

REDACTED

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-10_____

EXHIBIT NO._____(SJK-4)

SCOTT J. KINNEY

REPRESENTING AVISTA CORPORATION

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2360

ER Name: Lolo 230 – Rebuild 230 kV Yard

Pro Forma Amount: \$1,450,000

Expended to date: \$1,186,880

2010 Transfer to Plant Date: February 2010

Project Description:

This project involves the rebuild of the existing Lolo substation to increase the capacity of the substation bus, breakers, and supporting equipment to match the upgraded capacity of the transmission lines that connect to the substation. The new Lolo substation design significantly improves reliability and operating flexibility. The Lolo Substation project was constructed in phases to allow operational flexibility due to system reliability concerns associated with other scheduled construction in the area. Phase 1 was completed in 2007 and the remainder of the project (\$1.45 million) was completed in February 2010. The Lolo Substation project costs were developed by the Engineering Department and approved through the capital budget process. This project is required to meet Reliability Compliance under NERC Standards: TOP-004-2 R1-R4, TPL-002-0a R1-R3, and TPL-003-0a R1-R3. There are no offsets or savings associated with the rebuild of the Lolo substation. Avista did not have any scheduled maintenance for the substation in the test period.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline: Completion date was February 2010

Attachment Index:

- Costs through 3/15/2010 pg. 2-3
- Capital Project Request (CPR) Forms pg. 4-11
- Design Information pg. 12-20

Note: During the course of Avista’s pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2360
COSTS THROUGH MARCH 15, 2010
PROJECT 09805142

Row Labels	Sum of Proj Func Burdened Cost
210 Employee Auto Mileage	121.00
215 Employee Business Meals	49.00
340 Regular Payroll - NU	3,038.01
345 Regular Payroll - Union	527.42
415 Material Issues	1,128.13
505 Capital Overhead - A & G	48.23
510 Payroll Benefits loading	2,044.34
515 Payroll Tax loading	311.98
520 Payroll Time Off loading	603.62
525 Small Tools loading	26.36
530 Stores/Material Loading	281.02
532 Materials Tax/Fght Loading	16.92
535 AFUDC - Debt	188.81
540 AFUDC - Equity	236.08
880 Materials & Equipment	3,179.42
Grand Total	11,800.34
Project 03805118	<u>1,175,079.23</u>
Total Costs Through 3.15.2010	<u>1,186,879.57</u>

AVISTA UTILITIES
ER 2360
COST THROUGH MARCH 15, 2010
DETAIL OF PROJECT 03805118

Row Labels	Sum of Proj Func Burdened Cost
010 General Services	14,185.20
015 Construction Services	1,721.64
115 Misc Bills	(13,787.10)
215 Employee Business Meals	28,438.42
220 Employee Car Rental	72.05
230 Employee Lodging	46,068.82
235 Employee Misc Expenses	50.75
305 Incentive/Bonus Pay	250.00
325 Overtime Pay - Union	86,172.45
340 Regular Payroll - NU	12,710.59
345 Regular Payroll - Union	264,027.48
405 Inventory Returns	(8,648.22)
415 Material Issues	20,773.19
420 Salvage	(28,925.44)
505 Capital Overhead - A & G	6,440.95
506 Cap Overhead - Functional	211,061.09
508 Cap Overhd - Safety Clthng	291.76
510 Payroll Benefits loading	163,909.05
515 Payroll Tax loading	31,775.39
520 Payroll Time Off loading	48,651.56
525 Small Tools loading	16,222.87
530 Stores/Material Loading	6,191.76
532 Materials Tax/Fght Loading	142.79
535 AFUDC - Debt	18,078.53
540 AFUDC - Equity	22,574.59
560 Road Vehicles	16,332.55
565 Small Vehicles	12,170.50
570 Work Vehicles	11,187.50
705 Lease Expense - Vehicle	16,309.16
710 Rental Expense - Vehicle	95.41
720 Vehicle Fuel Gasoline	2,129.82
721 Vehicle Fuel Diesel	16.80
725 Vehicle Parts & Supplies	46.83
880 Materials & Equipment	76,237.07
885 Miscellaneous	3,520.33
920 Rental Expense - Equipment	88,583.09
Grand Total	1,175,079.23

1/27/10



CAPITAL PROJECT REQUEST FORM (CPR)

ER 2360	Budget Category 5-Maintenance	Use/abiKey Service Code ED-Electric Direct	Project Title (30 Characters) Lolo Sub Phase IIIA	Request Type Revised	Project(s) 03805118 09805142
Long Project Name (100 Characters) This project will continue the seismic rebuild of the 230 bus at Lolo substation. New 230 kV circuit breakers for Autotransformer #1 & 2 will be installed along with upgraded relaying. This CPR combines Phases 3A and 3B.				'Parent' Code LOL08A	
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Long Project Name Count 220	ER Sponsor M08	BI Number LS635	WMS Job # 0913
Billing		Revenue Type NA-Not Applicable	Billing Contact	Location 038-Idaho	Rate Jurisdiction AN-Allocated North
				Project Start Date 1/1/2008	

Project Description (Include Purpose and Necessity - 240 Characters)
 This project will allow the bus to withstand short circuit forces without damage. This revision adds approximately two months of labor and will allow the job to be completed by end of February 2010.

CONSTRUCTION				Budget Authorized: \$3,191,000	
Office Use only:	FERC	Estimated Amount	As Built Amount		
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only	Date
300100	300100	\$166,200		Project Set Up By	
109628	397000	\$50,100		Approved By	
109300	352000	\$305,800			
	353000	\$2,517,700			

				APPROVALS	
				SIGNATURE	DATE
GROSS ADDITIONS		\$3,039,800		Signature	
Cost of Removal By FERC (3XXXXX)				<i>Rob Selby</i>	1-13-10
109600	353000	\$151,200		Signature	
Total Removal		\$151,200		<i>Mike Magruder</i>	1-14-10
Salvage By FERC (3XXXXX)				Signature	
Total Salvage				<i>Rick Vermeers</i>	1-21-10
Total Removal Less Salvage		\$151,200		Signature	
				<i>Don Koczynski</i>	
				Signature	
				<i>Dennis Vermillion</i>	1/26/10

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		Project Contact & Extension	Shirley Grant	X 4057
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				APPROVAL SIGNATURE(S) REQUIRED	
				To \$99,999 - Director	
				\$100,000-\$499,999 - VP or GM Utility	
				\$500,000-\$2,999,999 - Sr Vice President/CFO	
				\$3,000,000-\$9,999,999 - President/CEO/COO	
				Over \$10,000,000 - Board Chair	
				Out-of-Budget - Capital Budget Committee	

Date Prepared: _____

TOTAL COST OF PROJECT \$3,191,000

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed	
Foreman/Supervisor	



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type: Revised PROJECT: LOL08A

ER: 2360 Budget Cat: 5 SERVICE CODE: ED PROJECT TITLE (30 CHARS): Lolo Sub Phase III LOCATION: 038

PROJECT DESCRIPTION (250 CHARS)

The project will continue the seismic rebuild of the 230 bus at Lolo substation. New 230 kV circuit breakers for Autotransformer #1 & 2 will be installed along with upgraded relaying. This CPR combines Phases 3A and 3B.

APPROVED BUDGET: X ORGANIZATION: M08 B/I NUMBER: LS635 WMS (Y OR N): N RATE JURISDICTION: AN
 BILLING: _____ BILLING CONTACT: _____ PROJECT START DATE: 1/1/2008

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

This project will allow the bus to withstand short circuit forces without damage. This revision consolidates the North and South bus rebuild phases. The construction work is being scheduled to be complete at the end of 2009.

CONSTRUCTION: _____ Total Construction Cost: \$2,750,000

FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
300100	\$166,200	
397000	\$50,100	09805142 AN 07%
352000	\$305,800	10380511 SAN 03%
353000	\$2,076,700	10380511 SAN 03%
GROSS ADDITIONS	\$2,598,800	
NET SALVAGE BY FERC (3XXXXX)		
353000	\$151,200	
NET SALVAGE	\$151,200	

NOT REQUIRED	
BUDGET AUTHORIZATION	1,987,488
PREVIOUSLY APPROVED	574,600
THIS AFE	1,412,888
TOTAL TO DATE	1,987,488
BALANCE NOT APPROVED	0

APPROVALS	
SIGNATURE	DATE
Mike Magruder <i>M. Magruder</i>	9-28-09
Rick Vermeers	
Don Kopczynski <i>DK</i>	10-2-09
Dennis Vermillion <i>D. Vermillion</i>	10-2-09

Project Contact: Rob Selby x 2560 *Rob Selby 9/28/09*

APPROVAL SIGNATURE(S) REQUIRED

- To \$99,999 - Director
- \$100,000-\$499,999 - VP or GM Utility
- \$500,000-\$1,999,999 - Sr Vice President
- \$2,000,000-\$2,999,999 - CFO
- \$3,000,000-\$4,999,999 - President/COO
- \$5,000,000-\$9,999,999 - CEO
- Over \$10,000,000 - Board Chair
- Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed: _____
 Foreman/Supervisor: _____

Date Prepared: 9/28/2009

TOTAL COST OF PROJECT: \$2,750,000



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type Revised	PROJECT LOLO8A
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ER 2360	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Lolo Sub Phase IIIA	PROJECT CHAR 19	LOCATION 038/076
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PROJECT DESCRIPTION (250 CHARS)

This project will continue the seismic rebuild of the 230 bus at Lolo substation. New 230 kV circuit breakers for Autotransformer #1 & 2 will be installed along with upgraded relaying. This CPR combines Phases 3A and 3B.

APPROVED BUDGET X	Description of char count 220	ORGANIZATION M08	B/I NUMBER LS635	WMS (Y OR N) N	RATE JURISDICTION AN
BILLING	BILLING CONTACT			PROJECT START DATE 1/1/2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

This project will allow the bus to withstand short circuit forces without damage. After completion, a bus fault will no longer trip off both transformers. This revision consolidates the North and South bus rebuild phases.

CONSTRUCTION	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$166,200	
	397000	\$50,100	09805142
	352000	\$305,800	03805118
	353000	\$1,400,588	↓
GROSS ADDITIONS		\$1,922,688	3/15/09
NET SALVAGE BY FERC (3XXXXX)			
	353000	\$64,800	
NET SALVAGE		\$64,800	
Non Standard Work Breakdown Structure needed (Optional)			
CB/PL	Breaker in Plant	\$127,700	

Total Construction Cost	\$1,987,488
NOT REQUIRED	
BUDGET AUTHORIZATION	1,987,488
PREVIOUSLY APPROVED	574,600
THIS AFE	1,412,888
TOTAL TO DATE	1,987,488
BALANCE NOT APPROVED	0

APPROVALS	
SIGNATURE	DATE
Mike Magruder <i>M. Magruder</i>	3-2-09
Rick Vermeers <i>R. Vermeers</i>	3-3-09
Don Kopczynski <i>DK</i>	
Dennis Vermillion <i>D. Vermillion</i>	3/4/09

Project Contact: Rob Selby *Rob Selby* 3/2/09

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director	
\$100,000-\$499,999 - VP or GM/Utility	
\$500,000-\$1,999,999 - Sr Vice President	
\$2,000,000-\$2,999,999 - CFO	
\$3,000,000-\$4,999,999 - President/COO	
\$5,000,000-\$9,999,999 - CEO	
Over \$10,000,000 - Board Chair	
Out-of-Budget - Capital Budget Committee	

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Prepared: 3/2/2009

Date Work Completed	
Foreman/ Supervisor	

TOTAL COST OF PROJECT **\$1,987,488**



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type	PROJECT LOL08A
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ER 2360	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Lolo Sub Phase IIIA	Project Chars 19	LOCATION 038
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PROJECT DESCRIPTION (250 CHARS)

This project will continue the seismic rebuild of the south bus at Lolo substation. A new 230 kV circuit breaker for Autotransformer #2 will be installed along with upgraded relaying.

APPROVED BUDGET X	Description Chars Count 133	ORGANIZATION M08	B/I NUMBER LS635	WMS (Y OR N) N	RATE JURISDICTION AN
BILLING	BILLING CONTACT			PROJECT START DATE 1/1/2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

This project will allow the south bus to withstand short circuit forces without damage to the foundations and structures. After completion there will also be a reliability enhancement. A bus fault will no longer trip off both transformers.

CONSTRUCTION	FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT
	3XXXXX	BY FERC NUMBER	BY FERC NUMBER
52512	300100	\$55,400	
10252	397000	\$16,700	09705142098
10930	352000	\$111,200	03805118034
10730	353000	\$369,700	
S ADDITIONS		\$553,000	
NET SALVAGE BY FERC (3XXXXX)			
038	353000	\$21,600	03805118
NET SALVAGE		\$21,600	

Approved 12/11/07

Lolo Name Count
239

Total Construction Cost \$574,600

NOT REQUIRED
BUDGET AUTHORIZATION
PREVIOUSLY APPROVED
THIS AFE
TOTAL TO DATE
BALANCE NOT APPROVED

APPROVALS	
SIGNATURE	DATE
Mike Magruder <i>M. Magruder</i>	12/11/07
Rick Vermeers <i>R. Vermeers</i>	12/12/07
Randy Cloward <i>R. Cloward</i>	12/12/07
Don Kopczynski <i>DK</i>	
Scott Morris <i>SM</i>	12/11/07
Project Contact Rob Selby <i>Rob Selby</i>	12/11/07

APPROVAL SIGNATURE(S) REQUIRED

To: \$99,999 - Director
 \$100,000 - \$499,999 - VP or GM Utility
 \$500,000 - \$1,999,999 - Sr. Vice President
 \$2,000,000 - \$2,999,999 - CFO
 \$3,000,000 - \$4,999,999 - President/COO
 \$5,000,000 - \$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Prepared: 12/11/2007

TOTAL COST OF PROJECT \$574,600

Date Work Completed	
Foreman/Supervisor	



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type	PROJECT			
Request Type	LOL0612			
ER 2360	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Lolo 230kV Sub - Rebuild 230kV	LOCATION 038

PROJECT DESCRIPTION (250 CHARS)

Lolo 230 kV Sub - Rebuild 230 kV Phase II Dry Creek & Oxbow Line Terminals

APPROVED BUDGET X	ORGANIZATION M08	B/I NUMBER LS635	WMS (Y OR N) N	RATE JURISDICTION AN
BILLING	BILLING CONTACT		PROJECT START DATE 11/6/2006	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

This project continues the rebuild started with the West of Hatwai projects. The substation is being rebuilt to modern reliability standards and also to withstand the increased short circuit forces due to the West of Hatwai improvements.

CONSTRUCTION	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$125,000	03805078
	352000	\$600,000	03805078
	353000	\$1,375,000	03805078
	397000	\$180,000	03805077
ADDITIONS		\$2,280,000	
SALVAGE BY FERC (3XXXXX)			
	353000	\$25,000	
NET SALVAGE		\$25,000	
on Standard Work Breakdown Structure needed (Optional)			
Prepared: 3/20/2008			
TOTAL COST OF PROJECT		\$2,305,000	

Total Construction Cost \$2,305,000

NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS YEAR	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Mike Magruder	3-24-08
Rick Vermeers	3-25-08
Randy Cloward	3-25-08
Don Koczanski	
Scott Morris	3-31-08

Project Contact Rob Selby x2560

APPROVAL SIGNATURE(S) REQUIRED
Up to \$99,999 - Director
\$100,000-\$499,999 - VP or GM/Utility
\$500,000-\$1,999,999 - Sr Vice President
\$2,000,000-\$2,999,999 - CFO
\$3,000,000-\$4,999,999 - President/CEO
\$5,000,000-\$9,999,999 - CEO
Over \$10,000,000 - Board Chair
Out of Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR ENSURING THIS WORK ORDER IS IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM, COMPLETE AS-BUILT INFO AND FORWARD TO PLANT ACCOUNTING

Date Work Completed	
Foreman/Supervisor	



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type
Revised

PROJECT
LOLO61

ER 2360	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Lolo 230kV Sub - Rebuild 230kV	Project Chars 30	LOCATION 038
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PROJECT DESCRIPTION (250 CHARS)

Lolo 230 kV Sub - Rebuild 230 kV Phase II Dry Creek & Oxbow Line Terminals

APPROVED BUDGET X	ORGANIZATION MOB	B/I NUMBER LS635	WMS (Y OR N) N	RATE JURISDICTION AN
BILLING	BILLING CONTACT	PROJECT START DATE 11/6/2006 <i>LD</i>		

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

This project continues the rebuild started with the West of Hatwai projects. The substation is being rebuilt to modern reliability standards and also to withstand the increased short circuit forces due to the West of Hatwai improvements.

