

“Redacted Attachment A”

Avista Corporation  
Monthly Power Cost Deferral Report  
Month of June 2004

Long-term Power Transaction  
(See attached)

POWER PURCHASE AND PARALLEL OPERATING AGREEMENT  
BETWEEN  
AVISTA CORPORATION  
AND  
CITY OF SPOKANE  
(UPRIVER DAM HYDROELECTRIC PROJECT)

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This Power Purchase Agreement is entered into as of this 26 day of June, 2004, by and between the CITY OF SPOKANE ("City"), State of Washington, a Washington municipal corporation, and the AVISTA CORPORATION ("Avista") of Spokane, Washington, a corporation organized and existing under the laws of the State of Washington, hereinafter sometimes referred to collectively as "Parties" and individually as "Party."

**WITNESSETH:**

**WHEREAS**, Avista is supplying the City with electric power for operation of its water distribution system pumping stations under separate agreements and at rates filed with the Washington Utilities and Transportation Commission, subject to change in accordance with Washington law and the regulations of such Commission; and

**WHEREAS**, the City owns and operates a hydroelectric generating project located on the Spokane River in Spokane County, Washington, know as the Upriver Hydro Project (the "Project") which has a nameplate capacity of 17.7 megawatts; and

**WHEREAS**, the City and Avista entered into a contract dated August 1, 1966, that was subsequently amended and that expires June 30, 2004; and

**WHEREAS**, the Project may produce electric power from time-to-time which is in excess of City's needs at the Project and which City desires to sell to Avista; and

**WHEREAS**, the Project is connected in a manner so that parallel operation with Avista's electrical system shall occur and so that electric power can flow in both directions, and additional or different metering may be required; and

**WHEREAS**, City desires to sell and Avista desires to purchase electric power from the Project beginning July 1, 2004;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

**1. DEFINITIONS**

In addition to words defined elsewhere in this Agreement as signified by initial capitalization, whenever used in this Agreement, exhibits, and attachments hereto, the terms below shall have the following meanings:

- (a) **"Agreement"**: This POWER PURCHASE AND PARALLEL OPERATING AGREEMENT including all exhibits, attachments and modifications thereof.
- (b) **"Effective Date"**: The date this Agreement becomes effective pursuant to Section 3(a) of this Agreement.

- (c) **“FERC”**: The United States Department of Energy, Federal Energy Regulatory Agency, or any other successor agency with substantially similar jurisdiction over Avista Corporation.
- (d) **“Forced Outage”**: Any outage that either fully or partially curtails the electrical output of the Project caused by mechanical or electrical equipment failure, plant related structural failure, or unscheduled maintenance required to be performed to prevent equipment failure.
- (e) **“Good Industry Practice”**: Good Industry Practice at any particular time shall mean the practices, methods, and acts in the exercise of reasonable judgment in the light of the facts known or that should have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, reliability, safety, environmental protection, economy, and expenditure. In evaluating whether the conduct of a Party meets "Good Industry Practice", each Party's performance shall be judged by common law standards in Washington applicable to their respective contractual functions. Subject to the preceding sentence, Good Industry Practices include, but are not limited to taking reasonable steps to ensure that:
  - (1) Adequate materials, resources, and supplies are available to meet the needs of the Project and Avista's electric system;
  - (2) Sufficient operation personnel are available and are adequately experienced, trained, and licensed as necessary to operate the Project and Avista's electric system properly and efficiently and are capable of responding to emergency conditions;
  - (3) Preventive, routine, and non-routine maintenance and repairs are performed in a manner designed to ensure reliable, long-term and safe operation, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools and procedures;
  - (4) Appropriate monitoring and testing is done to ensure equipment is functioning as designed and to provide assurance that equipment shall function properly under both normal and emergency conditions; and
  - (5) Equipment is not operated and fuel is not handled in a reckless manner, or in a manner unsafe to workers, the general public, or the environment.
- (f) **“Governmental Authority”**: Any federal, state or local government, political subdivision thereof or other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or other entity with authority to bind a Party at law.
- (g) **“Governmental Rules”**: Any law, rule, regulation, ordinance, order, code, permit, interpretation, judgment, decree, directive, guideline, policy or similar form of decision

of any Governmental Authority having the effect of law or regulation, provided that Governmental Rules shall not include any enactment or other action of the City undertaken for the purpose of abrogating, repudiating or unilaterally amending the Agreement, but this exception does not include any power of eminent domain that the City may lawfully exercise notwithstanding this Agreement.

- (h) **“Interconnection Facilities”**: All facilities required to be installed on Avista’s property or system to interconnect and allow for Parallel Operation of the Project including, but not limited to, connection, transformation, switching, relaying and safety equipment. Interconnection Facilities shall also include all metering, telemetry and communication equipment required under this Agreement regardless of location and any necessary additions or reinforcements by Avista to Avista’s system.
- (i) **“Interconnection Facilities Work”**: Construction, operation and maintenance of Interconnection Facilities, and, if necessary from time-to-time, additions to and improvement of Interconnection Facilities.
- (j) **“IPUC”**: The Idaho Public Utilities Commission or any other or successor agency with substantially similar jurisdiction over Avista Corporation.
- (k) **“Major Maintenance”**: Maintenance work upon the Project that results in more than one generating unit not operating.
- (l) **“NERC”**: The North American Electric Reliability Council or its successor organization.
- (m) **“Operating Year”**: The 12-month period from January 1 through December 31, except the first year 2004 with the period being July 1 through December 31.
- (n) **“Parallel Operation”**: Parallel Operation is operation of an electric generating facility by a party in a manner such that the generating facility is connected to that party’s electric load simultaneously with connection of the load to Avista’s system.
- (o) **“Point of Delivery”**: The location where the Project is electrically interconnected with Avista’s electrical system, as shown in Exhibit E.
- (p) **“Power Sales”**: Power transactions in which City sells to Avista electric power generated by the Project, that exceeds City’s instantaneous electric power needs at the Premises.
- (q) **“Premises”**: The site owned and operated by City at which the Project is located.
- (r) **“Project”**: The electric generating facility, including all equipment and structures necessary to generate and supply electric power and the underground well water pump stations (Well Electric and Parkwater) located adjacent to the generating facility, as more specifically described in Section 4.

- (s) **“Qualifying Facility”**: A plant used to generate electric power using biomass, waste, or renewable resource, including wind, solar, or water, or a cogeneration facility as defined by the Public Utility Regulatory Policies Act of 1978 and applicable FERC rules and regulations, in effect as of the date of this Agreement.
- (t) **“WECC”**: The Western Electricity Coordinating Council or its successor organization.
- (u) **“WUTC”**: The Washington Utilities and Transportation Commission or any other successor agency with substantially similar jurisdiction over Avista Corporation.

