information and data. All 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 sealed by Pacific. The seal shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted and representatives of both Pacific and Seller shall be present upon such occasions. The metering

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

ARTICLE XII: LIABILITY AND INSURANCE

(A) 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 for the term hereof, in an insurance company or companies acceptable to Pacific, insurance policies for bodily injury and property damage liability. Such insurance shall include: provisions or endorsements naming Pacific, its directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of Pacific and that any insurance maintained by Pacific is excess and not contributory insurance with the insurance required hereunder, cross-liability or severability of insurance interest clause; and provisions that such policies shall not be 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 the Facility to Pacific's system, Seller shall obtain and continuously carry for the term hereof,

insurance acceptable to Pacific against property damage or destruction in an amount not less than the cost of replacement of the Facility. Seller shall promptly notify Pacific of any loss or damage to the Facility. Unless the parties agree otherwise, Seller shall repair or replace the damaged or destroyed Facility. 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 prior to connection of the Facility to Pacific's system.

(E) Seller shall indemnify and hold Pacific harmless for any and all damage to the Facility or any other harm or consequences, economic or otherwise, occasioned by Pacific's operation, maintenance, or nonoperation of Pacific's Eagle Point Hydroelectric Project and associated structures, including but not limited to, related facilities owned by the Eagle Point Irrigation District.

ARTICLE XIII: LAND RIGHTS

(A) 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, 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.

(B) Pacific hereby grants to Seller for the term of this Agreement all necessary rights-of-way and easements to install, operate, maintain, replace and remove Seller's penstock and other associated facilities necessary or useful to this Agreement, including adequate and continuing access rights on property of Pacific. Seller's penstock and associated facilities will be at a location acceptable to Pacific.

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 by February 1 of each Contract Year, but not later than six (6) months prior to the proposed scheduled maintenance, 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's dispatcher (Telephone No. 772-6171) 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

(A) 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 utility practices. In such circumstances, Pacific shall not be obligated to accept deliveries or pay for energy or capacity hereunder.

ARTICLE XVII: QUALIFYING FACILITY STATUS

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

ARTICLE XVIII: FORCE MAJEURE

As used in this Agreement, "Force Majeure" means unforeseeable causes beyond the reasonable control of and without the fault or negligence of the party claiming Force Majeure, and specifically excludes non-availability of streamflow to operate Seller's Facility. 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 not 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, and 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; WATER SUPPLY

(A) This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or this Agreement. This Agreement shall not become valid until all required governmental authorizations and permits are first obtained and copies thereof are submitted to Pacific.

(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) This Agreement shall not become effective until Seller submits an executed agreement with Eagle Point Irrigation District, in a form satisfactory to Pacific, specifying that the District shall minimize its diversion of water away from the Facility during the non-irrigation season for the term of this Agreement.

ARTICLE XXIV: SUCCESSORS AND ASSIGNS

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


BPA whereby BPA acquires the output of the Facility or Pacific takes a billing or energy credit therefrom.

ARTICLE XXV: MODIFICATION

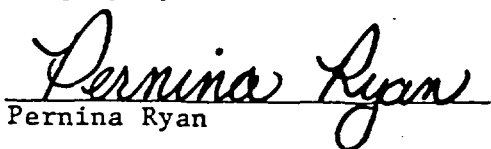
No modification of this Agreement shall be effective unless it is in writing and signed by both parties hereto.

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

GREGORY RYAN AND PERNINA RYAN

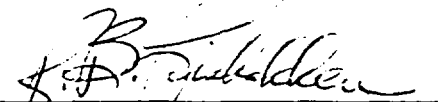


Gregory Ryan

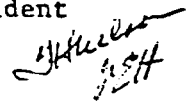


Pernina Ryan

PACIFIC POWER & LIGHT COMPANY

By 

Vice President



SCHEDULE A

REQUIRED EQUIPMENT STANDARDS

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.

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.