CONSTRUCTION	FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT
	3XXXXX	BY FERC NUMBER	BY FERC NUMBER
	300100	\$110,000	03805078
	107300	\$1,740,000	03805078
	107100	\$0	03805079
	107628	\$100,000	03805077
	352000	600,000	03805078
	353000	1,140,000	03805078
TOTAL ADDITIONS		\$1,950,000	
NET SALVAGE BY FERC (3XXXXX)			
	353000	\$900	
NET SALVAGE		\$900	

Total Construction Cost		\$1,950,90
NOT REQUIRED		
BUDGET AUTHORIZATION		
PREVIOUSLY APPROVED		
THIS AFE		
TOTAL TO DATE		
BALANCE NOT APPROVED		
APPROVALS		
SIGNATURE	DATE	
Mike Magruder	12-31-07	
Rick Vermeers	1-2-08	
Randy Cloward	1-2-08	
Don Kopczynski	1/2/08	
Scott Morris	1-3-08	
Project Contact		Rob Selby x2560
APPROVAL SIGNATURE(S) REQUIRED		

To: \$99,999 - Director
 \$100,000 - \$499,999 - VP or GM Utility
 \$500,000 - \$1,999,999 - Sr Vice President
 \$2,000,000 - \$2,999,999 - CFO
 \$3,000,000 - \$4,999,999 - President/COO
 \$5,000,000 - \$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out of Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/Supervisor	

Prepared: 12/20/2007

TOTAL COST OF PROJECT	\$1,950,900
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Approved
11/15/06

ORIGINAL - FOR REFERENCE

CAPITAL PROJECT REQUEST FORM

PROJECT TYPE	PROJECT NUMBER	PROJECT LOCATION
	LOL061	038
ER	Budget Cat	SERVICE CODE
2360	5	ED
PROJECT TITLE (30 CHARS)		
Lolo 230kV Sub - Rebuild 230kV		
PROJECT DESCRIPTION (250 CHARS)		
Lolo 230kV Sub - Rebuild 230kV Phase II Dry Creek & Oxbox Line		

APPROVED BUDGET	ORGANIZATION	B/I NUMBER	RATE JURISDICTION
X	M08	LS635	AN&ID
BILLING	BILLING CONTACT	PROJECT START DATE	
		11-06-2006	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

The 230kV Hatwai line at Lolo is currently connected to the 230kV Main Bus only, a NERC Operating & Planning Compliance issue. Construction of two new line positions (Dry Creek & Oxbox) will enable all 230kV lines at Lolo to operate IB-DB.

CONSTRUCTION	FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT
	3XXXXX	BY FERC NUMBER	BY FERC NUMBER
	300100	\$84,800	
	353000	\$1,572,900	03805078
	352000	\$35,300	
	362000	\$14,300	03805079
	00BPLT	\$451,600	ON BLANKET PROJECT
	397000	\$105,400	03805071
		1,812,700	
ADDITIONS		\$2,264,300	
NET SALVAGE BY FERC (3XXXXX)			
	353000	(\$900)	
NET SALVAGE		(\$900)	

Total Construction Cost	\$2,263,400
	1,912,700
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS YEAR	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Mike Nissley / James Farby	11/6/06
Dennis Howey	11/6/06
Randy Cloward	11/6/06
Don Kopczynski	
Scott Morris	
Malyn Malquist	
Gary Ely	

Project Contact Shirley Grant X-4057

APPROVAL SIGNATURE(S) REQUIRED
Up to \$99,999 - Director
\$100,000 - \$999,999 - VP or GM Utility
\$500,000 - \$1,999,999 - Service President
\$2,000,000 - \$9,999,999 - CEO
Over \$10,000,000 - Board Chair
Out of Budget - Capital Budget Committee

* SEE ATTACHED CAP APPROVAL LEVELS

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/Supervisor	

Prepared: 11-06-2006

TOTAL COST OF PROJECT \$2,263,400



Interoffice Memorandum
Engineering & System Operations
SUBSTATION DESIGN

DATE: December 17, 2008
TO: Distribution
FROM: Rob Selby
SUBJECT: Lolo 230kV Upgrade – Phase III Physical Drawings - Revised

The following revised drawings are for the Phase III construction of the North and South buses and autotransformer bays.

This revision covers the following modifications:

- Addition of trenway
- Addition of static masts
- Revisions to steel structures

The job will be divided into the South bus / autotransformer #2 rebuild and the North bus / autotransformer #1 rebuild.

South Bus / AutoTransformer #2 Rebuild:

The January 2009 construction will start with the removal of the existing equipment. Environmental would like the old oil breakers removed as soon as possible (along with the oil tanks). The old towers will remain in place to support the North bus shield wire, which will also eliminate a North bus outage. The South bus shield wire can be removed at this time since the South bus will be de-energized.

Grounding will be needed for the rebuild of the old yard. The old grid bonds the structures together, but our new design utilizes a denser grid to mitigate touch and step potentials. The new grounding should be installed in the South bus area, and around the towers in the old yard.

New trenway has been ordered to extend the trench to the Auto positions. The new trenway will not be able to be fully installed until the existing R-349 / Auto #1 bay is removed. The existing R-349 circuit breaker pad will interfere with the new trenway location. I've included a temporary cable print for the new 230 kV Auto #2 breaker for the interim. It may be easier to install as much trenway as possible (ie – up to the 230 kV Auto #1 breaker position) and direct bury the remaining cable.

This revision also involves changes to the new R-399 switch structure and bus support. These two structures have been erected and will need to be replaced. The 18' switch structure will be saved for the R-496 bus disconnect switch (Auto #1) structure. New legs will need to be ordered for the bus supports. The difference in steel heights is due to the different grading between the old (5%) and new (stepped) yards.

The South bus static mast foundations (if not direct embedded) will be installed late Spring 2009.

The construction work for the South bus is expected to last until mid-Summer 2009. An outage on Auto #2 will be needed to move the transformer terminal from the old R-350 bay to the new R-398 bay. (early Fall 2009)

North Bus / AutoTransformer #1 Rebuild:

After the South bus is completed, an extended outage on the North bus and Autotransformer #1 will be required. (Fall 2009 projected start)

Electrical and mechanical crews will remove the North bus, foundations, old deadend towers, R-349 and R-350 circuit breakers.

Mechanical crews will install the new footings, steel, and trenway.

Electrical crews will finish the remainder of construction with completion projected for early Spring 2010.

For any questions or comments about this project, please contact me at x2560.

E.R. No: **2360**
Job No: **LS635**

Transmission Project No:	03805118	Task No:	107300
Salvage Charge Numbers		Task No.	108000

Physical Drawings – Transmittal List

Revision Codes:

- Revision Number

* - Construction Revision

Stamp Codes:

N – New Drawing

R – Revised Drawing

C – Construction Drawing

Ref – Reference Drawing

Drawing #	Rev Code / Stamp Codes	Title
<u>Physical Drawings</u>		
M-35719 Sheet 3A	2A / RC	115-230 kV General Plan
M-35719 Sheet 3B	2 / C	230 kV General Plan
M-35719 Sheet 3D	0 / Ref	REMOVAL – New 230 kV General Plan
M-35719 Sheet 4C	2 / C	230 kV Elevations D-D & E-E
M-35719 Sheet 4D	1 / C	230 kV Elevations I-I, J-J, & K-K
M-35719 Sheet 5A	2 / C	230 kV Misc Details
M-35719 Sheet 8A	3A / RC	230 kV Grounding Plan
M-35719 Sheet 9A	2A / RC	230 kV Cable Location Plan
M-35719 Sheet 9B	0 / NC	115 kV Cable Location Plan
M-35719 Sheet 9C	0 / NC	230 kV Cable Location Plan – Temp R-398
E-35720 Sheet 10A	2 / C	Trenwa Cable Trench – Overall Layout
E-35720 Sheet 10G	0 / NC	Trenwa Cable Trench – Overall Layout

DISTRIBUTIONc/with drawings

Greg Lancaster

Randy Pierce

Brad Pederson

c/without drawings:

Sara Koeff

Mike Magruder



*Interoffice Memorandum
Engineering & System Operations
Substation Engineering*

DATE: January 5, 2009
TO: Distribution
FROM: Rob Selby
SUBJECT: Lolo Kick Off Meeting – 2009 Construction

Agenda:

Overview:

Proposed Schedule:

Design:

Materials:

Open Forum:

Overview:

This work is a continuation of the 230 kv rebuild. The plan is to continue with the work plan established in 2008, starting with the South Bus / Auto #2 bay rebuild. The majority of the work will be completed by summer 2009. Energization is projected to be in fall since Auto #2 will need to be out for wiring and testing.

Work will continue with the North bus rebuild. Auto #1 will need to be removed from service for the duration of the North bus / Auto #1 bay work. This work is expected to be completed by Spring of 2010.

Proposed Schedule:

- South Bus / Auto #2 Bay Rebuild (Winter - Fall 2009)
- Removal of old structures and breakers (Jan.) - Mechanical and ES
- Grounding (February)
- Steel Erection (February or March)
- Trenwa Installation (Mar)
- Cable installation (Mar)
- Buswork (April)

Static Mast Installation (April)
 GCB Installation (May)
 Panel Construction (Spring 2009)
 Control Wiring & Checkout (Summer / Fall 2009)
 Auto #2 Outage / Energize new bay (Fall 2009)

North Bus / Auto #1 Rebuild (Fall 2009 - Spring 2010)
 North Bus / Auto #1 Outage (Fall 2009 - Spring 2010)
 Removal of old structures and equipment (September / October, depending on outage start) - Mechanical and ES
 Install new footings and structures (October - November 2009)
 Complete Trenwa (November)
 Grounding (November)
 Panel Construction (Winter 2009)
 Cable installation (Dec)
 Buswork (Jan 2010)
 GCB Installation (Feb)
 Control Wiring & Checkout (Mar - April 2010)
 Energize new bay (April 2010)

Design:

Electrical prints are in drafting. Since the integration design is still ongoing, I will not have integration drawings until late March. Protection has been short staffed which has been impacting our design schedule.

There will likely be changes to the tap position indicator modules, which may involve pulling a new fiber optic cable from the Autotransformers to the panelhouse.

I plan on issuing the package minus the integration drawing in February. Drafting is the biggest issue as many of the prints are board drawings or CADAM drawings which need to be converted to AutoCAD. The R&T's from phase II are being incorporated in the phase III issue.

Major Materials:

Grounding Materials - Oracle Order # 9550, pickup by mid-January
 Trenwa - delivery by mid-January, PO # 67184 (presently have Spokane for delivery)
 Revised steel - ready at the end of January
 Tube Bus, Bus Connectors, Insulators - ordered last year
 Air Switches - at Beacon Sub

Attachments:

Simplified One Line
 One Line
 General Plan (2 sheets)
 Cable Location Plan (2 sheets)

Distribution List:

Greg Lancaster
 Mike Magruder
 Rich Hydzik

Brad Pederson
 Jeff Marsh

Garth Brandon
 Andy Vickers

Randy Pierce
 Bill Palmer



*Interoffice Memorandum
Engineering & System Operations
Substation Engineering*

DATE: May 4, 2009
TO: Distribution
FROM: Rob Selby
SUBJECT: Lolo Construction Meeting – Spring 2009

Purpose:

To discuss the project schedule and determine if additional work can be scheduled by the end of the year.

Present Schedule

The original schedule called for energization of the Auto #2 bay in September, and the Auto #1 bay in Spring of 2010. The crew has been making good progress and are trying for the following completion dates:

Auto#2 Completion – June 2009
 Auto #1 Completion – by December 2009

Completed Work

- (Update from Foreman)

Remaining Work – Auto #2 Position

- Complete fence. (contractor)
- Complete fence and lightning mast grounding.
- Install GCB R-398.
- Install Panels 13 (115 kV Xfmr panel) and 27 (230 kV Xfmr panel).
- Install new I/O device (SEL-2440), and rewire alarms for Auto #2.

Remaining Work – Auto #1 Position

- Install foundations for north bus, and auto #1 bay. Install new steel structures.
- Install new cables for R-496 breaker.
- Complete grounding for north bus and auto #1 bay.
- Install north bus
- Install GCB R-496.
- Install new I/O device (SEL-2440), and rewire alarms for Auto #2.

Additional Work – Schedule TBD

- Replace Panel 8, 115 kV Bus Protection.
- Remove RTU, move signals to new SCADA.
- Remove old main / aux bus structures. (Summer 2009?)

Outages:

- Need North bus outage to isolate old main / aux bus from new North / South bus. (approx June timeframe)
- Need auto #1 outage to install new 230 kV auto bay. (approx July to December.)

Discussion:

Attachments:

Simplified One Line
General Plan (2 pgs)

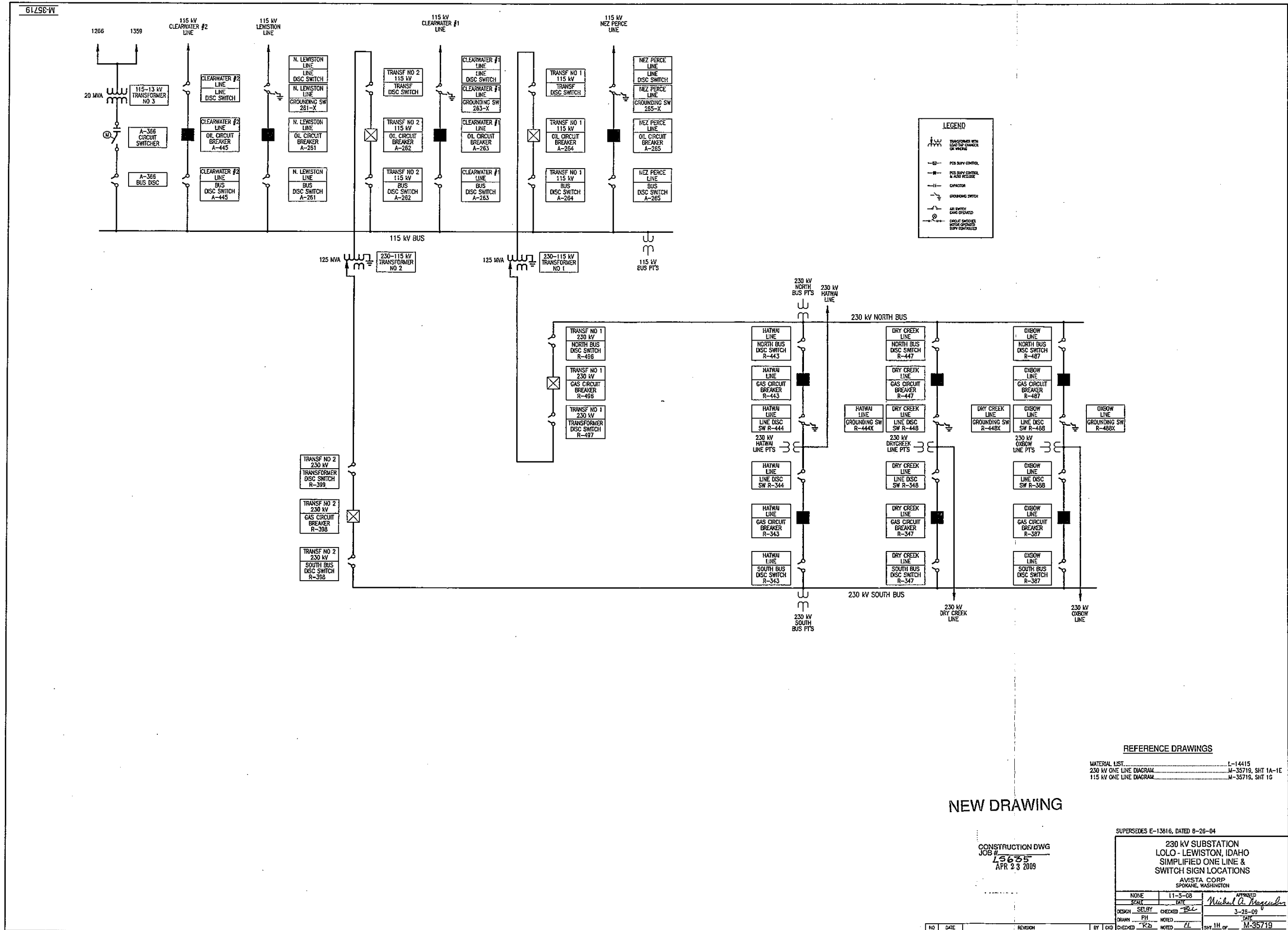
Distribution List:

Greg Lancaster
Mike Magruder

Brad Pederson
Jeff Marsh

Garth Brandon
Andy Vickers

Randy Pierce
Bill Palmer



6199-W

LEGEND

- TRANSFORMER WITH LOAD TAP CHANGER OR WINDING
- BUS BUSY CONTROL
- BUS BUSY CONTROL & AUTO RECLOSE
- CAPACITOR
- GROUNDING SWITCH
- AIR SWITCH
- AIR SWITCH WITH GROUND SWITCH
- CIRCUIT BREAKER