## 2. REPRESENTATIONS

(a) City represents that it is the sole owner of the Project that is managed for the benefit of the City Water Department ratepayers. City represents that it has all necessary FERC licenses and the Project is a Qualifying Facility. City further represents that this Agreement is a legally binding instrument upon the City, has been approved by the City Council, and the City's signatory is authorized to execute the Agreement.

(b) Avista represents that this Agreement is a legally binding instrument upon Avista, and Avista's signatory is authorized to execute the Agreement.

## 3. TERM OF AGREEMENT

(a) This Agreement shall be effective on the date of execution of the Agreement by both Parties and shall terminate at 2400 hours on December 31, 2011 unless terminated earlier pursuant to this Agreement.

(b) Avista shall have the right to terminate this Agreement within 120 days following any order of the IPUC and/or the WUTC, which disapproves this Agreement, or disallows recovery in Avista's retail rates of costs arising from purchases of electric power pursuant to this Agreement. If either the IPUC or the WUTC issue an order that approves this Agreement subject to conditions that adversely affect the financial benefit of the Agreement to either Avista or City, then the adversely affected Party may terminate the Agreement by giving notice to the other within 120 days of the issuance of such order. Within thirty (30) days of receipt of an order from the IPUC or the WUTC setting forth a disapproval, disallowance or conditional approval, Avista shall notify the City of such order and the possible effects thereof.

(c) Except for the obligation to purchase and sell power, all obligations required to be performed by the Parties are preserved, without regard to the termination or expiration of this Agreement where so required by terms and conditions of this Agreement.

4. **DESCRIPTION OF PROJECT AND PREMISES**

The Project and Premises are specifically described as follows: a hydroelectric generating facility located on the Spokane River in Spokane County, Washington, known as the Upriver Dam Hydroelectric Project ("Project") which has a present nameplate capacity of 17.7 megawatts, and the Well Electric and Parkwater Pump Stations owned and operated by the City that are located adjacent to and served by the generating facility.

5. **POWER SALES**

(a) City shall sell and deliver and Avista shall purchase and receive at the Point of Delivery the total amount of electric power generated by the Project and delivered by City to Avista up to a maximum of 17.7 megawatts. A power meter located at the Point of Delivery at City's expense shall register the total net electric power generated on an hourly basis. City shall deliver to Avista, and Avista shall receive, at all times all the electric power output from the Project less the amount City uses for its operation of the Project. Notwithstanding any other provision, the City has no obligation to provide any specified minimum amount of power generation, and its sole duty with respect to power supply is sell to Avista all electric power it generates at the agreed Agreement price, after deducting electric power required for station service for the City's hydroelectric generation facility and to operate the City's underground water pumps located at the Project.

(b) The power meter shall record electric power that flows from and to the Project, and from and to Avista's electric system. Avista and City both shall have the right to read and receive readings from the power meter. Avista shall read the meter and record the readings at least once a month. The amount of electric power generated by the Project and delivered to Avista in any month shall be calculated based on information from meter readings. Meter readings shall be adjusted by prorating metered amounts to the number of days in such month.

(c) The Parties may, but are not obligated to, agree in writing that additional amounts of power made available as a result of modifications or enhancements of the Project shall be purchased and sold pursuant to this Agreement. The City may indicate its agreement to the purchase and sale of such additional amounts of power by a written administrative approval, executed by a lawfully authorized city official.

6. **OPERATION OF PROJECT**

(a) City shall operate and maintain the Project, and Avista shall operate and maintain its electric system in accordance with Governmental Rules and Good Industry Practice. Neither Party is the agent or employee of the other Party for any purpose

(b) Avista shall perform Interconnection Facilities Work that is required to receive electric power from the Project and transmit electric power to the Project in accordance with

applicable Governmental Rules and in accordance with Good Industry Practice. Avista shall conduct Interconnection Facilities Work at its own risk.

(c) Interconnection of electrical systems under this Agreement shall be governed by Governmental Rules of the state of Washington. In the event that the interconnection sections of the Agreement are superceded or amended as a consequence of Government Rules, the Parties agree to negotiate in good faith amendments to this Agreement as are necessary to preserve the intent of this Agreement.

(d) City shall ensure that the electric output from the Project including but not limited to wave forms, voltage flicker and inverter techniques conforms with criteria specified in Exhibit C herein.

(e) Interconnection Facilities shall be maintained and operated in accordance with Good Industry Practice, Governmental Rules, National Electric Safety Code, American National Standards Institute/Institute Electrical Electronics Engineers, NERC and WECC standards in effect on the effective date of the Agreement, or in the case of Interconnection Facilities constructed in the future, in accordance with Good Industry Practice, Governmental Rules, National Electric Safety Code, American National Standards Institute/Institute Electrical Electronics Engineers, NERC and WECC standards in effect on the date of commencement of construction of such facilities. Avista may require City to modify relaying and operating parameters of the Project to ensure continued reliable and safe operation of Avista's system in accordance with reliability standards applicable to Avista. If City declines to modify relaying and operating parameters in accordance with an Avista request, in addition to any other remedies under this Agreement or otherwise, Avista may terminate the Agreement and electrically separate the Project from Avista's electric system upon notice to the City.

(f) Avista may require City to curtail, interrupt or reduce operation of the Project if Avista determines that curtailment, interruption or reduction is necessary because of Force Majeure, or to protect persons and property from injury or damage, or because of emergencies, necessary system maintenance or system modification, or because the Project is not in compliance with the terms and conditions of Exhibit C. Avista shall use its reasonable best efforts to keep any period of curtailment, interruption, or reduction to a minimum. In order not to interfere unreasonably with City operations, where practical and possible, Avista shall give City reasonable prior notice of any curtailment, interruption, or reduction, the reason for its occurrence and its probable duration.

(g) In the event of Forced Outages, Major Maintenance, and other abnormal or emergency events requiring a curtailment, interruption or reduction in deliveries, the curtailing, interrupting or reducing Party shall use its reasonable best efforts in accordance with Exhibit A to promptly notify the other Party of the action taken or to be taken, the reason for such action and its probable duration.



