

**Exh. DCG-11
Dockets UE-190334, UG-190335,
and UE-190222
Witness: David C. Gomez**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-190334, UG-190335,
and UE-190222 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

David C. Gomez

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Avista's Response to Staff DR No. 6,
Attachment A, Ownership and Operation Agreement,
Colstrip Units #3 & #4, Section 17 – Project Committee*

October 3, 2019

installation perils, and such other insurance as the Committee deems necessary, with reasonable limits and subject to appropriate exclusions, and deductibles. Self-insurance under the State of Montana's workers' compensation laws may be substituted for the referenced workers' compensation and employer's liability insurance and the Project Users agree to cooperate to establish a procedure whereby the cost of such self-insurance shall be levelized over a three (3) to five (5) year period.

(b) Each Owner and Project User shall ensure that each of its policies of insurance that may be applicable to any claims arising in connection with the Project shall provide a waiver of the insurer's rights of subrogation against, or name as additional assureds, all the other Owners and Project Users and their respective agents and employees. To the extent permitted by its insurance policies, each Owner and Project User waives any rights of subrogation against all the other Owners and Project Users, their agents and employees, for losses, costs, damages, or expenses arising out of the Construction, operation, maintenance, reconstruction or repair of the Project.

(c) Copies of all policies of insurance procured pursuant to Section 16(a) shall be provided to each Owner and each Project User. Upon request of an Owner or Project User, any Owner or Project User will provide copies of policies of insurance described in Section 16(b). Operator shall notify the Owners and Project Users of the assertion of any claim in excess of \$500,000 against the Project immediately upon assertion of the same, or of the occurrence of an event likely to result in the assertion of such a claim. All claims for lesser amounts shall be reported annually by Operator to the Owners and Project Users. The insurance program, policies and coverages shall be reviewed annually by the Committee.

17. Project Committee

(a) There is hereby established a Committee to facilitate effective cooperation, interchange of information and efficient management of the Project, on a prompt and orderly basis. The Committee shall be composed of not more than six (6) members. Each party (or its successors and assigns acting collectively) shall appoint one (1) Committee member. For purposes of this Section 17(a), Puget shall be one party and Montana shall be one party. Each Committee member shall have the right to vote the Project Share of the party (or its successors and assigns) that appointed such member. A member shall vote the entire Project Share represented by such member as a unit.

(b) Upon execution of this Agreement, each party shall notify all of the other parties of the Committee member initially appointed by it. Any party (or its successors and assigns acting collectively) may change its appointment by giving written notice of the change to all of the Project Users. Any party (or its

successors and assigns acting collectively) may appoint an alternate or alternates to serve on the Committee in the absence of the regular Committee member or to act on specified occasions or with respect to specified occasions or with respect to specified matters. Any reference herein to "Committee member" includes the member's alternate in the absence of the member.

(c) The Committee shall meet regularly, but not less often than once in each calendar quarter, as may be agreed upon, and at such other times as requested by any Committee member upon three days' written notice. Meetings of the Committee may be held or members thereof may participate in a meeting of such Committee by means of conference telephones or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephones or similar communications equipment shall constitute presence in person at the meeting. The Committee may appoint such subcommittees as it deems necessary or appropriate and by unanimous action, may delegate approval authority to such subcommittees. Operator shall prepare written minutes of all meetings and distribute them to each Committee member within a reasonable time after each meeting. Unless otherwise mutually agreed, Operator's member shall act as Chairman of the Committee.

(d) Any action which may be taken at a meeting of the Committee may be taken without a meeting if all Committee members consent in writing. The Committee may, by unanimous action, adopt written procedures for review and approval of matters requiring Committee approval, which procedures may include, but are not limited to, modifying of maximum allowable times for approval, waiver of portions of information required, and advance approvals.

(e) Operator shall use its best efforts to keep all members of the Committee informed of all significant matters with respect to Construction, operation and maintenance of the Project (including, without limitation, plans, specifications, engineering studies, environmental reports, budgets, estimates and schedules) and, when practicable, in time for members to comment thereon before decisions are made, and shall confer with the Committee, or separately with members thereof, during the development of any of Operator's proposals regarding such matters when practicable to do so. Upon request of any Committee member, Operator shall furnish or make available, with reasonable promptness and at reasonable times, any and all other information relating to Construction, operation and maintenance of the Project.

(f) Operator shall submit each of the matters listed below to the Committee for approval, which approval must be by a vote of Operator's Committee member, plus at least two other Committee members so that the Committee members voting for approval represent at least 55% of the total Project Shares:

(i) Any proposal made by two Committee members appointed by Project Users other than Operator except as provided in Sections 17(j) and 17(k);