REFERENCE DRAWINGS

MATERIAL LIST..... L-14415
 230 kV ONE LINE DIAGRAM..... M-35719, SHIT 1A-1E
 115 kV ONE LINE DIAGRAM..... M-35719, SHIT 1C

NEW DRAWING

CONSTRUCTION DWG
 JOB # 13635
 APR 23 2009

SUPERSEDES E-13816, DATED 8-26-04

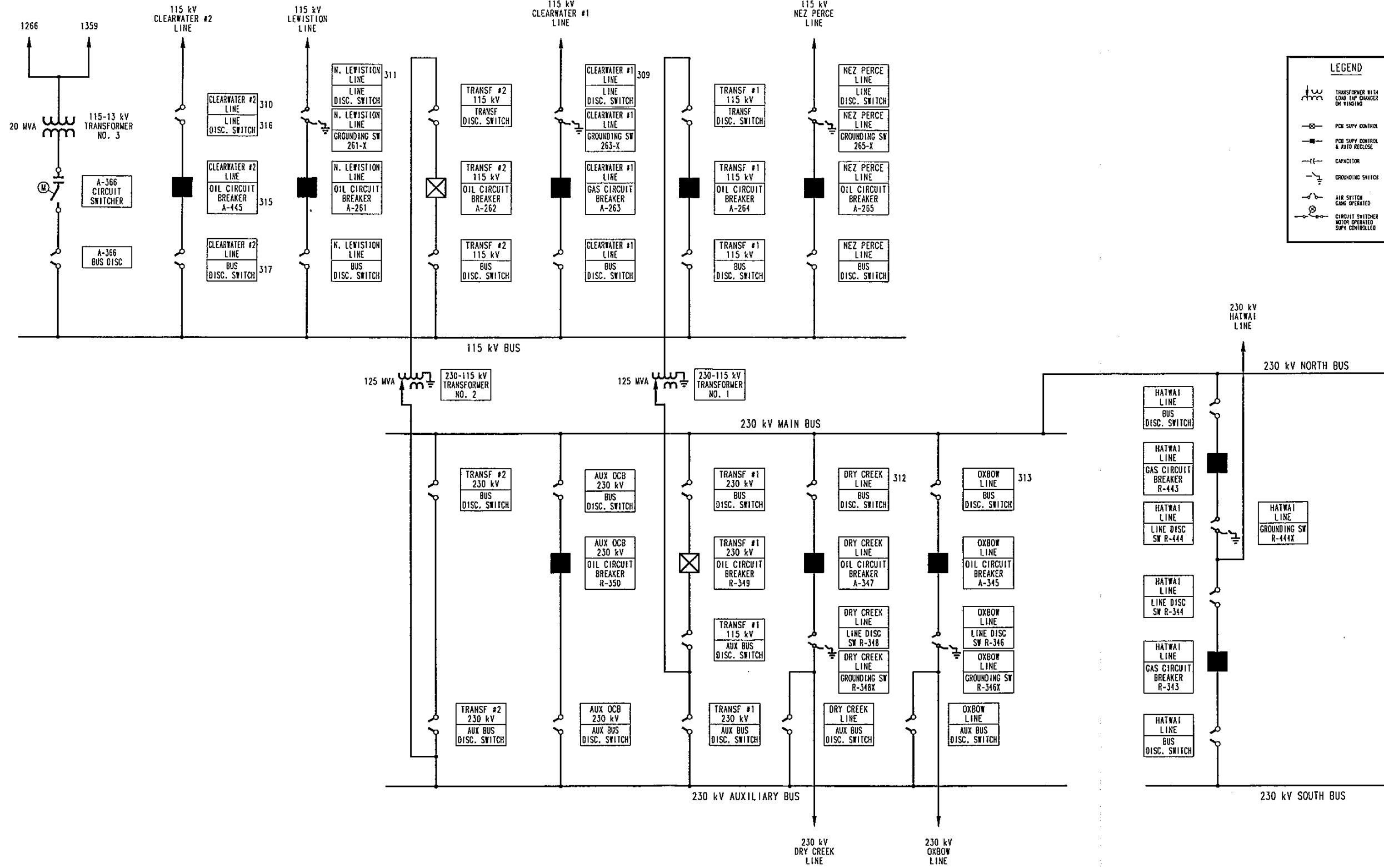
**230 kV SUBSTATION
 LOLO - LEWISTON, IDAHO
 SIMPLIFIED ONE LINE &
 SWITCH SIGN LOCATIONS**

AVISTA CORP
 SPOKANE, WASHINGTON

NONE	11-5-08	APPROVED
SCALE	DATE	<i>Michael A. Maguire</i>
DESIGN	CHECKED	3-25-09
DRAWN	PH	DATE
	NOTED	EL
NO	DATE	REVISION
BY	CHKD	CHECKED
		NOTED
		SHIT 1H OF M-35719

AUTOCAD DWG

918C1-E



LEGEND

- TRANSFORMER WITH LOAD TAP CHANGER OR TAPPING
- POB SUPPLY CONTROL & AUTO RECLOSE
- CAPACITOR
- GROUNDING SWITCH
- AIR SWITCH
- CIRCUIT SWITCHER MOTOR OPERATED SUPPLY CONTROLLED

REFERENCE DRAWINGS

SWITCH SIGNS.....	L-8455
MATERIAL LIST.....	L-14415
230 kV ONE LINE DIAGRAM.....	M-14258
115 kV ONE LINE DIAGRAM.....	E-14260

SUPERSEDES E-13816, DATED 2-13-58

230 kV SUBSTATION
LOLO - LEWISTON, IDAHO
H.V. SWITCH SIGN LOCATIONS

AVISTA CORP
SPOKANE, WASHINGTON

SCALE	NONE	DATE	6-9-04
DESIGN	FARBY	CHECKED	PM
DRAWN	C LANS	NOTED	
CHECKED	JW	NOTED	
BY	OKD		
APPROVED	<i>Michael S. Nasley</i>		
DATE	8-26-04		
SHT	01	OF	E-13816

NO	DATE	REVISION	BY	CHKD
2	12-22-01	WEST OF HATWAI UPGRADE (R-443 & R-343)	CL	37
1	8-16-04	WEST OF HATWAI UPGRADE (R-347 & R-350)	CL	PM

E-13816-2-01-01-5-10L-230-1

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2217

ER Name: Spokane /Coeur d'Alene area relay upgrade

Pro Forma Amount: \$1,250,000

Expended to date: \$695,982

2010 Transfer to Plant Date: Periodically during 2010

Project Description:

Spokane/Coeur d'Alene area relay upgrade: This project involves the replacement of older protective 115 kV system relays with new micro-processor relays to increase system reliability by reducing the amount of time it takes to sense a system disturbance and isolate it from the system. This is a five year project and is required to maintain compliance with mandatory reliability standards. This project is required to meet Reliability Compliance under NERC Standards: TOP-004-2 R1-R4, TPL-002-0a R1-R3, TPL-003-0a R1-R3. Any positive offsets in reduced maintenance costs associated with this replacement effort are offset by increased NERC testing requirements per standard PRC-005-1.

A summary of the projects that will be completed during 2010 follows:

	Total	Incurred Through March 15, 2010
SPO CDA 115 Spokane Ring	509,587.78	509,587.78
NE Spokane Relay Upgrades	140,000.00	130,827.08
Third Hatch Relay Upgrades	345,500.00	55,567.29
Beacon Relay Upgrades	255,000.00	-
	1,250,087.78	695,982.15

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Timeline:

This 5-year project started in 2008 and will complete in 2011. For the 2010 jobs, all of the jobs will be completed by December 31, 2010.

Additional Information:

- Historical Cost Detail pg. 3-4
 - Capital Project Request (CPR) Forms, including all attachments pg. 5-9
 - Scope of Work and Prioritization pg. 10-13
-
- Please refer to “115 kV Relay Upgrades Spokane and Coeur d’Alene Project – 2010 Scope of Work and Prioritization Meeting & Notes – 11/17/2009”
 - Preliminary Schedule:
 - Third & Hatch 3HT A-531 and Post Street PST A-544
Spring 2010 (Work Currently in Progress)
 - Northeast NE A-252 and Beacon BEA A-603 Spring 2010
 - Third & Hatch 3HT A-530 and Ross Park ROS A-208 Fall 2010
 - Third & Hatch 3HT A-532 and Ninth & Central 9CE Fall 2010

Note:

During the course of Avista’s pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2217
COSTS THROUGH MARCH 15, 2010

				ACTUAL THROUGH MARCH 15, 2010					
Er	Project	Project Desc	Expenditure Category	2008 Transaction Amt	2009 Transaction Amt	2010 Transaction Amt	LTD TOTAL	Transferred in 2009	Transfer in 2010
2217	02805263	SPO CDA 115 Spokane Ring	AFUDC	6,236.48	6,375.66	405.12			
			Contractor	10,891.91	5,989.44	-			
			Employee Expenses	30.73	-	-			
			Labor	35,740.52	21,092.68	1,027.46			
			Material	398.38	-	-			
			Overhead	39,830.74	21,269.25	958.54			
			Transportation	663.50	838.15	169.50			
			Voucher	192,878.94	31,363.54	612.34			
		Sum		286,671.20	86,928.72	3,172.96	376,772.88	(314,983.24)	61,789.64
	02805401	NE Spokane Relay Upgrades	AFUDC		302.38	802.10			
			Labor		12,633.07	4,142.80			
			Material		4,882.84	44,404.92			
			Overhead		12,767.76	18,952.10			
			Voucher		-	402.19			
		Sum			30,586.05	68,704.11	99,290.16		99,290.16
	02805402	NE Spokane Relay Upgrade Comm	AFUDC		497.77	409.08			
			Labor		1,555.73	1,784.12			
			Material		5,738.72	-			
			Overhead		3,153.87	1,440.58			
			Voucher		16,957.05	-			
		Sum			27,903.14	3,633.78	31,536.92		31,536.92
	02805437	Third Hatch Relay Upgrades	AFUDC		34.88	270.05			
			Labor		3,043.12	6,934.41			
			Material		-	17,457.41			
			Overhead		2,563.84	13,439.80			
			Voucher		-	4,301.55			
		Sum			5,641.84	42,403.22	48,045.06		48,045.06
	02805438	Third Hatch Relay Upgrd Com	AFUDC		19.30	70.03			
			Labor		1,818.35	2,155.24			
			Overhead		1,531.96	1,927.35			
		Sum			3,369.61	4,152.62	7,522.23		7,522.23
	03805135	SPO CDA 115 CDA RING	AFUDC	5.66	2,878.91	1,051.09			
			Contractor	-	8,936.58	-			
			Employee Expenses	-	14.12	-			
			Labor	333.53	6,187.20	2,777.04			
			Overhead	219.04	10,226.03	2,647.77			
			Transportation	-	471.45	270.00			
			Voucher	-	44,121.91	-			
		Sum		558.23	72,836.20	6,745.90	80,140.33		80,140.33
	09805167	SPO CDA 115 Shared 098 ring	AFUDC	4,128.95	17,271.32	4,834.59			
			Centralized Assets	-	7,020.00	15,736.66			
			Contractor	210,209.03	84,724.31	5,797.18			
			Employee Expenses	25.97	-	-			

AVISTA UTILITIES
 ER 2217
 COSTS THROUGH MARCH 15, 2010

				ACTUAL THROUGH MARCH 15, 2010					
Er	Project	Project Desc	Expenditure Category	2008 Transaction Amt	2009 Transaction Amt	2010 Transaction Amt	LTD TOTAL	Transferred in 2009	Transfer in 2010
			Labor	8,276.04	23,053.67	4,071.31			
			Material	-	89.17	-			
			Overhead	12,463.32	38,612.35	3,798.75			
			Transportation	298.60	1,916.75	78.75			
			Voucher	71,027.97	173,383.10	159.96			
		Sum		306,429.88	346,070.67	34,477.20	686,977.75	(319,319.94)	367,657.81
Sum				593,659.31	545,433.09	159,656.01	1,298,748.41	(634,303.18)	695,982.15
								Spokane/CDA Ring	509,587.78
								NE	130,827.08
								Third and Hatch	55,567.29
									<u>695,982.15</u>



CAPITAL PROJECT REQUEST FORM

02805263
 Request Type: Preliminary
 PROJECT: **COM08A**
 LOCATION: **028**

ER: 2217 / Budget Cat: 1 / SERVICE CODE: ED / PROJECT TITLE (30 CHARS): **SPO-CDA 115 - Spokane Ring** / LOCATION: **028**

PROJECT DESCRIPTION (250 CHARS)
 Spokane area OC12 SONET Communications Ring installation for 115 kV Substation Protective Relaying.

APPROVED BUDGET: **X**
 BILLING: []
 ORGANIZATION: **M08**
 B/I NUMBER: **SS802**
 WMS (Y OR N): **N**
 RATE JURISDICTION: **ANT WA**
 BILLING CONTACT: []
 PROJECT START DATE: **03-03-2008**

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

This project is for the Spokane area communications installation (OC12 Ring) of the Spo-CDA 115 kV Relaying project. This project allows for the communications installation ahead of the individual substation relaying packages.

CONSTRUCTION	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$50,000	
	397000	\$600,000	
NET SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			
NET SALVAGE			

Total Construction Cost	\$650,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
M. Magruder <i>M. Magruder</i>	3-5-08
R. Vermeers <i>R. Vermeers</i>	3-6-08
R. Cloward <i>R. Cloward</i>	3-11-08
D. Koczynski <i>D. Koczynski</i>	
S. Morris <i>S. Morris</i>	

Project Contact: Mike Magruder x4187

APPROVAL SIGNATURE(S) REQUIRED
 To: \$99,999 - Director
 \$100,000 - \$499,999 - VP or GM Utility
 \$500,000 - \$1,999,999 - Sr. Vice President
 \$2,000,000 - \$9,999,999 - CEO
 Over: \$10,000,000 - Board Chair

REBUDGETING SPONSOR'S RESPONSIBILITY
 THE CLOSING WORK ORDER
 IMMEDIATELY UPON COMPLETION OF WORK
 SIGN THIS FORM, COMPLETE AS-BUILT INFO AND
 FORWARD TO PLANT ACCOUNTING

Non Standard Work Breakdown Structure needed (Optional)

Substations with installations under this project:	
College & Walnut (10%) /	Otis Orchards (10%) /
Francis & Cedar (10%) /	Post Street (10%) /
Metro (10%) /	Ross Park (10%) /
Ninth & Central (10%) /	Sunset (10%) /
Northwest (10%) /	Third & Hatch (10%) /

Date Prepared: 02-29-2008

TOTAL COST OF PROJECT	\$650,000
-----------------------	-----------

Date Work Completed	
Foreman/ Supervisor	



CAPITAL PROJECT REQUEST FORM

ER 2217	Budget Category Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Third & Hatch - Relay Upgrades	Request Type Select	Project(s) 02805437
Project Name (100 Characters) Third & Hatch 115 kV Substation - Spokane 115 kV Line Relay Upgrades				Project Title Court 29	02805438
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Long Project Name Count 68	ER Sponsor M08	BI Number SS802	WMS Job # N
Billing		Revenue Type NA- Not Applicable	Billing Contact		Rate Jurisdiction AN-Allocated North
					Location 028-Washington
					Project Start Date 11/2/2009

Project Description (Include Purpose and Necessity - 240 Characters)
 Upgrade the Post St., Ross Park and Ninth & Central 115 kV Line Relaying at the Third & Hatch Substation. This work is part of a system item to upgrade 115 kV line relaying in the Spokane and Coeur d'Alene area.

Office Use Only	FERC	Estimated Amount	As Built Amount	Office Use Only	Date
Task	3XXXXX	By FERC Number	By FERC Number		
	300100	\$75,000		Project Set Up By	
07300	353000	\$240,000	02805437 AN	Approved By	
07623	397000	\$25,000	02805438 WA		

GROSS ADDITIONS			APPROVALS	
			SIGNATURE	DATE
Total Removal			\$340,000	
Cost of Removal By FERC (3XXXXX)				
10300	353000	\$5,000	Signature James F. Farby	10/28/2009
	397000	\$2,500	Signature Michael A. Magruder	10/29/09
Total Salvage			\$7,500	
Salvage By FERC (3XXXXX)				
10300	353000	(\$1,000)	Signature Richard L. Vermeers	10/29/05
	397000	(\$1,000)	Signature Don Kopczynski	
Total Salvage			(\$2,000)	
Total Removal Less Salvage			\$5,500	

Non Standard Work Breakdown Structure Needed (Optional)
 Peer Task: Project Contact & Extension Shirley Grant Ext. 4057

Sub Task	APPROVAL SIGNATURE(S) REQUIRED
	To \$99,999 - Director
	\$100,000-\$499,999 - VP or GM Utility
	\$500,000-\$2,999,999 - Sr Vice President/CFO
	\$3,000,000-\$9,999,999 - President/CEO/COO
	Over \$10,000,000 - Board Chair
	Out-of-Budget - Capital Budget Committee

Date Prepared: _____
 THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT \$345,500

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed
 Foreman/
 Supervisor

*Approved
9/10/09*



CAPITAL PROJECT REQUEST FORM

ER 2217	Budget Category Maintenance	Use Tab Key Service Code ED-Electric Direct	Project Title (30 Characters) NE - Spokane Relay Upgrades	Request Type Revised	Project(s) 02805401 02805402
Long Project Name (100 Characters) Northeast 115-13 kV Substation - Spokane 115 kV Line Relay Upgrades				Parent Code NE09A	
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA-Not Applicable	ER Sponsor MOB	BI Number SS802	WMS Job #
Billing	Billing Contact			Location 028-Washington	Rate Jurisdiction CAN-Allocated North Project Start Date 9/1/2009

Project Description (Include Purpose and Necessity - 240 Characters)
Upgrade the Beacon 115 kV Line relaying at the Northeast Substation. This work is part of a system item to upgrade 115 kV line relaying in the Spokane area.