(h) Either Party may disconnect the Project from Avista's electric system or interrupt, suspend or curtail delivery, receipt or acceptance of delivery of electric power at the Point of Delivery, if either Party determines that the failure to do so:

- (1) May endanger any person or property, or either Party's facilities or customers, or any electric system with which Avista's system is interconnected;
- (2) May cause, or contribute to, an imminent significant disruption of utility service to either Party's customers;
- (3) May interfere with any construction, installation, inspection, testing, repair, replacement, improvement, alteration, modification, operation, use or maintenance of, or addition to either Party's facilities ; or
- (4) Is contrary to Good Industry Practice.

A Party shall promptly notify the other Party in accordance with Exhibit A of the reasons for any such disconnection, interruption, suspension or curtailment. Such Party shall use its best reasonable efforts to mitigate and limit the duration of any such disconnection, interruption, supervision or curtailment.

## 7. EASEMENTS AND INTERCONNECTION PAYMENTS BY CITY

(a) Except for property owned by the City, Avista is responsible for acquiring at its expense all necessary rights-of-way, and licenses for the purpose of installing, operating, inspecting, maintaining, replacing and removing Interconnection Facilities, and that portion of its electric system that is interconnected to the Project. Each Party agrees to execute any further easements, licenses or right-of-way grants, as needed to enable performance of the Agreement without cost to the other.

(b) The parties believe that existing Interconnection Facility infrastructure has served their mutual needs and do not anticipate extensive additional construction or modification. Should further facilities or construction be required by Governmental Rules or Good Industrial Practice, each Party agrees to pay for such facilities on its side of the Point of Interconnection. As to any facilities for which the City must pay, the City further agrees they may be constructed by Avista, and the City shall promptly pay and reimburse Avista its reasonable costs, upon billing and proof of same. Avista shall own said facilities and may remove the same upon termination or expiration of the Agreement, doing no damage to City property and leaving the same in as good or better condition, as before removal.

(c) Avista shall operate, inspect, maintain, replace and remove all Interconnection Facilities in accordance with Good Industry Practices. Interconnection Facilities shall be deemed to be the property of Avista.

## 8. PAYMENTS

(a) For each month during the term of this Agreement, so long as there are Power Sales made and/or payments due hereunder, Avista shall prepare, as adjusted as required herein, an itemized explanation of the payment due, the amounts of Power Sales to Avista for which payment is due for that month, the appropriate rates pursuant to this Agreement, and any adjustments to the payment due to the provisions herein. Avista shall pay City on or before the 15<sup>th</sup> day after the date of the delivery of the bill for power delivered during the previous calendar month. Where such 15<sup>th</sup> day falls on a Saturday, Sunday or holiday, the payment shall be due on the next following business day.

(b) If City is obligated to make any payment to Avista under the terms of this Agreement, Avista shall bill City for such payments. The price of electric power delivered to the City at any time during this Agreement shall be determined in accordance with the then applicable tariff in effect at the time electric power is delivered, as such tariff may be changed or replaced from time to time. The tariff in effect at the time of the execution of this Agreement is Avista Schedule 31 for the State of Washington. City shall pay Avista on or before the 15<sup>th</sup> day after the date of the delivery of the bill. Where such 15<sup>th</sup> day falls on a Saturday, Sunday, or holiday, the payment shall be due on the next following business day.

(c) Avista shall prepare and present a single net bill reflecting the offset of sums owed between the Parties as a result of the sale and delivery of electric power during a month. The Party owing funds in accordance with the net bill shall pay the other Party on or before the 15<sup>th</sup> day after the date of the delivery of the bill. Where such 15<sup>th</sup> day falls on a Saturday, Sunday, or holiday, the payment shall be due on the next following business day.

(d) Avista shall pay City monthly for Power Sales at the rates set forth in Exhibit B.

(e) If Party is obligated to make any payment to the other Party under the terms of this Agreement for any reason other than the sale and delivery of electric power, the Party to whom payment is owed shall bill the owing Party. The owing Party shall pay the billing Party on or before the 15<sup>th</sup> day after the date of the delivery of the bill. Where such 15<sup>th</sup> day falls on a Saturday, Sunday, or holiday, the payment shall be due on the next following business day.

## 9. METERING

(a) Avista shall be responsible for any meter readings required by this Agreement.

(b) Avista shall own and maintain the meter used to determine the billing hereunder, and the meter shall be located as specified in Exhibit E. City shall reimburse Avista costs set forth in Exhibit D for installing a power meter located at the Point of Delivery. If requested by City, Avista shall provide copies of applicable test and calibration records and calculations pertaining to the meter. Avista shall permit a representative of City to be present at all times the meter is being tested.

(c) Avista agrees to test the billing meter in accordance with Avista's normal procedures, which the Parties understand to require meter tests once approximately every two years. Avista shall conduct additional meter tests, if requested by City, and City shall reimburse Avista reasonable costs not to exceed \$700 per test, provided the City may request an additional meter test at Avista's expense, if the last meter test occurred more than twelve (12) months prior to the City's request. In addition, Avista shall not charge for any meter test requested by the City, if such test shows that Avista's meter operates outside of accepted tolerances as determined by Avista in accordance with Good Industry Practice.

(d) Adjustments shall be made in meter readings and billings for errors in a meter reading billing discovered within twelve (12) months of the error. For purposes of adjusting meter readings and billings, in the event that it can not be determined when the meter commenced to malfunction, it shall be assumed that it commenced to malfunction on a date which is the most recent of: (i) twelve (12) months prior to the date of discovery of the malfunction; or (ii) one half of the interval of time that elapsed between the date of the last meter test and the date of the discovery of the malfunction.

#### **10. FORCED OUTAGE AND FORCE MAJEURE**

(a) Neither Party shall be liable to the other Party for, or be considered to be in breach of or default under this Agreement, on account of any delay in performance due to any of the following events, which event or circumstance was not anticipated as of the Effective Date ("Force Majeure"):

- (1) Any cause or condition beyond such Party's reasonable control which is not substantially the result of such Party's negligence and such Party is unable to overcome by the exercise of reasonable diligence, including but not limited to; fire, flood, earthquake, volcanic activity, wind, drought and other acts of the elements; court order and act of civil, military or governmental authority; strike lockout and other labor dispute; riot, insurrection, sabotage or war; federal, state, or other governmental laws, orders, decrees, restraints, or regulations; Forced Outage; breakdown of or damage to facilities or equipment; electrical disturbance originating in or transmitted through such Party's electric system or any electric system with which such Party's system is interconnected; any interruption of transmission service required for the performance of this Agreement that is excused by reason of Force Majeure or uncontrollable forces under a Party's contract with a transmission service provider; and, any act or omission of any person or entity other than such Party, and Party's contractors or suppliers of any tier or anyone acting on behalf of such Party; or
- (2) Any action taken by such Party which is, in the sole judgment of such Party, necessary or prudent to protect the operation, performance, integrity, reliability or stability of its facilities or any electric system with which such Party's electric system is interconnected, whether such actions occur automatically or manually.