SCHEDULE A

AMENDMENT NO. 1 TO POWER PURCHASE AGREEMENT

BETWEEN

GREGORY RYAN AND PERNINA RYAN

AND

PACIFIC POWER & LIGHT COMPANY

THIS AMENDMENT NO. 1 is entered into this 17 day of November, 1987. GREGORY RYAN and PERNINA RYAN ("Seller") and PACIFIC POWER & LIGHT COMPANY ("Pacific") previously have entered into a Power Purchase Agreement dated September 28, 1983 ("Agreement"). The parties hereby amend the Agreement as follows:

1. ARTICLE IV: PRICES. Paragraph (A) is deleted in its entirety and replaced with the following:

"(A) Nonfirm Energy Prices

"For all Net Metered output delivered prior to the later of January 1, 1987 or the Commercial Operation Date, for all Net Metered Output delivered during Contract Years 1987-1996 in excess of 3,500,000 kWh in any Contract Year, and for all Net Metered Output delivered during Contract Years 1997-2021 in excess of 4,000,000 kWh in any Contract Year, Pacific shall pay Seller Pacific's then effective price for nonfirm energy, as reviewed and approved by the appropriate public utility regulatory authority."

2. ARTICLE IV: PRICES is hereby amended by adding the following paragraph (D):

"(D) Special Repayment Energy Prices.

"In consideration of a prepayment made by Pacific for energy to be delivered hereunder, notwithstanding any of the provisions above, the prices paid for the following amounts of energy to be delivered in December of the following years shall be

zero. In the event that such amounts of energy are not delivered during those periods of time, Pacific shall not be obligated to pay any energy payments until such amounts of energy are delivered:

December, 1988	260,693 kWh
December, 1989	257,543 kWh
December, 1990	254,496 kWh
December, 1991	250,810 kWh
December, 1992	247,574 kWh"

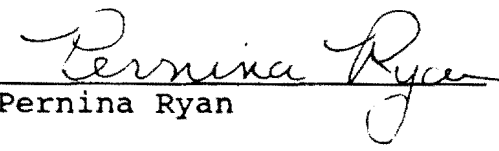
3. ARTICLE VIII: INTERCONNECTION is hereby amended by adding the following paragraph (D):

"(D) Seller agrees to pay for all costs of the interconnection facilities and equipment prior to the interconnection by Pacific."




Gregory Ryan

PACIFIC POWER & LIGHT COMPANY



Pernina Ryan

By 

Vice President


AMENDMENT NO. 3 AND RELEASE AGREEMENT

This Amendment No. 3 and Release Agreement is entered into this 15 day of February, 1991, among Gregory Ryan, Pernina Ryan, Ryan Power Company, and Nicholas Gap Limited Partnership (jointly and severally "Seller") and Pacific Power & Light Company ("Pacific"). Seller and Pacific previously have entered into a Power Purchase Agreement dated September 28, 1983 ("Agreement"). The Agreement has been amended by Amendment No. 1 and Amendment No. 2. The parties hereby agree as follows:


1. The payment for Net Metered Output delivered for the period ending January 21, 1991 will be paid immediately instead of the normal payment schedule of approximately February 18, 1991.
2. The provision that Pacific shall not make payments for 254,496 kWh of energy delivered through December, 1990 shall be waived through and including the period ending January 21, 1991; in lieu thereof Pacific shall not make payments for 254,496 kWh as follows:
 - a. One half (1/2) of the payment due to Seller on or about March 18, 1991 shall not be paid;
 - b. One half (1/2) of the payment due to Seller on or about April 18, 1991, together with interest at the annual rate of eleven and one half percent (11.5%) from February 18, 1991, on the value of the 254,496 kWh shall not be paid. In the event the withheld payments do not total the value of 254,496 kWh plus interest, due to lack of generation, Seller will be billed on or about April 18, 1991 for the remainder. Such payment will be due within fifteen (15) days.
3. Seller hereby release Pacific, its directors, officers, employees and agents from any and all claims, loss, damages or actions ("Claims") that Seller, or any one of them may have, including, without limitation, any unknown Claims arising out of the Agreement to the date of this agreement. This agreement shall not be construed as an admission of liability by Pacific of the validity of any Claim, and Pacific expressly denies any liability.

4. The Seller hereby agrees to enter into and to prosecute with all due diligence negotiations for the purpose of entering into a possible revision of the Agreement of and/or creation of a new entity and/or a new operating agreement as to the facilities covered by the Agreement.


PACIFIC POWER & LIGHT COMPANY

By: 
Title: manager, small power acquisitions

NICHOLS GAP LIMITED PARTNERSHIP
By Ryan Power Company, its
General Partner

By: 
Douglas P. Cushing, of
Attorneys for Nichols Gap

RYAN POWER COMPANY

By: 
Douglas P. Cushing
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Company