CONSTRUCTION			
Office Use only	FERC	Estimated Amount	As Built Amount
Task	3XXXXX	By FERC Number	By FERC Number
300100	300100		\$25,000
189300	353000		\$75,000
107528	397000		\$15,000
SS ADDITIONS			\$115,000
Cost of Removal By FERC (3XXXXX)			
189300	353000		\$2,500
	397000		\$2,500
Total Removal			\$5,000
Salvage By FERC (3XXXXX)			
Total Salvage			
Total Removal Less Salvage			\$5,000

Budget Authorized: \$120,000

Office Use Only

Project Set Up By _____ Date _____

Approved By _____ Date _____

APPROVALS	
SIGNATURE	DATE
Signature <i>Paul C. Mason</i> Paul Mason	9/8/09
Signature <i>Michael A. Maguire</i> Mike Maguire	9/8/09
Signature _____ Rick Vermeers	
Signature <i>[Signature]</i> Don Koczynski	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		
Sub Task		

Project Contact & Extension
Shirley Grant

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
\$100,000-\$499,999 - VP or GM Utility
\$500,000-\$2,999,999 - Sr. Vice President/CEO
\$3,000,000-\$9,999,999 - President/CEO/COO
Over \$10,000,000 - Board Chair
Out-of-Budget - Capital Budget Committee

Date Prepared: January 13, 2009

AL COST OF PROJECT \$120,000

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT, FINISHED AND FORWARD TO UTILITY ACCOUNTING.

Date Work Completed _____

Foreman/Supervisor _____

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

03/16/2010 09:15 -8

UTIL ACCTG

PAGE 01/01



CAPITAL PROJECT REQUEST FORM

Request Type Preliminary	PROJECT COM08B
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ER 2217	Budget Cat 1	SERVICE CODE ED	PROJECT TITLE (30 CHARS) SPO-CDA 115 - CDA Ring	LOCATION 038
PROJECT DESCRIPTION (250 CHARS) Coeur d'Alene area OC12 SONET Communications Ring installation for 115 kV Substation Protective Relaying.				
APPROVED BUDGET X	ORGANIZATION M08	B/I NUMBER CS802	WMS (Y OR N) N	RATE JURISDICTION AN-1-D
BILLING	BILLING CONTACT		PROJECT START DATE 03-03-2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
This project is for the Coeur d'Alene area communications installation (OC12 Ring) of the Spo-CDA 115 kV Relaying project. This project allows for the communications installation ahead of the individual substation relaying packages.

CONSTRUCTION	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$15,000	
	397000	\$145,000	
LOSS ADDITIONS		\$160,000	
NET SALVAGE BY FERC (3XXXXX)			
Non Standard Work Breakdown Structure needed (Optional)			
Substations with installations under this project:			
CDA 15th Street (60%)			
Post Falls 115 (40%)			
Date Prepared:	02-29-2008		
TOTAL COST OF PROJECT		\$160,000	

Total Construction Cost	\$160,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFF	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
M. Magruder <i>M. Magruder</i>	3-5-08
R. Vermeers <i>R. Vermeers</i>	3-14-08
R. Cloward <i>R. Cloward</i>	3-11-08
D. Kopczynski <i>D. Kopczynski</i>	

Project Contact | Mike Magruder x4187

APPROVAL SIGNATURE(S) REQUIRED
 To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM/Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair

THE EMPLOYEE/EMPLOYEE(S) RESPONSIBLE FOR SIGNING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/Supervisor	

AVISTA *Approved*
3/15/08
Corp.

CAPITAL PROJECT REQUEST FORM

Request Type Preliminary	PROJECT COM08C
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ER 2217	Budget Cat 1	SERVICE CODE ED	PROJECT TITLE (30 CHARS) SPO-CDA 115 - Shared 098 Ring	LOCATION 098
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PROJECT DESCRIPTION (250 CHARS)
 Shared (Spokane - Coeur d'Alene) area OC12 SONET Communications Ring installation for 115 kV Substation Protective Relaying.
 This project is to be used for all sub-to-sub fiber installation/splicing and for sub equipment at the subs listed below.

APPROVED BUDGET X	ORGANIZATION M08	B/I NUMBER SS802	WMS (Y OR N) N	RATE JURISDICTION AN
BILLING	BILLING CONTACT		PROJECT START DATE 03-03-2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
 This project is for the shared area (WA/D) communications installation (OC12 Ring) of the Spo-CDA 115 kV Relaying project. This project allows for the communications installation ahead of the individual substation relaying packages.

CONSTRUCTION			
FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT	
3XXXXX	BY FERC NUMBER	BY FERC NUMBER	
300100	\$70,000		
397000	\$740,000		
GROSS ADDITIONS		\$810,000	
NET SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			
Substations with installations under this project:			
AVA Headquarters (7%)	Rathdrum (7%)		
Boulder (4%)	Westside (9%)		
CDA Office (10%)	Fiber line installations and splices (47%)		
Ramsey (16%)			
Date Prepared:	02-29-2008		
TOTAL COST OF PROJECT	\$810,000		

Total Construction Cost	\$810,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS		
SIGNATURE	DATE	
M. Magruder <i>M. Magruder</i>	3-5-08	
R. Vermeers <i>R. Vermeers</i>	2-14-08	
R. Cloward <i>R. Cloward</i>	3-11-08	
D. Kopczynski <i>D. Kopczynski</i>		
<i>J. Man</i>		

Project Contact Mike Magruder x4187

APPROVAL SIGNATURE(S) REQUIRED
 To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair

THE BUDGETING, SPONSORING & RESPONSIBLE FOR THE BIDDING WORK ORDER IMMEDIATELY FOR COMPLETION OF WORK SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING

Date Work Completed	
Foreman/Supervisor	

115 kV Relay Upgrades Spokane & Coeur d'Alene Area Project

2010 Scope of Work and Prioritization Meeting & Notes

November 17, 2009
3:00 pm to 4:00 pm
CR 325

1. Based upon the original outline by Dennis Howey (Upgrading 115kV Relay Schemes Around Spokane-Coeur d'Alene REV 4 3/28/08), the following relay upgrade jobs were scheduled but not completed in 2009:

TIER	Breaker	Year	Breaker	Year
1	BLD A-713	2009	OTI A-645	2009
1	BLD A-714	2009	OTI A-640	2009
1	BEA A-609	2010	F&C A-674	2010
1	BEA A-610	2010	BELL B-358	2010
2	BEA A-603	2010	NE A-252	2009
2	MTR A-474	2009	PST A-434	Done
2	MTR A-475	2009	SUN A-450	2011
2	PST A-544	Done	3HT A-531	2009
2	ROS A-208	2011	3HT A-530	2009
3	9CE A-686	2011	3HT A-532	2009
3	OTI A-642	2009	PF A-324	2011
4	9CE A-689	2009	OTI A-641	2009

2. Summary: Otis Orchards A-640, A-641, A-642 & A-645, Boulder A-713 & A-714 and Ninth & Central A-289 Scope of Work

Rob Selby has been assigned and relay work will be in conjunction with the breaker replacement. Limited work required at Boulder and Ninth & Central. *Mike was going to check on Rob's schedule for the design & construction.* [Action Item 1]

Rich wants this to be top priority, the relay upgrade work at Post Falls (A-324) could be delayed (2012). Randy agreed from the protection side.

Randy wanted to upgrade both ends of the line where we had power line carrier. Rich agreed and prefers the line be taken out only once. Rich prefers outages to be scheduled for Spring or Fall.

3. Summary: Northeast A-252 Scope of Work

Paul Mason is currently working on Northeast (A-252). The relay design for the remote terminal Beacon (A-603) was sent out shortly after this meeting. John Harms has already sent out the SCADA design. Work on both ends to be complete **Spring 2010**. Rich commented that the work at Beacon would be easier to schedule since it has a 115kV Aux Breaker .

4. Summary: Metro A-474 & A-475 Scope of Work

Jim Farby is looking at options for Metro. The Post Street terminal (A-434) has already been completed. *Randy's group will provide the relay design in 2010.*
[Action Item 2] Work on MTR A-474 to be complete **Spring 2011**.

The work on MTR A-475 to SUN A-450 to be moved into **TBD**. Work to coordinate with Planning's "West Plains Solution".

5. Summary: Third & Hatch A-530, A-531 & A-533 Scope of Work

Jim Farby is currently assigned to Third & Hatch. Randy's group has provided a relay design document (08/12/09) for the three line positions. *Randy's group will provide an updated relay design document that includes the 115kV Bus Differential and new SCADA-RTU.* [Action Item 3]

Work on 3HT A-531 to be complete **Spring 2010**, the remote terminal PST A-544 was completed in 2009. SCADA-RTU needs to be replaced **Summer 2010**. Work on 3HT A-532 to 9CE A-686 and 3HT A-530 to ROS A-208 to be completed **Fall 2010**.

Work on ROS A-207 to BEA A-605 also to be completed **Fall 2010**. *Randy's group will provide the relay design documents for Ross Park & Beacon. A new SCADA-RTU design for Ross Park is may also be required, TBD by Jim Farby, Brian Chain & Electric Shop based upon usable space in panel house.* [Action Item 4 & 5]

6. Summary: Beacon A-609 & Francis & Cedar A-674 Scope of Work

Not currently assigned. Work preliminary scheduled for **Spring 2011**. *Randy's group will provide the relay design documents in 2010.* [Action Item 6]

7. Summary: Beacon A-610 & Bell B-358 Scope of Work

Not currently assigned. Work preliminary scheduled for **Spring 2011**. Coordination with BPA required and scope of work formalized. *Randy's group will provide the relay design documents in 2010 and with BPA. Mike's group will work on the scope of work with BPA in 2010.* [Action Item 7]

8. Preliminary Priority List for Discussion

- Otis Orchards: A-640 (BLD), A-645 (BLD), A-642 (PF) and A-641 (9CE). Plus remote terminals at Boulder (A-713 & A-714), Post Falls (A-324) and Ninth & Central (A-689).

- Beacon: A-604 (BLD), A-612 (BLD). Plus remote terminals at Boulder (A-712 & A-719).
- Beacon: A-603 (NE). Include upgrade work with Item 2. Remote terminal at Northeast (A-252) upgrade currently ongoing and expected completion early 2010.
- Ross Park: A-207 (BEA) and A-208 (3HT). Upgrade the remote terminals at Beacon (A-605) and Third & Hatch (A-530), if possible.
- Third & Hatch: A-530 (ROS), A-531 (PST) & A-532 (9CE). Remote terminals Ross Park (A-208) Item 1, Post Street (A-544) completed 2009, Ninth & Central (A-686) if possible.
- Metro: A-474 (PST) & A-475 (SUN). Remote terminals Post Street (A-434) completed 2009, Sunset (A-450) if necessary before station rebuild 2012/2013.
- Francis & Cedar: A-674 (BEA). Upgrade the remote terminal at Beacon (A-609) in conjunction with Item 2 & 3.
- Beacon: A-610 (BELL). Needs to be coordinated with BPA relay upgrade of B-358 (BEA), once the contract is formalized.

9. Summary and Action Items

Draft Schedule:

- 3HT A-531 to be completed **Spring 2010**
- NE A-252 and BEA A-603 to be completed **Spring 2010**
- 3HT A-530 to ROS A-208 to be completed **Fall 2010**
- 3HT A-532 to 9CE A-686 to be completed **Fall 2010**
- BEA A-605 to ROS A-207 to be completed **Fall 2010**
- BLD A-713 to OTI A-645 to be completed, possibly **Fall 2010**
- BLD A-714 to OTI A-640 to be completed, possibly **Fall 2010 TBD**
- 9CE A-689 to OTI A-641 to be completed, possibly **Fall 2010 TBD**
- OTI A-640 to be completed, possibly **Fall 2010 TBD**
- MTR A-474 to be complete **Spring 2011**
- BEA A-609 and F&C A-674 to be complete **Spring 2011**
- BEA A-610 and BELL B-358 to be complete **Fall 2011**
- PF A-324 to be complete **Spring 2012**
- MTR A-475 to SUN A-450 to be complete **TBD**
- BEA A-604 to BLD A-712 to be part of the Irvin Project **2013**
- BEA A-612 to BLD A-719 to be part of the Irvin Project **2013**

Inspection of the list highlights the scheduling conflict in Fall 2010. *Mike's group will work on the schedule to iron out the bumps.* [Action Item 8]

Action Items:

1. *Mike was going to check on Rob's schedule for Otis Orchards*
2. *Randy's group will provide the relay design for Metro*
3. *Randy's group will provide an updated relay design for Third & Hatch that includes the 115kV Bus Differential and new SCADA-RTU*
4. *Randy's group will provide the relay design documents for Ross Park & Beacon*
5. *A new SCADA-RTU design for Ross Park is may also be required, TBD by Jim , Brian & Electric Shop based upon usable space in panel house*
6. *Randy's group will provide the relay design documents for Beacon and Francis & Cedar*
7. *Randy's group will provide the relay design documents for Beacon and Bell, plus Mike's group on scope with BPA*
8. *Mike's group will work on the schedule to iron out the bumps and issue a revised schedule for comment*

Work scheduled beyond Fall 2011 to be reviewed this time next year. Let me know if you have any comments or if I've missed anything, Jim Farby x2921.

Attendees: Mike Magruder
Randy Spacek
Rich Hydzik
Brian Chain
Jim Farby

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2318

ER Name: Nez Perce 115 Sub-Ins Capacitor Bank

Pro Forma Amount: \$3,575,000

Expended to date: \$1,734,979

2010 Transfer to Plant Date:

October 2010: \$3,450,000

December 2010: \$ 125,000

Project Description:

This project involves the complete reconstruction of the Nez Perce substation based upon its degraded condition. The project also includes the addition of a shunt capacitor bank to provide voltage support to the area for critical contingencies to ensure compliance with NERC Standards: TOP-004-2 R1-R4, TPL-002-0a R1-R3, TPL-003-0a R1-R3. There are no anticipated offsets or savings associated with this substation rebuild. Avista did not have any maintenance for the substation during the test period.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no anticipated offsets or savings associated with this substation rebuild.

Timeline:

See attached Gantt chart. Property purchase and initial scoping started in November 2008. Engineering and procurement continued up to March 2010. Site grading started in June 2009; substation construction started in September 2009. The main 115 kV switch yard will energize in third quarter 2010. The 115 kV capacitor bank and 13 kV distribution yard are not scheduled to energize until third quarter 2011; these costs are not included in the pro forma adjustment in this case.

See attached timeline for further detail.