(b) Nothing contained in this section shall require any Party to settle any strike, lockout or other labor dispute. In the event of a Force Majeure occurrence, which shall affect performance under this Agreement, the non-performing Party shall provide the other Party written notice within seven (7) days after the occurrence of the Force Majeure event. Such notice shall include the particulars of the occurrence, assurances that suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure and that best efforts are being used to remedy its inability to perform. The non-performing Party shall remedy the Force Majeure occurrence with all reasonable dispatch. The performing Party shall not be required to perform or resume performance of its obligations to the non-performing Party corresponding to the obligations of the performing Party excused by the Force Majeure occurrence.

(c) Force Majeure does not include changes in the ownership, occupancy, or operation of the facility or Avista if such changes occur because of normal business occurrences which include but are not limited to: changes in business economic cycles; recessions; bankruptcies; tax law changes; sales of businesses; closure of businesses; changes in production levels; and changes in system operations.

(d) Force Majeure does not excuse any Party from making payments of money due under this Agreement.

(e) Notwithstanding anything herein, the City shall not claim Force Majeure as a result of any Governmental Rules adopted by the City.

(g) Notwithstanding anything herein, Avista may claim Force Majeure in the event that Avista ceases providing electric power to a substantial portion of its retail electric load within the City of Spokane.

(h) The Party claiming Force Majeure shall use its best reasonable efforts to mitigate and limit the duration of any Force Majeure event.

## 11. INDEMNITY

(a) **Duty to Indemnify.** Each party agrees to indemnify the other from third party loss or liability claims to the extent arising from its own negligent or intentional actions, including those of its agents or employees, acting within the scope of agency or employment. For claims involving negligence or fault of both parties, responsibility for a claim shall be shared in proportion to such a percentage of negligence or fault as may be determined to be a proximate cause of damages as between the parties.

(b) **Notice.** Any Party seeking indemnification under this Agreement shall give the other Party notice of such claim as soon as practicable but in any event on or before the thirtieth (30<sup>th</sup>) day after the Party's actual knowledge of such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount (estimated if necessary) of the claim that has been, or may be sustained by, said Party. To the extent that the other Party shall have

been actually and materially prejudiced as a result of the failure to provide such notice, such notice shall be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim for which indemnification is sought under this Agreement without the prior consent of the other Party; *provided, however*, said consent shall not be unreasonably withheld or delayed. Each Party's indemnification obligation shall survive expiration, cancellation or early termination of this Agreement.

(c) **Workers Compensation.** To the extent permitted by applicable law, City and Avista each waive any immunity under existing Worker's Compensation law applicable to the State of Washington as necessary to indemnify and hold harmless the other from such loss, to the extent set forth in Section 11 (a), above.

(d) **Acknowledgment to Negotiation.** City and Avista specifically warrant that the terms and conditions of the foregoing indemnity provisions are the subject of mutual negotiation by the Parties, and are specifically and expressly agree to in consideration of the mutual benefits derived under the terms of the Agreement.

## 12. **LIMITATION OF LIABILITY**

(a) **Limitation of Liability.** For purposes of any indemnification as to any third party claim or direct loss claim between the Parties, it is agreed that damages are limited to actual monetary losses without regard to the causes related thereto, and do not include incidental, punitive, exemplary or consequential damages. The Parties expressly acknowledge and agree that this limitation shall apply to any claims for indemnification under Section 11 of this Agreement. The provisions of this section shall survive the termination or expiration of this Agreement.

(b) **Limitation of Liability for WIS Parties.** Notwithstanding the provisions of Section 11, if both Avista and City are parties to the Western Interconnected Systems Limitation of Liability (WIS) Agreement, then the WIS Agreement shall control their liabilities with respect to damages to the Project, the Interconnection facilities, or Avista's Electric System.

## 13. **INSURANCE**

(a) **General Liability.** The Parties agree to maintain, at their own cost and expense, general liability, worker's compensation, and other forms of insurance relating to their operations for the life of this Agreement in the manner, and amounts, at a minimum, as set forth below.

- (1) Workers' Compensation Insurance in accordance with all applicable state, federal and maritime law, including Employer's Liability Insurance;
- (2) General Liability Insurance, including Contractual Liability coverage for liabilities assumed under this Agreement, and Personal Injury coverage in the

minimum amount of \$10,000,000 per occurrence for bodily injury and property damage;

- (3) It is understood that a Party may elect to satisfy the requirements of this section through a self insured retention. Election shall be made by written notice to the other party and shall remain effective until sufficient evidence of insurance in conformity with this provision is submitted. A self-insuring Party agrees that all other provisions of this section 13, including, but not limited to, waiver of subrogation, waiver of rights of recourse, and additional insured status, which provide or are intended to provide protection for the other Party remain enforceable. A Party's election to self-insure shall not impair, limit, or in any manner result in a reduction of rights and/or benefits otherwise available to the other Party and its affiliated and associated companies through formal insurance policies and endorsements as specified in the above parts of this Section 13. The self-insuring Party agrees that all amounts of self-insurance, retentions and/or deductibles are the responsibility of and shall be borne by the self-insuring Party. The parties agree that the terms of this provision may be administratively adjusted in coordination with the needs of their respective Risk Management Departments, substantially in accord with each party's general practice. If the provisions above are adjusted however, there shall be a written accord, which shall be approved by an authorized agent of Avista and by the Mayor.

(b) **Certificates.** If requested by a Party, within fifteen (15) days of the Effective Date, and each anniversary of the Effective Date, during the term of this Agreement, (including any extension), each Party shall provide to the other Party, properly executed and current certificates of insurance with respect to all insurance policies required to be maintained by such Party under this Agreement. Certificates of insurance shall provide the following information:

- (1) Name of insurance company, policy number and expiration date; The coverage required and the limits on each, including the amount of deductibles or self-insured retentions, which shall be for the account of the Party maintaining such policy; and
- (2) A statement indicating that the other Party shall receive at least thirty (30) days prior written notice of cancellation or expiration of a policy, or reduction of liability limits with respect to a policy.

(c) **Policy Request.** At a Party's request, in addition to the foregoing certification the other Party shall deliver to the first Party a copy of applicable sections of each insurance policy.