Attachment Index:

- Cost pg. 3-4
- Capital Project Request (CPR) Forms pg. 5-7
- Scoping memo dated 10/30/08, which contains preliminary budget discussions pg. 8-14

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

- Gantt chart, which details engineering and construction stages of project (Timeline) pg. 15
- List of relevant Project Purchase Orders pg. 16
- Nez Perce scoping review memo dated 7/15/08, which also contains relevant preliminary budget projections pg. 17-19
- Photos that detail completed stages of construction pg. 20-24
- Construction Agreements (Confidential) pg. 25-40

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2318
COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	2008	2009	2010	Total
				Transaction Amt	Transaction Amt	Transaction Amt	
2318	03805158	Nez Perce Rebuild add Transm	AFUDC	113.09	19,469.42	19,639.71	
			Contractor	-	540,450.12	5,361.23	
			Employee Expenses	-	762.77	13.52	
			Labor	4,214.84	60,385.03	18,990.90	
			Material	-	94,520.61	-	
			Overhead	2,889.32	330,131.66	31,393.37	
			Transportation	-	152.40	318.60	
			Vehicle	49.71	384.75	76.78	
			Voucher	-	370,009.83	(6,643.38)	
			Sum		7,266.96	1,416,266.59	69,150.73
03805160	Nez Perce Rebuild Add Distrib	AFUDC	0.85	6,775.53	1,086.96		
		Contractor	-	-	-		
		Employee Expenses	-	1,565.27	-		
		Labor	49.78	25,644.89	-		
		Overhead	32.69	25,354.30	-		
		Transportation	-	3,499.40	-		
		Voucher	-	16,130.74	53.87		
		Sum		83.32	78,970.13	1,140.83	80,194.28
03805161	Purch property Nez Perce sub	Contractor	-	8,704.20	-		
		Employee Expenses	337.43	1,172.37	-		
		Labor	3,730.56	19,651.06	-		
		Overhead	2,523.14	19,872.36	-		
		Transportation	-	1,777.50	-		
		Vehicle	301.60	-	-		
		Voucher	-	33,321.79	-		
		Sum		6,892.73	84,499.28	-	91,392.01
09805203	Nez Perce Rebuild Add Comm	AFUDC	3.51	230.32	359.58		
		Contractor	441.09	-	297.77		
		Labor	44.47	-	1,003.26		
		Material	-	12,940.25	-		
		Overhead	30.97	1,032.95	1,784.76		
		Voucher	-	-	13,910.47		
Sum		520.04	14,203.52	17,355.84	32,079.40		
39905064	Nez Perce 115kv sub integ tran	AFUDC	-	-	125.48		
		Labor	-	-	163.04		

AVISTA UTILITIES
ER 2318
COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	2008 Transaction Amt	2009 Transaction Amt	2010 Transaction Amt	Total
			Material	-	-	28,902.28	
			Overhead	-	-	9,437.92	
		Sum				<u>38,628.72</u>	<u>38,628.72</u>
Total				<u>14,763.05</u>	<u>1,593,939.52</u>	<u>126,276.12</u>	<u>1,734,978.69</u>



CAPITAL PROJECT REQUEST FORM

Exhibit No. (SJK-4), Schedule 3

Request Type Revised			PROJECT NEZ08B	
ER 2318	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Nez Perce Rebuild/Addition	
APPROVED BUDGET X		Description Chars Count 90	ORGANIZATION M08	B/I NUMBER LS500
BILLING		BILLING CONTACT		PROJECT START DATE 10-13-2008

PROJECT DESCRIPTION (250 CHARS)

Rebuild Nez Perce 115 kV Switchyard and Distribution Yard, construct 115 kV Capacitor Bank

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)				
Rebuild Nez Perce Substation, integrate four 115 kV lines, a 115 kV capacitor bank, 115/13 kV distribution transformer and one feeder. This CPR has been revised and now reflects projected construction costs over the life of the project.				

CONSTRUCTION			
FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT	
3XXXXX	BY FERC NUMBER	BY FERC NUMBER	
300100	\$284,250		
352000	\$650,000	03805158 AN	
353000	\$4,360,000		
361000	\$50,000	03805160 ID	
362000	\$300,000		
397000	\$225,000	09805203	
GROSS ADDITIONS		\$5,869,250	
SALVAGE BY FERC (3XXXXX)			
352000	\$25,000		
353000	\$50,000		
361000	\$5,000		
362000	\$10,000		
397000	\$10,000		
NET SALVAGE		\$100,000	
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared:		11-02-2009	
TOTAL COST OF PROJECT		\$5,969,250	

11/16/09

Total Construction Cost	\$5,969,250
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	350,000
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS		
SIGNATURE		DATE
Mike Magruder	<i>M. Magruder</i>	11-2-09
Rick Vermeers		
Don Koczynski	<i>[Signature]</i>	
Dennis Vermillion	<i>[Signature]</i>	11/3/09
Scott Morris	<i>[Signature]</i>	
Project Contact	Brian Chain	x2148

APPROVAL SIGNATURE(S) REQUIRED
To \$99,999 - Director
\$100,000-\$499,999 - VP or GM Utility
\$500,000-\$1,999,999 - Sr Vice President
\$2,000,000-\$9,999,999 - CEO
Over \$10,000,000 - Board Chair
Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/Supervisor	



CAPITAL PROJECT REQUEST FORM

Request Type Preliminary	PROJECT NEZ08B			
ER 2318	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Nez Perce Rebuild/Addition	LOCATION 038

PROJECT DESCRIPTION (250 CHARS)
 Rebuild Nez Perce 115 kV Switchyard and Distribution Yard, construct 115 kV Capacitor Bank

APPROVED BUDGET X	ORGANIZATION F08 MOD	B/I NUMBER LS500	WMS (Y OR N) N	RATE JURISDICTION ID
BILLING	BILLING CONTACT		PROJECT START DATE 10/13/2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

Rebuild Nez Perce Substation, integrate four 115 kV lines, a 115 kV capacitor bank, 115/13 kV distribution transformer and associated feeders

350-038-AN
 360-038-AN
 390-098-AN

03805158 Approved 10/9/08
 AN

CONSTRUCTION	FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT
	3XXXXX	BY FERC NUMBER	BY FERC NUMBER
	300100	\$50,000	
	352000	\$50,000	Struct + Dmg
	353000	\$50,000	Station Equip
	361000	\$50,000	Struct w/ Dmg
	362000	\$50,000	Station Equip
	397000	\$50,000	Comm.
IS ADDITIONS		\$300,000	09805203
NET SALVAGE BY FERC (3XXXXX)			
	352000	\$10,000	
	353000	\$10,000	
	361000	\$10,000	
	362000	\$10,000	
	397000	\$10,000	
NET SALVAGE		\$50,000	
Non Standard Work Breakdown Structure needed (Optional)			

Total Construction Cost	\$350,00
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Mike Magruder	10-7-08
Rick Vermeers	10-8-08
Don Kopczynski	

Project Contact | Brian Chain

APPROVAL SIGNATURE(S) REQUIRED
\$0-\$99,999 Director
\$100,000-\$499,999 VP/Gen. Mgr./Utility
\$500,000-\$1,999,999 Sr. Vice President
\$2,000,000-\$9,999,999 CEO
Over \$10,000,000 Board Chair
Out of Budget / Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Prepared: 10/6/2008

Date Work Completed	
Foreman/Supervisor	

350 - Cap Specific Tran
 360 - Elec Dist caps Special



CAPITAL PROJECT REQUEST FORM

Exhibit No. (SJK-4), Schedule 3

Request Type

PROJECT

Preliminary

NEZ08A

ER 2318	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Nez Perce Rebuild/Addition	LOCATION 038
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PROJECT DESCRIPTION (250 CHARS)

Buy Property for Nez Perce Substation Rebuild

10/10/08
Line 121
OR ADD?

APPROVED BUDGET X	ORGANIZATION M08	B/I NUMBER LS611	WMS (Y OR N) N	RATE JURISDICTION ID
BILLING	BILLING CONTACT		PROJECT START DATE 10/13/2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
Buy Property for 2009-2010 rebuild of Nez Perce Substation

CONSTRUCTION

FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT
3XXXXX	BY FERC NUMBER	BY FERC NUMBER
300100	\$10,000	
350000 360000	\$50,000	Land + Rights
GROSS ADDITIONS		\$60,000
NET SALVAGE BY FERC (3XXXXX)		
Non Standard Work Breakdown Structure needed (Optional)		
Prepared: 10/6/2008		
TOTAL COST OF PROJECT	\$60,000	

Total Construction Cost \$60,000

NOT REQUIRED
BUDGET AUTHORIZATION
PREVIOUSLY APPROVED
THIS AFE
TOTAL TO DATE
BALANCE NOT APPROVED

APPROVALS	
SIGNATURE	DATE
Mike Magruder <i>M. Magruder</i>	10-7-08
Rick Vermeers <i>Rick Vermeers</i>	10-8-08

Project Contact Brian Chain *Andy Anderson*

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
\$100,000-\$499,999 - VP or GM Utility
\$500,000-\$1,999,999 - Service President
\$2,000,000-\$9,999,999 - CEO
Over \$10,000,000 - Board Chair
Out of Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM COMPLETE (S) BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/Supervisor	

cap specific



Interoffice Memorandum
Engineering & System Operations
SUBSTATION DESIGN

DATE: October 30th, 2008
TO: Distribution
FROM: Brian Chain
SUBJECT: Nez Perce – Substation Rebuild & Capacitor Bank Addition
 Scoping Meeting

The purpose of this meeting is to discuss the work required to rebuild Nez Perce Substation and add a 15 MVAR capacitor bank.

Distribution:

Dennis Howey	Jeff Scott	Randy Daniels	Greg Lancaster
Pat Clevenger	Tim Olson	Don Malisani	Jeff Marsh
Garth Brandon	Bill Kelley	Rich Hydzik	Andy Vickers
Jacob Reidt	Jim Farby	Warren Maxvill	Bob Weisbeck
Mike Magruder	Jill Ham	Scott Jobb	Robin Bekkedahl
Dave James	Scott Waples	Randy Pierce	Clarice Garcia

Meeting Info:

Date: November 11th, 2008
Time: 1:00-3:00 PM
Location: Avista HQ, 4th Floor Tech Room (next to Distribution Dispatch)

If you are unable to attend, please forward any comments to me at your earliest convenience.

Overview:

New NERC requirements, as well as current system planning studies, require new reactive resources in the Camas Prairie area. At the same time, the wood construction of the existing substation is aging and is past due for replacement. The distribution station will also be rebuilt as part of this project.

Scope:

- Procure land for new substation
- Rebuild 115 kV switchyard in a main/auxiliary bus configuration, including:
 1. Five 115 kV, 2000 A Gas Circuit Breakers
 2. Sixteen 115 kV, 2000 A, V-type Disconnect Switches
 3. Seven Line/Main Bus PTs (Kuhlman POF-550s)
 4. Four sets of 115 kV Surge Arresters
 5. New Panel House
- Add a 115 kV, 15 MVAR capacitor bank
- Rebuild 115-13 kV distribution yard, including:
 1. 115 kV, 1200 A, vertical-break Disconnect Switch
 2. 115 kV Transformer Fuse (S&C SMD-2B)
 3. New 115-13 kV, 3.75 MVA Transformer
 4. 13 kV Transformer Disconnect Switch (600 A Bridges Switch)
 5. New 13 kV, 1200 A Breaker (Square D Type FVR)
 6. Three 13 kV, 150 A Step-Voltage Regulators (Cooper VR-32s)
- Integrate four existing 115 kV lines and one 13 kV feeder

Schedule:

This will be a three-year project. The goal is to complete grading, foundations, and steel work in 2009. Construction of the 115 kV switchyard will be first priority in 2010. The capacitor bank and distribution yard rebuild will extend into 2011.

This preliminary schedule is completely dependent upon the purchase of property on which to construct the substation. The construction dates will also float depending on crew availability.

Real Estate

Investigation & Procurement	ASAP
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Design Work

Grading Design Transmittal	March 2009
Mechanical Design Transmittal	June 2009
Electrical Design Transmittal	December 2009

Contract Grading

Bid	April 2009
Grading	May-June 2009

Contract Fencing

Bid	May 2009
Fencing	June 2009

Mechanical Construction

Foundations/Steel	July-November 2009
-------------------	--------------------

Electrical Construction

Switch Yard	March-November 2010
Capacitor Bank	March-June 2011
Distribution Yard	September-October 2011

All four transmission lines will be cut over to the new switchyard prior to the winter of 2010-2011, with a shoofly left in place to keep the existing distribution yard energized. Feeder NEZ1267 will be cut over to the new distribution yard in late 2011.

Weather will be a large concern during this construction. For budgetary purposes, it is not recommended that we attempt to construct this station during the least efficient portion of the year (winter & early spring).

There has been some discussion concerning crew overtime and how it might effectively be utilized to mitigate the loss of efficiency that we will have on this job due to the remote location (large amounts of windshield time). Also, given that this job is greenfield, in a remote location, and will presumably be restricted by labor constraints, contract construction should be seriously considered.

No consensus on overtime utilization or contract construction has been reached at this time.

Budget:

This project has a multiyear budget under ER 2318:

2009	\$711k for Substation Engineering/Construction	(BI LS500)
	\$25k for Transmission Engineering	(BI LT806)
2010	\$75k for Property Purchase	(BI LS611)
	\$1300k for Substation Construction	(BI LS500)
	\$125k for Transmission Construction	(BI LT806)

The 2010/2011 budget is projected to more than double from the current projections. Reasons for this are discussed in Jim Farby's July 15th, 2008 memo, entitled "Nez Perce 115 kV Rebuild Scope Review". More accurate estimates will be made for budgeting purposes in late 2009. A small budget item may also be necessary for distribution feeder construction.

The distribution transformer and circuit breakers (2010 arrival) are covered under separate budget items.

Site Acquisition:

The existing substation sits just southwest of the intersection of Highway 7 and Powerline Road. There have been two property options for a new switchyard on the table.

The first option was to expand the existing substation west down Powerline Road. Given that the distribution equipment could stay in the existing yard in such a design, the additional land required would be approximately 300' x 370'. Real Estate has already had discussions with the owner of this land about expanding our existing station.

However, this land has drainage issues and a severe slope that would need to be mitigated with grading. If this site were utilized, a tiered substation design (similar to Third & Hatch) would be necessary. While construction could take place on this site, it will not be the lowest cost option. Experiences at recent major substation expansions (Benewah, Lolo) show that grading costs have been extraordinary and that working near energized equipment slows labor down considerably throughout the entire project. Given the remote location of this project, every

attempt must be made to reduce the construction timeframe. The sunk cost of the existing property is minimal compared to the increased cost that will come with construction west of the existing site.

The second option is to move the new substation across Highway 7, to the east. This would be a completely greenfield site, which would increase the speed (and decrease the cost) of construction. Drainage and grading are less of an issue with this site; however, the site is not presently for sale. Since the distribution yard will be moved as well, the land required is approximately 300' x 450'.

The amount of land to be bought will be minimal based on the preliminary designs. System Planning does not predict 230 kV to be brought into this area in the foreseeable future; therefore, no extra land for an eventual 230 kV yard will be purchased.

Working on the Reservation:

The existing Nez Perce Substation is on the Nez Perce Indian Reservation. Substation Design will work closely with Avista's cultural/environmental coordinators to communicate construction plans to the tribe proactively, particularly for site grading and any other land modification.

Given the past history at this substation (minor oil spill in recent years), Environmental is considering full (110%) oil containment for the new distribution transformer. At this point there are no plans to install oil containment for the 13 kV voltage regulators.

Physical Design:

Per Jim Farby's July 15th, 2008 memo, entitled "Nez Perce 115 kV Rebuild Scope Review", and minutes from the October 15th, 2008 Nez Perce Bus Design meeting, Nez Perce will be built as a main/auxiliary layout. A dedicated auxiliary breaker/bus is required in order to allow for breaker maintenance without an associated 115 kV line outage.

The distribution transformer will be connected to the auxiliary position so that it is switchable between the main and auxiliary busses. The 115 kV capacitor bank does not require this level of reliability; therefore, it will be connected to the main bus only.

Room has been built into the preliminary general plan such that future additions will be simple and straightforward. System Planning does not predict any additions in the immediate future (i.e. 10 years) but wind generation interconnections are a possibility in the 15-20 year range.

A fifth 115 kV line can be added between the auxiliary breaker and fourth 115 kV line position. At the other end of the yard, sufficient space has been reserved such that a second capacitor bank or a sixth 115 kV line can be added.

The distribution transformer pad will be large enough for an eventual 7.5 MVA transformer. There is room for a second feeder to be added onto the 13 kV RE structure; however, foundations and structural steel will not be added at this time. The single existing feeder will be an overhead feeder exit.

Outages:

115 kV line outages are understandably hard to come by in this area. Taking out any single line near Nez Perce limits the Grangeville area to a radial feed, with the associated low reliability.

Transmission outages will be as limited as possible. Miscellaneous single line outages will be required in late 2010 to cut all four 115 kV lines over to the new switchyard, and to install a shoofly to the existing distribution yard.

Finally, a short distribution outage will be necessary in 2011 in order to connect the distribution to the new feeder structure.

Distribution Feeder Phasing:

The existing transformer is connected High Lead Low (HLL). The new transformer will match the existing HLL phasing.

Mechanical Work:

Foundations

- (1) 15' x 30' (approximate) Panel House Foundation
- (1) 13 kV Step Voltage Regulators Foundation
- (1) 13 kV Vacuum Circuit Breaker Foundation
- (2) RE Structure Foundations
- (1) 7.5 MVA Transformer Pad
- (5) Deadend Tower Foundations
- (6) 115 kV Gas Circuit Breaker Foundations
- (3) Capacitor Bank Foundations
- (107) Switch/Bus Support Foundations (MR# type)

Steel:

- (17) 115 kV Air Switch Racks
- (73) Single Phase Bus/PT/Lightning Arrester Supports
- (1) 115 kV Fuse Platform
- (1) Single-Bay RE Structure
- (1) Four-Bay 115 kV Deadend Structure

Panel House

The panel house for the site will likely be about 15' wide by 30' long. At this point, several manufacturers (Bally, CXT, etc.) are being considered.