(d) **Inspection.** Each Party shall have the right to inspect the original policies of insurance applicable to this Agreement at the other Party's place of business during regular business hours.

(e) **“Claims Made” Insurance.** If any insurance is written on a “claims made” basis, the respective Party shall maintain the coverage for a minimum of seven years after the termination of this Agreement.

(f) **Waiver of Subrogation.** To the extent permitted by the insurer and commercially reasonable, each Party shall obtain waivers of subrogation in favor of the other Party from any insurer providing coverage that is required to be maintained under this Section 13, except for the coverage required under Section 13(a). A Party shall not be required to obtain a waiver of subrogation if the other Party is not able to obtain a waiver of subrogation from its insurance carrier.

#### 14. **ARBITRATION**

Each Party shall strive to resolve any and all differences during the term of the Agreement. If a dispute cannot be resolved, either Party may submit the dispute to binding arbitration. The arbitration shall be conducted pursuant to the Uniform Arbitration Act, Title 7, Chapter 9 of the Washington code, as the same may have been or may be amended.

#### 15. **ASSIGNMENT**

(a) **Required Consent.** Neither Party shall assign this Agreement or any of its rights, interests or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; *provided, however*, that a Party may, without the consent of the other Party, and by providing prior reasonable notice under the circumstances to the other Party, assign, transfer, pledge or otherwise dispose of its rights and interests under this Agreement to: (i) any person in connection with an assignment of the Agreement for financing or refinancing purposes; (ii) any entity created to operate the Project; or (iii) any affiliate of such Party.

(b) **Continuing Obligations.** Any assignments authorized as provided for in this Section 15 shall not operate to relieve the Party assigning this Agreement or any of its rights, interests or obligations hereunder of the responsibility of full compliance with the requirements of this Agreement unless: (i) the other Party consents, such consent not to be unreasonably withheld; and (ii) the assignee agrees in writing to be bound by all of the obligations and duties of the assigning party provided for in this Agreement.

(c) **Reimbursement of Costs.** A Party who receives a request from the other Party agrees to execute and deliver such documents as may be reasonably necessary to accomplish any assignment, transfer, pledge or disposition of rights as provided for in this Section 15, so long as the rights of the Party, whose receives the request, are not altered, amended, diminished or otherwise impaired, and so long as the Party, who tenders the request, reimburses the Party, who receives the request, for all reasonable costs incurred in connection with the review, execution or delivery of such documents.

(d) **Approval by City of Assignments.** The City may approve assignments under this Section 15 by written consent of the Mayor.

(e) **Binding Agreement.** This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

**16. NO UNSPECIFIED THIRD PARTY BENEFICIARIES**

Except as specifically provided in this Agreement, there are no third party beneficiaries of this Agreement. Nothing contained in this Agreement is intended to confer any right or interest on anyone other than the Parties, and their respective successors, heirs and assigns permitted under Section 15.

**17. NO TRANSMISSION RIGHTS**

Nothing in this Agreement shall be construed as granting City any right of access, or any other rights, to Avista's transmission system other than the right of access necessary for City to perform its delivery obligations to Avista as set forth herein.

**18. DEFAULT**

(a) An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

- (1) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) business days after delivery of written notice;
- (2) any representation or warranty made by such Party herein is false or misleading in any material respects when made or when deemed made or repeated;
- (3) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure is not remedied in accordance with subsection (b), below;
- (4) such Party becomes Bankrupt; or
- (5) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this



Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonable satisfactory to the other Party.

- (b) In the Event of Default, the following shall apply:
  - (1) The non-defaulting Party shall give written notice to the Defaulting Party of the Event of Default in accordance with this Agreement.
  - (2) Except for an Event of Default that arises from failure to make money payments or from a Party becoming bankrupt, if, after 20 days following receipt of such notice, the Defaulting Party has not cured the Event of Default, the non-defaulting Party may, at its option, terminate this Agreement; *provided, however*, if the defaulting Party, within such 20-day period, commences and thereafter proceeds with all due diligence to cure such default, such 20-day period shall be extended up to six months after written notice to the defaulting Party, as may be necessary to cure the event of default with all due diligence. For an Event of Default that arises from the failure to make money payments, the non-defaulting Party may, at its option, terminate this Agreement if the Defaulting Party shall have failed to cure the failure to pay within three (3) business days following receipt of notice of such failure. For an Event of Default that arises from a Party becoming bankrupt, the non-defaulting Party may, at its option, immediately terminate this Agreement upon notice to the Defaulting Party.
  - (3) Upon the Event of Default and an expiration of any period to cure granted herein, the non-defaulting Party may, but has no obligation, to terminate this Agreement effective upon notice to the Defaulting Party and may exercise all other rights and remedies available to the non-defaulting Party under applicable law. On behalf of the City, such actions may be accomplished by the Mayor. Whether or not the non-defaulting Party elects to terminate this Agreement, it may, in addition to other remedies provided for herein, pursue such remedies as are available at law or in equity including suspension of its performance so long as the Event of Default is continuing and has not been cured.

(c) Any right or remedy afforded to either Party under any provision of this Agreement on account of the breach or default by the other Party is in addition to, and not in lieu of, all other rights or remedies afforded to such Party under any other provisions of this Agreement, by law or otherwise on account of the breach or default.

19. **RELEASE BY AVISTA**

Avista releases City from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

- (a) Delay described in Section 10;

(b) Disconnection, interruption, suspension or curtailment by City pursuant to terms of this Agreement.

**20. RELEASE BY CITY**

City releases Avista from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

(a) Delay described in Section 10;

(b) Disconnection, interruption, suspension or curtailment by Avista pursuant to terms of this Agreement.

**21. GOVERNMENTAL AUTHORITY**

This Agreement is subject to all applicable Governmental Rules. All Governmental Rules now or hereafter in effect that are required to be incorporated in agreements of this character are by this reference incorporated in this Agreement.

**22. 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 not joint or collective. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement. Further, neither Party shall have any rights, power or authority to enter into any agreement or undertaking for or on behalf of, to act as to be an agent or representative of, or to otherwise bind the other Party.

**23. IMPLEMENTATION**

Each Party shall take such action (including, but not limited to, the execution, acknowledgement and delivery of documents) as may reasonably be requested by the other Party for the implementation or continuing performance of this Agreement.