Oil Containment:

A gravel filled oil containment liner will be installed with the new transformer. The liner will be designed to contain at least 20% (and perhaps as much as 110%) of the transformer's total oil, since we are on the Nez Perce Indian Reservation.

Trenwa

Approximately 400 feet of Trenwa will be installed as a main cable pathway between all line breakers, the synchronous capacitor bank breaker, and the panel house.

Capacitor Bank Fence

Approximately 140 feet of fence, with one 4 foot walk gate, will be installed as a safety barrier around the 115 kV capacitor bank.

Electrical Work:

Grounding

The new grounding grid will utilize swaged DMC connectors. A peninsular ground grid will be installed around the capacitor bank, per the latest designs at Benewah, Dry Creek, and Grangeville.

Cable

Control cabling will be run in Trenwa and conduits, per designs at the last few transmission stations (Benewah, Lolo, Dry Creek).

Shielded control cable will be used in the capacitor bank area. A yard termination cabinet, similar to those used at Benewah and Dry Creek, will be used to transition to unshielded cable outside of the capacitor bank area.

Buswork

The main bus will use 3" aluminum pipe bus. The cross bus will use 2" aluminum pipe bus. The drops between the breakers and their associated disconnect switches may use conductor, pending design review.

New swaged connectors from DMC will be used for all pipe and conductor connections in the transmission switchyard.

The distribution yard "tap" off of the auxiliary position will utilize 2" aluminum pipe bus. Copper conductor will connect the transformer to the 13 kV breaker/bypass bus.

Major Equipment

Maintenance (69M) switches will be installed in all line, auxiliary, and synchronous breakers, as was done at Benewah Substation.

115 kV surge arresters will be installed on all four incoming lines. No static protection (masts/wires) will be installed.

Single phase line PTs will be installed on all four incoming lines. Three phase bus PTs will be installed on the main bus. The auxiliary bus will not have any direct voltage indication.

<u>Equipment & Deliveries:</u>

115-13 kV, 3.75 MVA Power Transformer	August 2009
115 kV Transformer Disconnect Switch	August 2009
115 kV Disconnect Switches	September 2009
115 kV Gas Circuit Breakers	September 2009
Panel House	September 2009
13 kV Vacuum Circuit Breaker	Already here
13 kV Step Voltage Regulators	Already here

<u>Relay and Protection:</u>

The current line breaker protection scheme will be installed for each line position panel, pending design. One panel will be needed for the dedicated auxiliary breaker. An additional panel will also be required for capacitor bank relaying and control.

The 115 kV protection for the distribution transformer will be 115 kV S&C SMD-2B fuses. The fault duty at this site is relatively low (approximately 5 kA) so fuses are acceptable.

The new distribution feeder will be protected by a SEL-351 overcurrent relay, which comes standard with the Square D Type FVR breaker.

Communications:

The current integration standard will be installed in the new substation, pending design.

The existing substation uses phone lines (a 2W POTS line and a 4W dedicated SCADA circuit) for communication. Due to the lack of fiber-optic communications in the area, the new substation will probably use the same scheme.

The Protection Design will indicate whether or not alternate forms of communication (microwave, radio, wave traps) are needed for remote protection schemes.

Attachments:

Nez Perce Initial Plan (Main-Aux)
Nez Perce Preliminary One Line
System Planning Scoping Memo
Nez Perce Bus Design Meeting Minutes

ID	Task Name	Duration	Start	Finish	Half 2, 2008				Half 1, 2009				Half 2, 2009				Half 1, 2010				Half 2, 2010				Half 1, 2011				Half 2, 2011				Half 1, 2012				Half 2, 2012																														
					M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
1	Substation - Nez Perce	764 days	Mon 10/6/08	Fri 9/23/11	[Gantt bar spanning from 10/6/08 to 9/23/11]																																																														
2	Project Development	170 days	Mon 10/6/08	Fri 6/5/09	[Gantt bar spanning from 10/6/08 to 6/5/09]																																																														
3	Preliminary Substation Design	20 days	Mon 10/6/08	Fri 10/31/08	[Task bar]																																																														
4	CPR	1 day	Mon 11/3/08	Mon 11/3/08	[Task bar]																																																														
5	Project Kickoff & Scoping Meeting	0 days	Tue 11/11/08	Tue 11/11/08	[Milestone diamond 11/11]																																																														
6	Procurement of Long-Lead Time Items	22 days	Mon 12/1/08	Wed 12/31/08	[Task bar]																																																														
7	Investigate and Purchase Property	96 days	Fri 1/2/09	Fri 5/15/09	[Task bar]																																																														
8	File Record of Survey w/County	0 days	Mon 3/2/09	Mon 3/2/09	[Milestone diamond 3/2]																																																														
9	Construction Permits (Road Access)	44 days	Mon 3/2/09	Thu 4/30/09	[Task bar]																																																														
10	Cultural Survey & Tribal Communication	69 days	Mon 3/2/09	Fri 6/5/09	[Task bar]																																																														
11	Engineering Design	244 days	Tue 1/13/09	Mon 12/28/09	[Gantt bar spanning from 1/13/09 to 12/28/09]																																																														
12	Ground and Topo Surveys	3 days	Tue 1/13/09	Thu 1/15/09	[Task bar]																																																														
13	Soil Survey	13 days	Fri 1/16/09	Tue 2/3/09	[Task bar]																																																														
14	Site & Grading Design	15 days	Wed 2/4/09	Tue 2/24/09	[Task bar]																																																														
15	Physical Design	65 days	Wed 2/25/09	Tue 5/26/09	[Task bar]																																																														
16	Planned Requirements	5 days	Tue 6/2/09	Mon 6/8/09	[Task bar]																																																														
17	Procurement of Non-stock Items	5 days	Tue 6/9/09	Mon 6/15/09	[Task bar]																																																														
18	Grading/Fencing Transmittal	0 days	Fri 4/17/09	Fri 4/17/09	[Milestone diamond 4/17]																																																														
19	Grading/Fencing Bid	40 days	Fri 4/17/09	Fri 6/12/09	[Task bar]																																																														
20	Foundation Design	20 days	Mon 5/4/09	Fri 5/29/09	[Task bar]																																																														
21	Transmittal - Physicals	0 days	Fri 6/26/09	Fri 6/26/09	[Milestone diamond 6/26]																																																														
22	Foundations/Steel Bid	40 days	Fri 6/26/09	Fri 8/21/09	[Task bar]																																																														
23	Soil Resistivity Test	5 days	Mon 7/6/09	Fri 7/10/09	[Task bar]																																																														
24	Grounding Design	20 days	Mon 7/13/09	Fri 8/7/09	[Task bar]																																																														
25	Protective Relay Design	0 days	Wed 7/15/09	Wed 7/15/09	[Milestone diamond 7/15]																																																														
26	Substation Automation Design	0 days	Fri 8/28/09	Fri 8/28/09	[Milestone diamond 8/28]																																																														
27	Substation Electrical Design	112 days	Mon 7/6/09	Fri 12/11/09	[Task bar]																																																														
28	Transmittal - Electricals	0 days	Mon 12/28/09	Mon 12/28/09	[Milestone diamond 12/28]																																																														
29	Construction & Energization	589 days	Mon 6/15/09	Fri 9/23/11	[Gantt bar spanning from 6/15/09 to 9/23/11]																																																														
30	Construction - Grading/Fencing	40 days	Mon 6/15/09	Mon 8/10/09	[Task bar]																																																														
31	Construction - Mechanical	100 days	Mon 8/24/09	Fri 1/15/10	[Task bar]																																																														
32	Construction - Electrical (Switch Yard)	189 days	Mon 3/1/10	Thu 11/18/10	[Task bar]																																																														
33	Ready for Telecomm	0 days	Mon 5/31/10	Mon 5/31/10	[Milestone diamond 5/31]																																																														
34	Telecomm Connected	0 days	Wed 6/30/10	Wed 6/30/10	[Milestone diamond 6/30]																																																														
35	Construction - Move Transmission Lines	20 days	Mon 9/6/10	Fri 10/1/10	[Task bar]																																																														
36	Switch Yard Energization	0 days	Thu 11/18/10	Thu 11/18/10	[Milestone diamond 11/18]																																																														
37	Construction - Electrical (Cap Bank)	80 days	Mon 3/7/11	Fri 6/24/11	[Task bar]																																																														
38	Cap Bank Energization	0 days	Fri 6/24/11	Fri 6/24/11	[Milestone diamond 6/24]																																																														
39	Construction - Electrical (Distribution)	40 days	Mon 6/27/11	Fri 8/19/11	[Task bar]																																																														
40	Construction - Move Feeder	10 days	Mon 7/4/11	Fri 7/15/11	[Task bar]																																																														
41	Distribution Yard Energization	0 days	Sun 8/28/11	Sun 8/28/11	[Milestone diamond 8/28]																																																														
42	Construction - Wreck Out Old Substation	20 days	Mon 8/29/11	Fri 9/23/11	[Task bar]																																																														

JOB: NEZ Perce

WO:

PO #	MATERIAL	Vendor/ Mfg	Our Deliv	Actual Deliv	Instr Req	Instr Rc'd
49063	GCB'S - S.W. ISON	Mitsubishi	7/7/09	7/1/09	✓	✓
69062	GCB'S	Mitsubishi	7/7/09		✓	
69551	STRUCTURAL STEEL	HASKINS	8/27/09		—	—
70420	PANEL HOUSE	BALLY	8/14/09		—	—
70588	TRENCH	TRENWA	10/7	10/27/09	—	—
70683	CONNECTORS	D.M.C.	8/28	7/27/09	—	—
70943	HAZGOOD LINER	LAYFIELD	8/1	7/10/09	—	—
70958	LINER Repair Kit/FABRIC	LAYFIELD	8/1	7/10/09	—	—
70959	O'RING CHORD	Applied IND	8/1	7/2/09	—	—
70968	Reglet	MACON	8/1	8/21/09	—	—
70965	POWER FUSES	H.D. SUPPLY	9/2	8/3/09	—	—
70980	ENCLOSURES (YARD)	GRAY BAR	8/1	8/3/09	—	—
70985	CONNECTORS	H.D. SUPPLY	8/28	7/2/09	—	—
70993	CAP BANK	A.B.B.	1/12/10	11/14/09	—	—
71362	ANCHOR BOLT MATERIAL	HASKINS	8/7/09		—	—
71685	STEEL + FABRICATION	NN STEEL	10/30/09		—	—
71899	HV Air switches	USCO Power	12/2		✓	
71900	GROUNDING Switch	USCO POWER	12/2	12/10/09	—	—
72860	CYBECTEC SMP	Cooper	1/20/10		—	—

22,182-
62,242-



Interoffice Memorandum System Planning

MEMO: SP-2008-03

DATE: July 15, 2008

TO: Distribution

FROM: Jim Farby

SUBJECT: Nez Perce 115kV Rebuild Scope Review

Background

Planning studies have long identified the need for reactive resources in the Camas Prairie area. Since the NERC TPL Planning Standards have become "mandatory and enforceable" the need for reactive resources in the Camas Prairie area are now a compliance issue. The 2006 studies outlined in "Nez Perce Capacitor Study (10/13/06)" by Randy Gnaedinger recommended, at the suggestion of Operations, that capacitor banks be placed at Grangeville and Nez Perce. The Grangeville capacitor bank should be in service late 2008. The installation of the capacitor bank at Nez Perce is scheduled for 2009/2010 in conjunction with the substation rebuild.

The current wood-pole single strain bus substation at Nez Perce was rebuilt on an existing site in 1965. Breakers A-226 & A-228 were installed in 1965, while breakers A-330 & A-331 were replaced in 2003 & 2000 respectively. The 115/13kV transformer was purchased in 1957. In July 2006 a protracted outage occurred due to the failure of the 115kV power fuse holder, part of the 1974 capacity increase. The Mobile Substation was dispatched after repaired the fuse holder disintegrated during the restoration attempt, parts of which damaged a high side bushing on the transformer. Shortly after this incident the decision was made to rebuild the substation.

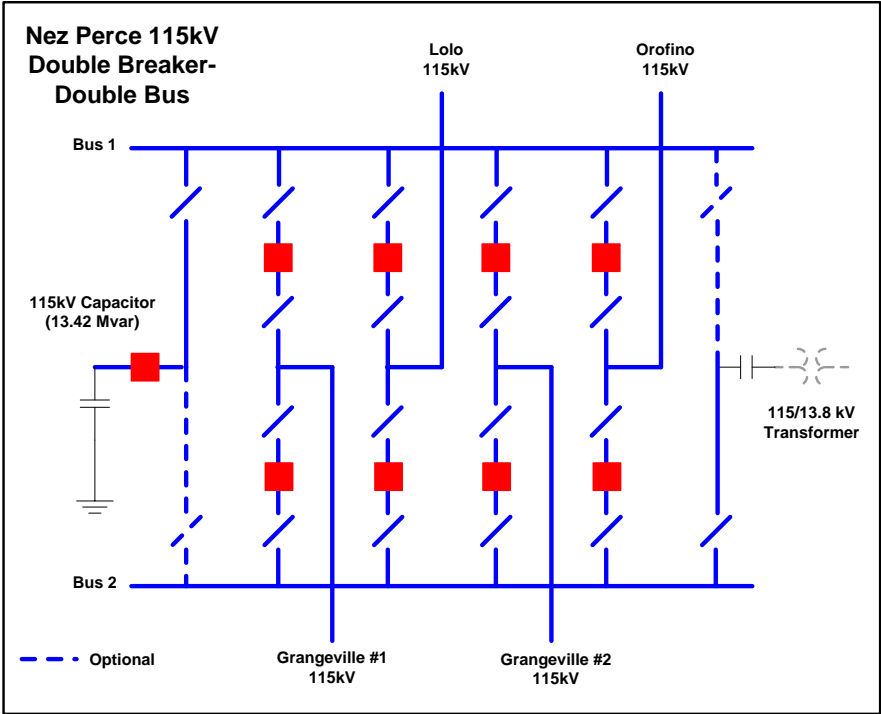
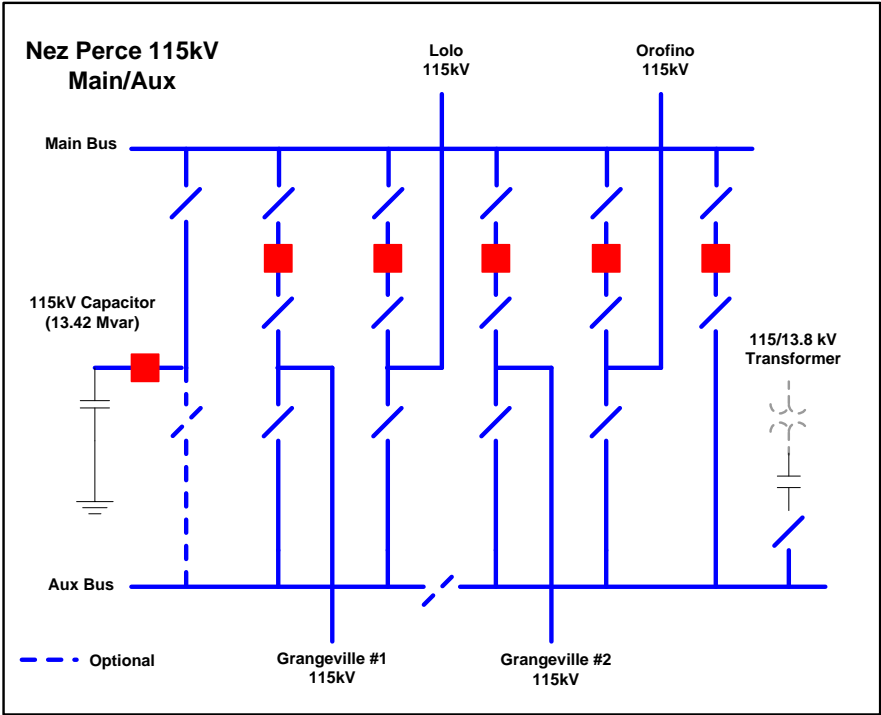
The 2006 budget estimate of \$2M was based upon the cost of Ramsey Switching Station (four lines, steel & single rigid bus, plus a capacitor bank) in 1997 dollars with a cost escalation of 3% per year. Operations requested a bus configuration with a little more flexibility than the single bus design. During subsequent meetings the Double Breaker – Double Bus (DB-DB) layout was selected over a Ring Bus (relay communications required) and a Main/Aux (slightly cheaper than DB-DB but not as flexible). Mike Nissley had referenced the *Electric Power Substation Engineering* book, CRC (2003 Edition) to determine the cost ratios associated with a particular substation layout. They are as follows: Main (Single) Bus – 1.0, Main/Aux – 1.7, Breaker & a Half – 1.8, and DB-DB – 1.93. Unfortunately the cost ratio for DB-DB (1.93) used by Mike was not applied to the \$2M base estimate. An estimate of \$3.9M should have been used in the 2006 Budget.

Review

With the impact of the cost escalation in material & labor plus the suggestion from Operations that a Main/Aux would be adequate for Nez Perce I decided to review the DB-DB verse Main/Aux decision. Mike Magruder was kind enough to supply updated cost estimates, they are as follows: DB-DB - \$3.75M and Main/Aux - \$3.175M. The estimate did not include the distribution equipment (transformer, circuit switcher, feeder bay, etc).

Recommendation

A Main/Aux with a dedicated aux breaker adequately meets the Operational & Planning requirements for Nez Perce and the Camas Prairie. Future Capital Budget constraints require that we spend the available dollars as efficiently as possible. I recommend that we reconsider the decision to construct Nez Perce as DB-DB and opt for a Main/Aux configuration.



I believe the Main/Aux verse DB-DB debate came up during the 07/10/08 Capital Budget Meeting but was not resolved. This memo was drafted prior to this meeting. If you have any questions regarding this memo, please contact me at x2921

Distribution:

Scott Kinney
Dave James
Rich Hydzik

Rick Vermeers
Dennis Howey
Mike Magruder

Scott Waples
Garth Brandon

2008 SP Record (SharePoint)

Transmission Design Master Schedule Print Date: Tue 02-09-10

ID	Area	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Timeline											
								Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
227	CDA	ER 2307, BI CT906: Idaho Road 115 Int Ph 2 (CDA) KS	475 days	Mon 01-05-09	Tue 11-09-10			[Summary bar]											
228		R/W Acquisition	12.5 mons	Mon 01-05-09	Tue 12-22-09		McGregor Ron	[Task bar: 12-22]											
229		Engineer	4 mons	Mon 01-04-10	Fri 04-23-10		Sweigart Ken	[Task bar: 01-04 to 04-23]											
230		Procure	4 mons	Mon 03-29-10	Mon 07-19-10	229SS+75%	Gilica Patricia	[Task bar: 03-29 to 07-19]											
231		Request Outage	0 days	Fri 04-23-10	Fri 04-23-10	229	Sweigart Ken	[Task bar: 04-23]											
232		Permit Acquisition	3 mons	Mon 04-26-10	Mon 07-19-10	229	Isaak Laura	[Task bar: 04-26 to 07-19]											
233		Notice to Construct/Issue Job Package	0 days	Mon 07-19-10	Mon 07-19-10	230,232	Sweigart Ken	[Task bar: 07-19]											
234		Construct Idaho-Meyer (CDA)	3 mons	Tue 07-20-10	Tue 10-12-10	230	Weber Scott	[Task bar: 07-20 to 10-12]											
235		Remove Bypassed Section Boulder-Rathdrum (CDA)	1 mon	Wed 10-13-10	Tue 11-09-10	234	Weber Scott	[Task bar: 10-13 to 11-09]											
236		Construction Complete	0 days	Tue 11-09-10	Tue 11-09-10	235		[Task bar: 11-09]											
237	SPO	ER 2310, BI ST805: AIR-FBN 115 Reconstruct (SPO) LM	203 days	Tue 12-01-09	Mon 09-13-10			[Summary bar]											
238		Engineer	2 mons	Tue 12-01-09	Wed 01-27-10		Miles Lamont	[Task bar: 12-30 to 01-27]											
239		Procure	2 mons	Wed 12-30-09	Wed 02-24-10	238SS+50%	Gilica Patricia	[Task bar: 01-27 to 02-24]											
240		Request Outage	0 days	Wed 01-27-10	Wed 01-27-10	238	Miles Lamont	[Task bar: 02-24]											
241		Notice to Construct/Issue Job Package	0 days	Fri 02-26-10	Fri 02-26-10	239FS+2 days	Miles Lamont	[Task bar: 02-26]											
242		Constuct (Spokane)	10 wks	Mon 07-05-10	Mon 09-13-10		Rosentrater Eric	[Task bar: 07-05 to 09-13]											
243		Construction Complete	0 days	Mon 09-13-10	Mon 09-13-10	242		[Task bar: 09-13]											
244	PUL	ER 2318, BI LT806: Nezperce Sub Int (GRA) PC (Potentially 2 Phases)	131 days	Mon 01-04-10	Mon 07-05-10			[Summary bar]											
245		Engineer	3 mons	Mon 01-04-10	Fri 03-26-10		Clevenger Patrick	[Task bar: 01-04 to 03-26]											
246		Procure	3 mons	Mon 02-15-10	Fri 05-07-10	245SS+50%	Gilica Patricia	[Task bar: 02-15 to 05-07]											
247		Request Outage (Grangeville/Jeff Scott)	0 days	Fri 03-26-10	Fri 03-26-10	245	Olson Tim	[Task bar: 03-26]											
248		Notice to Construct/Issue Job Package	0 days	Thu 04-15-10	Thu 04-15-10		Clevenger Patrick	[Task bar: 04-15]											
249		Construct (Grangeville/Jeff Scott)	2 mons	Mon 05-10-10	Mon 07-05-10	246	Olson Tim	[Task bar: 05-10 to 07-05]											
250		Construction Complete	0 days	Mon 07-05-10	Mon 07-05-10	249		[Task bar: 07-05]											
251	SPO	ER 2321, BI ST860: Downtown East 115 Sub Int (SPO) NA No Date	0 days	Mon 10-01-07	Mon 10-01-07			[Task bar: 10-01 to 12-03]											
253	SPO	ER 2322, BI ST961: Downtown West 115 Sub Int (SPO) NA 2013	303 days	Mon 10-04-10	Wed 11-30-11			[Summary bar]											
255	SPO	ER 2325, BI FT106: Bruce Siding 115 Sub Int (OTH) NA 2013	300 days	Mon 10-03-11	Fri 11-23-12			[Summary bar]											
257	SPO	ER 2341, ST801: 9CE 115 Sub Reblid Int (SPO) DG	136 days	Fri 10-01-10	Fri 04-08-11			[Summary bar]											
258		Engineer	3 mons	Fri 10-01-10	Tue 12-28-10		Gregovich Dan	[Task bar: 10-01 to 12-03]											
259		Procure	3 mons	Fri 12-03-10	Fri 02-25-11	258SS+75%	Gilica Patricia	[Task bar: 12-03]											
260		Request Outage	0 days	Tue 12-28-10	Tue 12-28-10	258	Gregovich Dan	[Task bar: 12-03]											
261		Notice to Construct/Issue Job Package	0 days	Fri 02-25-11	Fri 02-25-11	259	Gregovich Dan	[Task bar: 12-03]											
262		Construct (SPO)	4 wks	Mon 03-14-11	Fri 04-08-11	261SS+10 days	Rosentrater Eric	[Task bar: 12-03]											

Project: Transmission Master Project S Date: Tue 02-09-10

Task Split

Progress Milestone

Summary Project Summary

External Tasks External Milestone

Deadline



10/27/2009



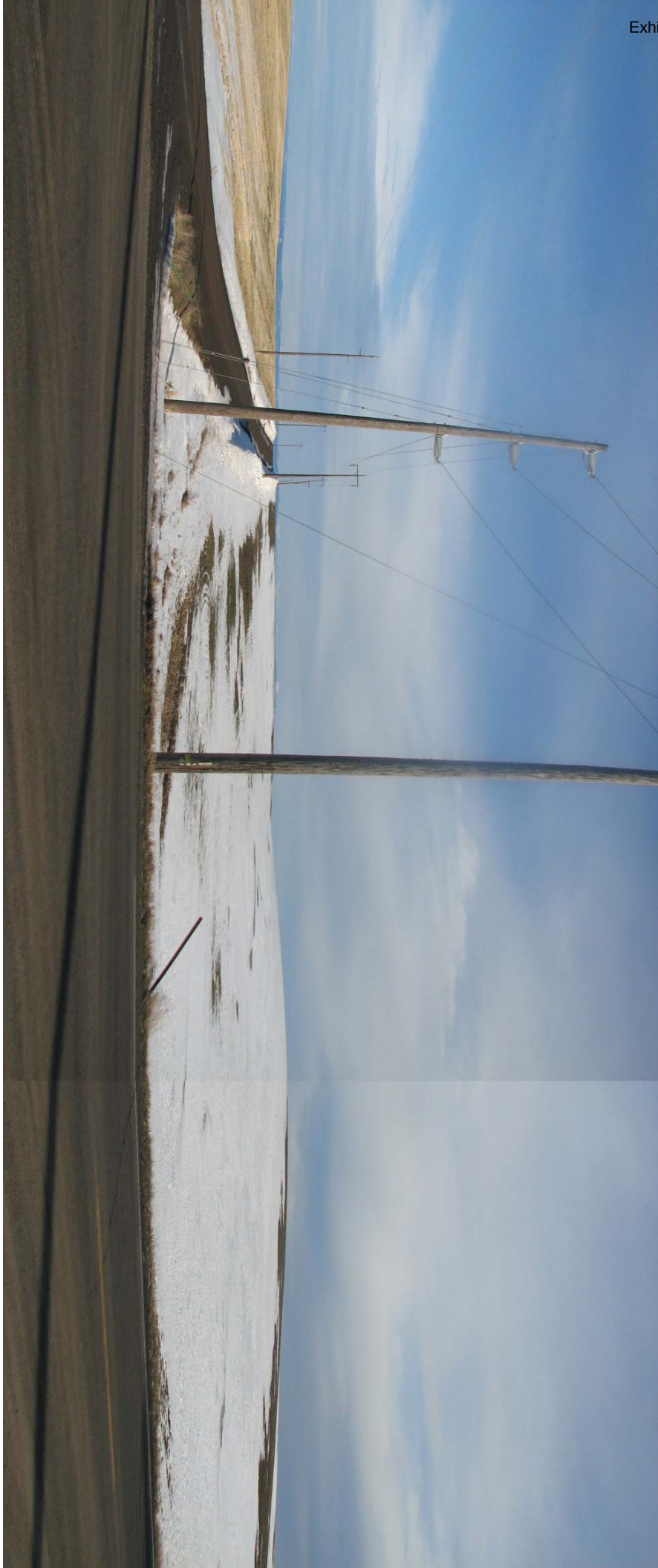
11/25/2009



11/25/2009



08/19/2009



CONFIDENTIAL per WAC 480-07-160

CONSTRUCTION AGREEMENTS Pgs.25 - 40

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2277

ER Name: SCADA Replacement

Pro Forma Amount: \$510,001

Expended to date: \$ 23,244

2010 Transfer to Plant Date: Quarterly throughout 2010

Project Description:

SCADA Replacement: The Supervisory Control and Data Acquisition (SCADA) system is used by the system operators to monitor and control the Avista transmission system. The SCADA system will be upgraded in 2010 to a new version provided by our SCADA vendor. The current application is no longer supported by the vendor. The upgrade will ensure Avista has adequate control and monitoring of its Transmission facilities. This portion of the project is required to meet Reliability Compliance under NERC Standards: TOP-001-1, TOP-002-2a R5-R10, R16, TOP-005-2 R2, TOP-006-2 R1-R7, CIP-005, CIP-007. There are no offsets or savings associated with this upgrade project, because the Company already pays the application vendor a set annual maintenance fee for support.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:	Start Date	End Date
Project Scoping	March 1, 2010	April 15, 2010
Phase 1 – Equipment procurement, configuration of EMS Servers/Clients/Active Directory/Multi-host failover	April 15, 2010	September 1, 2010
Phase 2 – e-terraTrust installation	September 1, 2010	October 31, 2010
Phase 3 – e-terraControl/e-terraComm upgrades	November 1, 2010	December 31, 2010

Additional Information:

- Capital Project Request (CPR) Forms, including all attachments pg. 2-3

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

03/17/2010 11:23 -8

UTIL ACCTG

PAGE 01/01



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type Preliminary	PROJECT 09805157
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ER 2277	Budget Cat 85	SERVICE CODE ED	PROJECT TITLE (30 CHARS) AVA Local Remote Terminal Unit	LOCATION 098
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Provides for the purchase and installation of a new Remote Terminal Unit (RTU) in System Operations.

APPROVED BUDGET X	ORGANIZATION D09	B/I NUMBER YQ301	WMS (Y OR N) N	RATE JURISDICTION AN
BILLING	BILLING CONTACT Craig N. Figart / Mark Baker	PROJECT START DATE 3/15/2008		

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

The "local" RTU provides for real-time input of critical AGC values such as interchange, generation, frequency, and load control. There are no parts available for the existing Systems Northwest local RTU as it is no longer supported.

CONSTRUCTION			
FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER	
397000	\$46,000		
GROSS ADDITIONS		\$46,000	
NET SALVAGE BY FERC (3XXXXX)			
Non Standard Work Breakdown Structure needed (Optional)			

Total Construction Cost	\$46,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Randy Cloward <i>R. Cloward</i>	2-19-08

Project Contact: Brad Calbick ext. 4405

APPROVAL SIGNATURE(S) REQUIRED

- To \$99,999 - Director
- \$100,000-\$499,999 - VP or GM Utility
- \$500,000-\$1,999,999 - Sr Vice President
- \$2,000,000-\$2,999,999 - CFO
- \$3,000,000-\$4,999,999 - President/COO
- \$5,000,000-\$9,999,999 - CEO
- Over \$10,000,000 - Board Chair
- Out-of-Budget - Capital Budget Committee

Date Prepared: 2/18/2008

TOTAL COST OF PROJECT \$46,000

Date Work Completed	
Foreman/Supervisor	



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type	Project(s)
New	CX26-SCADA
Project Title Count	18
Parent Code	
Rate Jurisdiction	WA Washington
Location	098-Common-WA/ID
Project Start Date	04-28-2009

ER 2277	Budget Category Non Construct	Service Code ED-Electric Direct	Project Title (30 Characters) SCADA Redundant AD
Long Project Name (100 Characters) Install a Redundant Active Directory server on the SPO SCADA network			
Approved Budget	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 85	ER Sponsor D09
Billing		Revenue Type NA- Not Applicable	BI Number YQ301
Billing Contact		WMS Job #	Rate Jurisdiction WA Washington

Project Description (Include Purpose and Necessity - 240 Characters)
 Install a redundant Active Directory server on the SPO SCADA network to increase the availability and reduce the amount of bandwidth used by the Active Directory service between the SPO SCADA network and the CDA SCADA network.

CONSTRUCTION			Budget Authorized:	\$15,000
Office Use only Task	FERC 3XXXXX	Estimated Amount By FERC Number	As Built Amount By FERC Number	
107616	391100	\$15,000		
LOSS ADDITIONS			\$15,000	
Cost of Removal By FERC (3XXXXX)				
Total Removal				
Salvage By FERC (3XXXXX)				
Total Salvage				
Total Removal Less Salvage				

Office Use Only	Date
Project Set Up By	
Approved By	5/14/09

APPROVALS	
SIGNATURE	DATE
Signature	
Print Name Brad Calbick	4/28/09
Signature	
Print Name Scott Kinney	5/14/09
Signature	
Print Name	
Signature	
Print Name	
Signature	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task	Project Contact & Extension Michael Busby x2541
Sub Task	APPROVAL SIGNATURE(S) REQUIRED
	To \$99,999 - Director
	\$100,000-\$499,999 - VP or GM Utility
	\$500,000-\$2,999,999 - Sr Vice President/CFO
	\$3,000,000-\$9,999,999 - President/CEO/COO
	Over \$10,000,000 - Board Chair
	Out-of-Budget - Capital Budget Committee
Date Prepared:	THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETELY AS BUILT AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT	\$15,000
Date Work Completed	
Foreman/Supervisor	

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2293

ER Name: SCADA II Replacement

Pro Forma Amount: \$289,999

Expended to date: \$0

2010 Transfer to Plant Date: June and December 2010

Project Description:

SCADA Replacement: The Supervisory Control and Data Acquisition (SCADA) system is used by the system operators to monitor and control the Avista transmission system. The SCADA system will be upgraded in 2010 to a new version provided by our SCADA vendor. The current application is no longer supported by the vendor. The upgrade will ensure Avista has adequate control and monitoring of its Transmission facilities. This portion of the project is required to meet Reliability Compliance under NERC Standards: TOP-001-1, TOP-002-2a R5-R10, R16, TOP-005-2 R2, TOP-006-2 R1-R7, CIP-005, CIP-007. There are no offsets or savings associated with this upgrade project, because the Company already pays the application vendor a set annual maintenance fee for support. This is an annual System ER that replaces/upgrades SCADA systems and installs new SCADA systems in substations throughout Avista's service territory. Therefore, this project has a completion time of 12/31/10.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

The Remote Terminal Unit (RTU) at Beacon 230 kV Substation will be replaced in the Q3-Q4 timeframe. Other failed RTU's will be replaced/upgraded on an as needed basis under the annual System ER 2293.