**24. NON-WAIVER; ADMINISTRATIVE ACTION**

The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon

any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect. The City may approve incidental modifications or adjustments of non-material terms or terms favoring the City through written acceptance of the Mayor, however this shall never include a reduction of the price paid for power by Avista or Avista's obligation to indemnify the City from its negligent or intentional actions and shall not involve any cost or expense to the City in excess of \$10,000 for the term of the Agreement.

**25. ENTIRE AGREEMENT AND AMENDMENT**

This Agreement together with its exhibits constitutes the entire agreement of the Parties hereto and supersedes and replaces any prior agreements or understandings between said Parties, entered into for the same or similar purposes. No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both Parties.

**26. CHOICE OF LAWS AND VENUE**

This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. Any action at law or in equity to enforce the terms and conditions of this Agreement shall be brought in Spokane County, Washington.

**27. COMPLIANCE WITH LAWS**

Both Parties shall comply with all applicable laws and regulations of governmental agencies having jurisdiction over the Project and the operations of the Parties. City shall obtain all required approvals or authorization from governmental agencies having jurisdiction over the sale of electric power from the Project.

**28. NOTICES**

All written notices required by this Agreement shall be mailed or delivered as follows:

To Avista: Vice President, Energy Resources  
Avista Corporation  
P.O. Box 3727  
Spokane, Washington 99220-3727

To City: Director  
City of Spokane Water Department  
914 East North Foothills Drive  
Spokane, Washington 99207

Changes in persons or addresses for submittal of written notices by a Party to this Agreement shall be made in writing to the other Party and delivered in accordance with this Section 29. Any verbal notice required hereby, which affects the payments to be made hereunder shall be confirmed in writing as promptly as practicable after the verbal notice is given. Exhibit A, herein, shall govern oral communications between the Parties..

29. EXHIBITS

This Power Purchase Agreement includes the following exhibit, which are attached and incorporated by reference herein:

- Exhibit A - Communications
- Exhibit B - Payment Schedule
- Exhibit C - Cogeneration and Small Power Production Facility Guidelines and Standards
- Exhibit D - Interconnection Facilities and Costs
- Exhibit E - Metering One Line

In WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the first date herein-above set forth:

Avista Corporation

City of Spokane

By: [Signature]  
*REES*

By: [Signature]

GARY G. ELY

Jack Lynch

(Type Name)

(Type Name)

Title: CHRM., PRES. & CEO

Title: Deputy Mayor

Date: 6/26/04

Date: 06-24-04

Attest: [Signature]  
City Clerk

Approved as to form:  
[Signature]  
Assistant City Attorney



DATE: June 29, 2004  
HEREBY CERTIFY THIS IS A TRUE AND ACCURATE COPY OF THE ORIGINAL WHICH IS ON FILE IN THE OFFICE OF THE CITY CLERK.

[Signature]  
CITY CLERK  
SEAL: CITY OF SPOKANE  
COUNTY OF SPOKANE  
STATE OF WA

Exhibit A

Communications

A-1. Verbal Communications

All communications between City and Avista referred to in Section 6 shall be done verbally by notifying the following parties:

- (a) Pre-Schedule (5:30 am to approximately 1:30 pm on normal business days):

Avista                      Pre-Scheduler (509) 495-4911  
                                    Alternate Phone Number (509) 495-4073

City                              Business Phone (509) 742-8141  
                                    Alternate Phone Number (509) 625-7800

- (b) Real-Time Schedule (available 24 hours per day):

Avista                              Real-Time Scheduler (509) 495-8534

City                                Business Phone (509) 742-8141  
                                    Alternate Phone Number (509) 625-7800

- (c) During normal business hours, all verbal communications relating to interruptions and outages:

Avista                              System Operator (509) 495-4105  
                                    Alternate Phone Number (509) 495-4934

City                                Business Phone (509) 742-8141  
                                    Alternate Phone Number (509) 625-7800

- (d) Outside of normal business hours (nights, weekends, and holidays), all verbal communications relating to interruptions and outages shall take place between the following personnel:

Avista                              System Operator (509) 495-4105  
                                    Alternate Phone Number (509) 495-4934

City                                Business Phone (509) 742-8141  
                                    Alternate Phone Number (509) 625-7800

- A-2. City shall notify Avista's system operator, as soon as is practical, whenever the Project is or is expected to be brought on line, or taken off line.

- A-3. Changes in persons or phone numbers for verbal communications by a Party to this Agreement may be made verbally to the other Party in accordance with this Exhibit but shall be confirmed in writing as an amended Exhibit A. A copy of said amended Exhibit A shall be mailed or delivered to the representatives of the Parties designated in Section 28.

Exhibit B

Power Purchase Payment Rates

For the period July 1, 2004 through December 31, 2011 Avista agrees to buy the net energy output from the City's Upriver Hydro project at the following monthly rates:

<u>Month</u>	<u>Price in \$/MWh</u>
July	[REDACTED]
August	[REDACTED]
September	[REDACTED]
October	[REDACTED]
November	[REDACTED]
December	[REDACTED]
January	[REDACTED]
February	[REDACTED]
March	[REDACTED]
April	[REDACTED]
May	[REDACTED]
June	[REDACTED]

## Exhibit C

### Cogeneration and Small Power Production Facility Guidelines and Standards

These guidelines and standards shall conform to and be controlled by Good Industry Practice where they impose a general duty or obligation upon either Party, provided that where these guidelines and standards set forth a specific standard or requirement, conformity with such specific standard or requirement shall be deemed to be Good Industry Practice.

#### 1. INTERCONNECTION REQUIREMENTS

(a) All interconnected generating facilities shall be constructed and operated in accordance with the applicable Governmental Rules.

(b) The Project with a generating capacity over 1,000 kilowatts will normally utilize a three-phase transformer (or bank of transformers). The high side of this transformer will normally be connected to Avista's transmission system (defined as 69 kV and above) and will be connected WYE ground. The low side will normally be connected in delta. Other connections may be considered under special circumstances. The connection of smaller size installations will be determined on an individual basis as required by the needs of the Project and Avista's local system.

(c) Avista will provide advice and approval on the point of interconnection location on Avista's system.

(d) The interconnection of Project's facility with Avista's system shall not cause any reduction in the quality of service being provided to other projects or customers. Abnormal voltage magnitudes, frequencies, excessive interruptions, or excessive harmonics will not be permitted. These are described as follows:

- (1) Abnormal voltage magnitude. When the generator is connected onto Avista's system and Avista's local system is operating in a normal condition, Project shall operate its facility in such a manner that will not cause a reduction in the voltage level at the Point of Delivery from the level that would have been maintained if Project's facility were not connected to Avista's system. Unless otherwise agreed upon, Project's facility also shall not create a voltage at the Point of Delivery of greater than 3% above the level that would have been maintained if Project's facility were not connected to Avista's system nor shall it create a voltage to any other Avista projects or customers greater than 5% above normal operation voltage.
- (2) Excessive interruptions. Faults or disturbances on Project's facility shall not create a sustained loss on Avista's local system. See section 3.(c)(2) for the description of a sustained loss.
- (3) Excessive harmonics.

- (A) For salient pole hydro generators with a capacity of 5,000 kVA or larger, the harmonics shall not exceed the limits as outlined for telephone influence factor (TIF) in the latest revision of ANSI standard C50.12.
- (B) For generators not covered above, distortion of Avista's volt-time sine wave, as measured on the line to neutral voltage at the Point of Delivery will be unacceptable if the sum of all harmonics (defined as the square root of the sum of the squares of the harmonics) superimposed on the 60 hertz voltage sine wave exceeds 5% of the fundamental or the largest individual harmonic exceeds 3% of the fundamental.
- (C) Avista requirements for harmonics are based on The Institute For Electrical and Electronic Engineers Harmonic Standard, IEEE 519-1992. The maximum "voltage" total harmonic distortion (THD) is 5 percent (table 11.1, Page 85 of IEEE 519-1992). The maximum individual "current" distortion is 4 percent for any odd harmonic less than the eleventh (table 10.3, page 78 of IEEE 519-1992).

(e) Each Party shall be responsible for protection of its facilities from any system voltage or frequency excursions consistent with Good Industry Practice.

(f) Project may generate electric power into its load upon loss of Avista's system under the conditions outlined in Section 3.(b) herein.

(g) Project facility shall not provide service to nor interconnect with any other projects or customers.

## 2. EQUIPMENT REQUIREMENTS

(a) Project shall supply, install, own, operate and maintain all equipment on Project's side of the Point of Delivery as appropriate and in accordance with all applicable electric codes. The Point of Delivery protection and equipment requirements, ownership, operation and maintenance will be determined on an individual basis determined by the needs of Project and Avista's local system and in accordance with all applicable electric codes.

(b) Avista will normally supply visible disconnect switch(es) or fused cutout(s) at Project's Point of Delivery, as appropriate, that will be operated by Avista's personnel. The switching equipment capable of isolating Project's generator from Avista's system shall be accessible to Avista personnel at all times.

(c) Project shall maintain its equipment in good working order and keep adequate maintenance records. Project's facilities and maintenance records are subject to inspection by Avista. Avista may also witness or review any acceptance tests of Project's facility.

(d) The type of generator grounding (whether solidly grounded, high impedance grounds or ungrounded) will be determined on an individual basis by the needs of Project and Avista's local system. Fault duties for local line to ground faults and protection requirements for Project's equipment and Avista's local system will be considered in this determination.



### 3. PROTECTION REQUIREMENTS

(a) Project shall furnish, install, operate, and maintain in good order and repair, and without cost to Avista such relays, locks and seal, breakers, automatic synchronizers, and other control and protection apparatus as shown by Avista to be reasonably necessary for the operation of Project's facility in parallel with Avista's system. The minimum relaying requirements for the facility shall consist of under/over voltage and under/over frequency.

(b) Project shall provide adequate means or devices that will prevent its generator from being closed into or energizing a de-energized (or single-phased if three-phase) Avista system.

(c) Response of Project's equipment to loss of Avista's system.

(1) Continuing generation for a temporary loss of Avista's local system. A temporary loss occurs when a de-energized period lasts from about one-third (1/3) to five (5) seconds. Project is responsible for protecting its equipment due to Project's generation during this condition.

(2) Continuing generation during sustained loss (or single-phasing if three-phase) of Avista's system. A sustained loss occurs when a de-energized period lasts longer than five (5) seconds. Avista's system is open at a location remote from Project's generator and the generator could be feeding a fault on Avista's system or attempting to serve Avista's system load. For a sustained loss of Avista's system, Project shall not continue to generate into Avista's system and shall provide adequate protection equipment to prevent such generation. For a sustained loss of Avista's system, the Parties agree to develop operating procedures to govern the separation of the Project from and reconnection to Avista's system.

(3) Recognizing that the Parties may operate independently when a separation occurs in both of the above conditions, both Parties shall take due safety precautions.

(d) Project is responsible for protecting its equipment from faults. This applies for faults on its equipment or on Avista's system.

(e) The generator(s) may be manually or automatically started and connected to Avista's system any time Avista's system is in a normal condition. A "normal" condition exists when Avista's system at Project's Point of Delivery is energized and no local conditions exist on Avista's system such as abnormal voltages, frequencies, single phasing, etc. That would prevent acceptable synchronization or connection to Avista's system. Induction starting will be permitted where the inrush will not exceed allowable limits at Project's delivery metering point. For synchronous generators, Project shall provide adequate means for synchronizing to Avista's system.

(f) The voltage source to Project's protection equipment may be taken from either the secondary or the primary side of the generator step-up or interconnection transformer as determined by the local conditions and protection requirements.

(g) The Point of Delivery to Project's facility shall have adequate protective equipment or devices that will separate Project facility from Avista's local system for faults or disturbances on Project's facility.

#### 4. MISCELLANEOUS REQUIREMENTS

(a) Avista reserves the right to open the main disconnecting device and/or cease parallel generation with reasonable notice provided to the Project (when notice is practicable) for any of the following reasons:

- (1) System emergency.
- (2) The review of the acceptance tests or inspection of Project's facility and protective equipment reveals a hazardous condition, a lack of scheduled maintenance, a lack of maintenance records, or a lack of or inadequate acceptance tests.
- (3) Project's generating equipment interferes with other projects or the operation of Avista (refer to section 1.(d) of this Exhibit).
- (4) Any quality of service reduction.
- (5) A clearance is needed on the feeder operating in parallel with the facility.
- (6) "Hot Line Hold" results in a trip of station circuit breaker with non-reclose of the breaker.

(b) Unless otherwise specified by Avista, Project shall operate the facility at a power factor greater than or equal to 0.95. This measurement will normally be based on the monthly reading of the kilowatt-hour and kilovar-hour meters but also may be taken from permanently installed demand meters, from telemetry equipment or by tests with portable instruments.

(c) Avista shall reserve the right to purchase at a future date any or all of a Project's distribution or transmission line. The value of the line in question will be determined on a depreciated value of the original cost.

(d) Project shall operate the generator within the machine's capability limits whenever the generator is on-line and producing power.

(e) Project shall supply Avista with the following data and machine parameters as needed:

- (1) Rated kVA output.
- (2) Rated voltage.
- (3) Rated power factor.
- (4) Type of generator (induction motor, DC motor, synchronous generator, etc.).

- (5) Proposed protective equipment (breakers, fuses, relay types and settings, etc.).
  - (6) Generator's contribution to faults (saturation, subtransient, transient and synchronous reactances and the associated time constraints).
  - (7) Inertia constants.
  - (8) Location on Avista's system.
  - (9) Estimated schedule of operation and estimated annual kWh.
  - (10) Governor and exciter control system parameters.
- (f) When Project supplies the transformer(s) for any size of generating facility, Project shall supply Avista with the following generator transformer nameplate data:
- (1) Rated kVA.
  - (2) Voltage rating and available tap setting.
  - (3) Impedance.
- (g) A power system stabilizer may be required on generators based on the power system stabilizer standards of the Western Electricity Coordinating Council, or its successor, as they may change from time to time.
- (h) City reserves the right to open its main disconnecting device and/or cease parallel operation with reasonable notice to Avista for system emergencies or maintenance.

**Exhibit D**

**Interconnection Facilities and Costs**

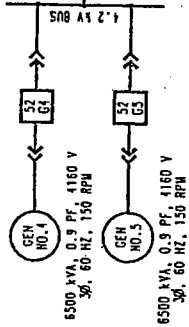
4 Current Transformers, 2.4kV, 1500 – 5A	in place
2 Potential Transformers, 2.4kV, 20:1	in place
3 Current Transformers, 15kV, 1200 – 5 A	in place
3 Potential Transformers, 15kV, 70:1	in place
2 Meters, Multifunction Billing	\$ 2,900.00
1 Clock, Arbiter gps	\$ 3,000.00
2 Modems	\$ 600.00
Labor and Overheads	<u>\$ 7,500.00</u>
 Total	 \$14,000.00

**Exhibit E**

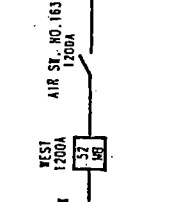
**Metering One Line**

0-32021-C

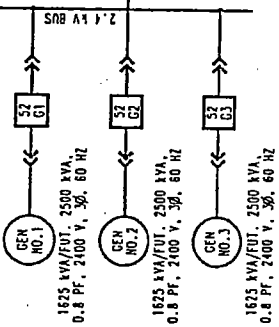
### POWERHOUSE NO. 2



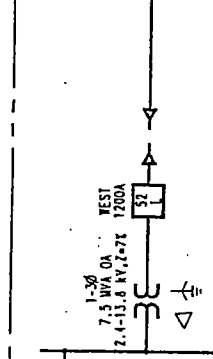
### SWITCHYARD NO. 2



### POWERHOUSE NO. 1



### SWITCHYARD NO. 1 UNIT SWITCHGEAR



### LEGEND

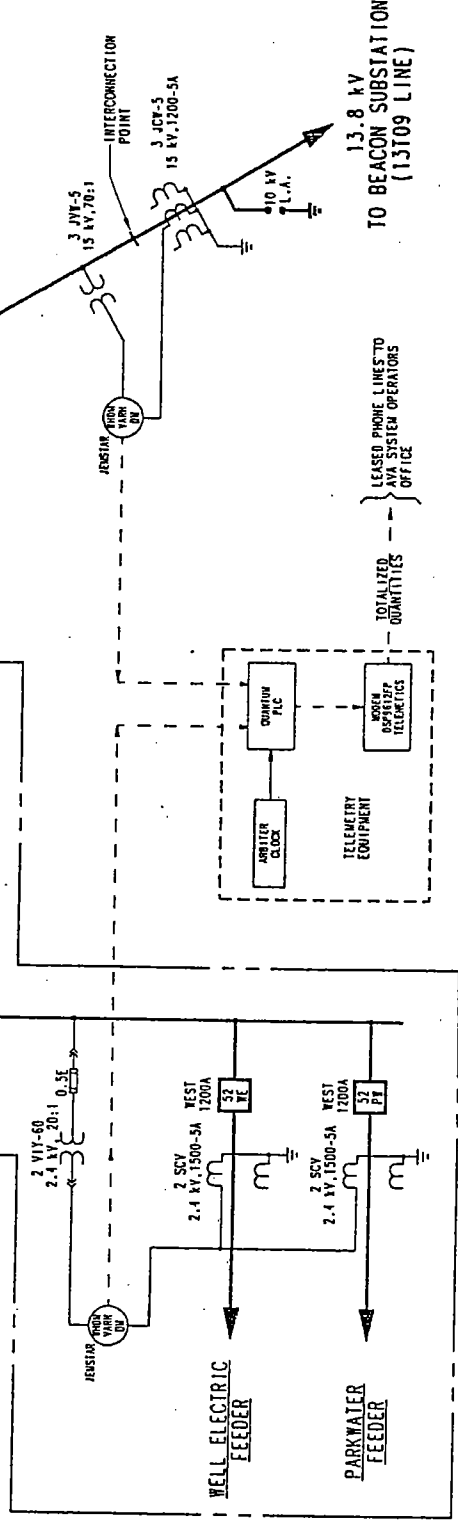
- VARH.....VARHOOR METER
- WHOM.....WATHOOR DEMAND METER
- DM.....DEMAND METER

### NOTES:

ALL METERS & TELEMETRY EQUIP. ARE IN A CABINET LOCATED IN THE WELL ELECTRIC BUILDING.  
 AVISTA OWNS THE METERS, CT'S AND PT'S. ALL OTHER EQUIPMENT IS PROPERTY OF THE CITY.

### REFERENCE DRAWINGS

- METER. & TELEH. CAB. LAYOUT.....G-32021
- CT & PT. SCHEM. & WIRING DIAGRAM.....E-32022
- METER PANEL WIRING DIAGRAM.....E-32023
- COMB. RACK WIRING DIAGRAM.....E-32024
- MATERIAL LIST.....L-31177
- CABLE LIST.....L-31178



13.8 kV  
 TO BEACON SUBSTATION  
 (13109 LINE)

UPRIVER DAM H.E.O.  
 SPOKANE, WASHINGTON  
 METERING ONE LINE DIAGRAM

### EXHIBIT E

NO.	DATE	PROPOSED TELEMETRY EQUIPMENT	BY	CHK
1	1-3-04			

NO.	DATE	REV.	BY	CHK
1	1-3-04	1		