Additional Information:

- Capital Project Request (CPR) Forms

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Note:

During the course of Avista's pending general rate case, updated information will be available for audit.



CAPITAL PROJECT REQUEST FORM

ER 2293	Budget Category 5-Maintenance	Use Tab Key Service Code ED-Electric Direct	Project Title (30 Characters) Beacon - SCADA 115 RTU	Request Type Select 23	Project(s) 09P05325
Long Project Name (100 Characters) Beacon 230/115kV Substation - New SCADA 115 RTU Integration Package					'Parent' Code BEA10B
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Long Project Name Count 68	ER Sponsor M08	BI Number XS951	WMS Job # N
Billing	Revenue Type NA-Not Applicable	Billing Contact			Rate Jurisdiction AN-Allocated North Location 028-Washington Project Start Date 1/19/2010

Project Description (Include Purpose and Necessity - 240 Characters)
 The existing SCADA RTU at Beacon is an obsolete SNW 8000. As equipment is upgrade at Beacon, new SCADA points will be added to one of two new DNP-based RTU's (230 & 115). Work will align with Spokane Area 115kV Relay Upgrades and SGIG.

CONSTRUCTION				Budget Authorized:	\$120,000
Office Use only	FERC	Estimated Amount	As Built Amount		
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only	Date
300100	300100	\$25,000		Project Set Up By	
107000	397000	\$95,000		Approved By	1/27/10

GROSS ADDITIONS				\$120,000	SIGNATURE		DATE
Cost of Removal By FERC (3XXXXX)					Signature		
107000	397000	100		James F. Farby		1/19/2010	
				Signature		1/19/10	
				Michael A. Magruder			
				Signature		1-21-10	
				Richard L. Vermeers			
				Signature			
				Don Koczynski			
				Signature			
				Print Name			

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		Project Contact & Extension	Shirley Grant Ext. 4057
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APPROVAL SIGNATURE(S) REQUIRED			
To \$99,999 - Director			
\$100,000-\$499,999 - VP or GM Utility			
\$500,000-\$2,999,999 - Sr Vice President/CFO			
\$3,000,000-\$9,999,999 - President/CEO/COO			
Over \$10,000,000 - Board Chair			
Out-of-Budget - Capital Budget Committee			

Date Prepared: 01/19/10

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT \$120,000

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed
Foreman/
Supervisor

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2481

Project Name: System Replace/Install Capacitor Bank

Pro Forma Amount: \$750,000

Expended to date: \$195,924

2010 Transfer to Plant Date: June 2010 - \$522,000 and November 2010 \$228,000

Project Description:

System Replace/Install Capacitor Bank (\$0.750 million): This project includes the construction of a 115 kV capacitor bank at Airway Heights to support local area voltages during system outages. The project is required to meet reliability compliance with NERC Standards: TOP-004-2 R1-R4, TPL-002-0a R1-R3, TPL-003-0a R1-R3, and provide improved service to customers. The project is scheduled to be completed by July of 2010. There are no loss savings or other offsets associated with this new equipment installation. The capacitor bank is expected to be energized by August 31, 2010.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Ordering of material is expected to be completed in March 2010. Expansion of the existing substation yard to include grading, fencing and foundation work is expected to begin in May 2010. Installation of major electrical equipment is expected to begin in June 2010. Installation of control circuitry, protective relaying and communications equipment is expected to begin in July 2010 and be completed in August 2010.

Additional Information:

- Costs pg. 3-4
- Capital Project Request (CPR) Form and Budget Report pg. 5-7
- Purchase Orders (Confidential) pg. 8-14
- Site Plan Avista Drawing E-35608 pg. 15

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2481
COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	Expenditure Type	2009	2010		
					Transaction Amt SUM	Transaction Amt SUM		
2481	02805383	Airway Hts Capacitor bank DisT	AFUDC	535 AFUDC - Debt	11.55	34.95		
				540 AFUDC - Equity	14.26	44.71		
			Employee Expenses	210 Employee Auto Mileage	14.30	-		
				Labor	340 Regular Payroll - NU	2,217.11	1,348.74	
			Overhead	510 Payroll Benefits loading	1,285.93	809.24		
				515 Payroll Tax loading	193.99	118.01		
				520 Payroll Time Off loading	387.99	236.02		
					<u>4,125.13</u>	<u>2,591.67</u>		
			02805384	Airway Hts capacit bank trans	AFUDC	535 AFUDC - Debt	276.44	849.97
						540 AFUDC - Equity	341.05	1,087.12
Labor	310 Non Benefit Labor - NU	-			328.90			
	320 Overtime Pay - NU	754.50			1,291.05			
Overhead	340 Regular Payroll - NU	12,165.45			7,292.80			
	505 Capital Overhead - A & G	682.36			-			
	506 Cap Overhead - Functional	18,196.38			-			
	510 Payroll Benefits loading	7,105.99			4,375.67			
	515 Payroll Tax loading	1,130.48			779.85			
	520 Payroll Time Off loading	2,128.96			1,292.97			
Voucher	530 Stores/Material Loading	6,739.41	-					
	880 Materials & Equipment	84,242.50	10,355.85					
		<u>133,763.52</u>	<u>27,654.18</u>					
02805385	Airway Hts capacitor bank comm	AFUDC	535 AFUDC - Debt	17.13	137.88			
			540 AFUDC - Equity	21.14	176.36			
		Labor	320 Overtime Pay - NU	167.67	-			
			340 Regular Payroll - NU	2,230.50	-			
		Material	415 Material Issues	4,324.24	17,145.00			
			Overhead	505 Capital Overhead - A & G	34.72	137.67		
		510 Payroll Benefits loading	1,293.69	-				
		515 Payroll Tax loading	209.84	-				
		520 Payroll Time Off loading	390.34	-				
		530 Stores/Material Loading	259.46	1,028.70				
532 Materials Tax/Fght Loading	43.24	171.45						
		<u>8,991.97</u>	<u>18,797.06</u>					
03805196	Pinecrk repl capacitor bank	AFUDC	535 AFUDC - Debt	1.87	2.42			
			540 AFUDC - Equity	2.34	3.10			
		Labor	340 Regular Payroll - NU	213.66	-			
			Overhead	505 Capital Overhead - A & G	0.03	-		
		506 Cap Overhead - Functional	0.72	-				
		508 Cap Overhd - Safety Clthng	0.01	-				
		510 Payroll Benefits loading	123.92	-				

AVISTA UTILITIES
 ER 2481
 COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	Expenditure Type	2009	2010
					Transaction Amt SUM	Transaction Amt SUM
				515 Payroll Tax loading	18.70 -	
				520 Payroll Time Off loading	37.39 -	
			Voucher	885 Miscellaneous	4.01 -	
		Sum			<u>402.65</u>	<u>5.52</u>
Sum					<u>147,283.27</u>	<u>49,048.43</u>
						196,331.70



CAPITAL PROJECT REQUEST FORM

ER 2481	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Airway Hts Capacitor Bank	Request Type New	Project(s) 02805383
Project Name (100 Characters) Airway Heights 115 kV Substation - Install Capacitor Bank				Project # 02805384	02805385
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA - Not Applicable	ER Sponsor M08	BI Number XS90	WMS Job # No
Billing	Billing Contact		Rate Jurisdiction AN-Allocated North		Location Select
			Project Start Date 7/7/2009		'Parent' Code AIR09A

Project Description (Include Purpose and Necessity - 240 Characters)
 A new 33.5 MVAR capacitor bank is to be installed at the Airway Heights 115 kV Substation. Other associated equipment includes a synchronous GCB, reactors, a capacitor bank relaying package, and a new station integration system.

Fence - being installed - District

Approved 7/15/09

CONSTRUCTION			Budget Authorized:	\$593,000
Office Use only	FERC	Estimated Amount	As Built Amount	
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only
	300100	\$50,200		Date
107360	353000	\$408,200	02805384	Project Set Up By
107710	361000	\$74,100	02805383	Approved By
107628	397000	\$54,600	02805385	<i>Approved 7/15/09</i>

GROSS ADDITIONS			\$587,100	APPROVALS	
Cost of Removal By FERC (3XXXXX)				SIGNATURE	DATE
107300	353000	\$2,400	Signature	<i>William J. Choma</i>	7/7/2009
107600	361000	\$2,400	Signature	<i>Michael A. Magruder</i>	7/7/09
	397000	\$3,100	Signature	<i>Richard L. Vermeers</i>	7/8/09
Total Removal			\$7,900	Signature	
Salvage By FERC (3XXXXX)				Signature	
107350	353000	(\$1,000)	Signature	<i>Dob Kończynski</i>	
107600	361000	(\$500)	Signature	<i>Dennis Vermillion</i>	7/14/09
	397000	(\$500)	Signature		
Total Salvage			(\$2,000)		
Total Removal Less Salvage			\$5,900		

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task

Sub Task

Date Prepared:

Project Contact & Extension Shirley Grant Ext. 4057

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT	\$593,000	Date Work Completed
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor

Budget Report By Task And Account

Project Name: Airway Heights - Install Capacitor Bank
Generated: 03-04-2010 3:33:13 PM

Task: 300100, Account: 300100

	Past Years	2009	Future Years	Total
Labor Cost	\$0.00	\$28,738.00	\$0.00	\$28,738.00
Labor Overheads	\$0.00	\$21,266.12	\$0.00	\$21,266.12
Travel Time	\$0.00	\$0.00	\$0.00	\$0.00
Room and Board	\$0.00	\$0.00	\$0.00	\$0.00
Transport, Cart, and Hauling	\$0.00	\$0.00	\$0.00	\$0.00
Material Cost	\$0.00	\$0.00	\$0.00	\$0.00
Misc Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Sales Tax	\$0.00	\$0.00	\$0.00	\$0.00
Stores Expense	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$0.00	\$50,004.12	\$0.00	\$50,004.12
General Overheads	\$0.00	\$0.00	\$0.00	\$0.00
AFUDC	\$0.00	\$202.52	\$0.00	\$202.52
Salvage	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$50,206.64	\$0.00	\$50,206.64

Task: 107300, Account: 353000

	Past Years	2009	Future Years	Total
Labor Cost	\$0.00	\$55,231.30	\$0.00	\$55,231.30
Labor Overheads	\$0.00	\$40,871.16	\$0.00	\$40,871.16
Travel Time	\$0.00	\$12,703.20	\$0.00	\$12,703.20
Room and Board	\$0.00	\$16,569.39	\$0.00	\$16,569.39
Transport, Cart, and Hauling	\$0.00	\$11,046.26	\$0.00	\$11,046.26
Material Cost	\$0.00	\$174,768.64	\$0.00	\$174,768.64
Misc Equipment	\$0.00	\$8,738.43	\$0.00	\$8,738.43
Sales Tax	\$0.00	\$14,156.26	\$0.00	\$14,156.26
Stores Expense	\$0.00	\$10,486.12	\$0.00	\$10,486.12
Subtotal	\$0.00	\$344,570.76	\$0.00	\$344,570.76
General Overheads	\$0.00	\$62,022.74	\$0.00	\$62,022.74
AFUDC	\$0.00	\$1,646.70	\$0.00	\$1,646.70
Salvage	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$408,240.20	\$0.00	\$408,240.20

Task: 107300, Account: 361000

	Past Years	2009	Future Years	Total
Labor Cost	\$0.00	\$5,346.00	\$0.00	\$5,346.00
Labor Overheads	\$0.00	\$3,956.04	\$0.00	\$3,956.04
Travel Time	\$0.00	\$1,229.58	\$0.00	\$1,229.58
Room and Board	\$0.00	\$1,603.80	\$0.00	\$1,603.80
Transport, Cart, and Hauling	\$0.00	\$1,069.20	\$0.00	\$1,069.20
Material Cost	\$0.00	\$41,404.00	\$0.00	\$41,404.00
Misc Equipment	\$0.00	\$2,070.20	\$0.00	\$2,070.20
Sales Tax	\$0.00	\$3,353.72	\$0.00	\$3,353.72
Stores Expense	\$0.00	\$2,484.24	\$0.00	\$2,484.24
Subtotal	\$0.00	\$62,516.78	\$0.00	\$62,516.78
General Overheads	\$0.00	\$11,253.02	\$0.00	\$11,253.02
AFUDC	\$0.00	\$298.77	\$0.00	\$298.77
Salvage	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$74,068.57	\$0.00	\$74,068.57

Task: 107300, Account: 397000

	Past Years	2009	Future Years	Total
Labor Cost	\$0.00	\$8,039.00	\$0.00	\$8,039.00
Labor Overheads	\$0.00	\$5,948.86	\$0.00	\$5,948.86
Travel Time	\$0.00	\$1,848.97	\$0.00	\$1,848.97
Room and Board	\$0.00	\$2,411.70	\$0.00	\$2,411.70
Transport, Cart, and Hauling	\$0.00	\$1,607.80	\$0.00	\$1,607.80
Material Cost	\$0.00	\$22,000.00	\$0.00	\$22,000.00
Misc Equipment	\$0.00	\$1,100.00	\$0.00	\$1,100.00
Sales Tax	\$0.00	\$1,782.00	\$0.00	\$1,782.00
Stores Expense	\$0.00	\$1,320.00	\$0.00	\$1,320.00
Subtotal	\$0.00	\$46,058.33	\$0.00	\$46,058.33
General Overheads	\$0.00	\$8,290.50	\$0.00	\$8,290.50
AFUDC	\$0.00	\$220.11	\$0.00	\$220.11
Salvage	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$54,568.94	\$0.00	\$54,568.94

Task: 108000, Account: 353000

	Past Years	2009	Future Years	Total
Labor Cost	\$0.00	\$972.00	\$0.00	\$972.00
Labor Overheads	\$0.00	\$719.28	\$0.00	\$719.28
Travel Time	\$0.00	\$223.56	\$0.00	\$223.56
Room and Board	\$0.00	\$291.60	\$0.00	\$291.60
Transport, Cart, and Hauling	\$0.00	\$194.40	\$0.00	\$194.40
Material Cost	\$0.00	\$0.00	\$0.00	\$0.00
Misc Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Sales Tax	\$0.00	\$0.00	\$0.00	\$0.00
Stores Expense	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$0.00	\$2,400.84	\$0.00	\$2,400.84
General Overheads	\$0.00	\$0.00	\$0.00	\$0.00
AFUDC	\$0.00	\$9.72	\$0.00	\$9.72
Salvage	\$0.00	(\$1,000.00)	\$0.00	(\$1,000.00)
Total	\$0.00	\$1,410.56	\$0.00	\$1,410.56

Task: 108000, Account: 361000

	Past Years	2009	Future Years	Total
Labor Cost	\$0.00	\$972.00	\$0.00	\$972.00
Labor Overheads	\$0.00	\$719.28	\$0.00	\$719.28
Travel Time	\$0.00	\$223.56	\$0.00	\$223.56
Room and Board	\$0.00	\$291.60	\$0.00	\$291.60
Transport, Cart, and Hauling	\$0.00	\$194.40	\$0.00	\$194.40
Material Cost	\$0.00	\$0.00	\$0.00	\$0.00
Misc Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Sales Tax	\$0.00	\$0.00	\$0.00	\$0.00
Stores Expense	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$0.00	\$2,400.84	\$0.00	\$2,400.84
General Overheads	\$0.00	\$0.00	\$0.00	\$0.00
AFUDC	\$0.00	\$9.72	\$0.00	\$9.72
Salvage	\$0.00	(\$500.00)	\$0.00	(\$500.00)
Total	\$0.00	\$1,910.56	\$0.00	\$1,910.56

Task: 108000, Account: 397000

	Past Years	2009	Future Years	Total
Labor Cost	\$0.00	\$1,253.00	\$0.00	\$1,253.00
Labor Overheads	\$0.00	\$927.22	\$0.00	\$927.22
Travel Time	\$0.00	\$288.19	\$0.00	\$288.19
Room and Board	\$0.00	\$375.90	\$0.00	\$375.90
Transport, Cart, and Hauling	\$0.00	\$250.60	\$0.00	\$250.60
Material Cost	\$0.00	\$0.00	\$0.00	\$0.00
Misc Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Sales Tax	\$0.00	\$0.00	\$0.00	\$0.00
Stores Expense	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$0.00	\$3,094.91	\$0.00	\$3,094.91
General Overheads	\$0.00	\$0.00	\$0.00	\$0.00
AFUDC	\$0.00	\$12.53	\$0.00	\$12.53
Salvage	\$0.00	(\$500.00)	\$0.00	(\$500.00)
Total	\$0.00	\$2,607.44	\$0.00	\$2,607.44

CONFIDENTIAL per WAC 480-07-160

PURCHASE ORDERS pg. 8 - 14

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8095-E

S/2, SE/4, NE/4
 SECT 22, T25N, R41E WM
 SPOKANE COUNTY, WASHINGTON



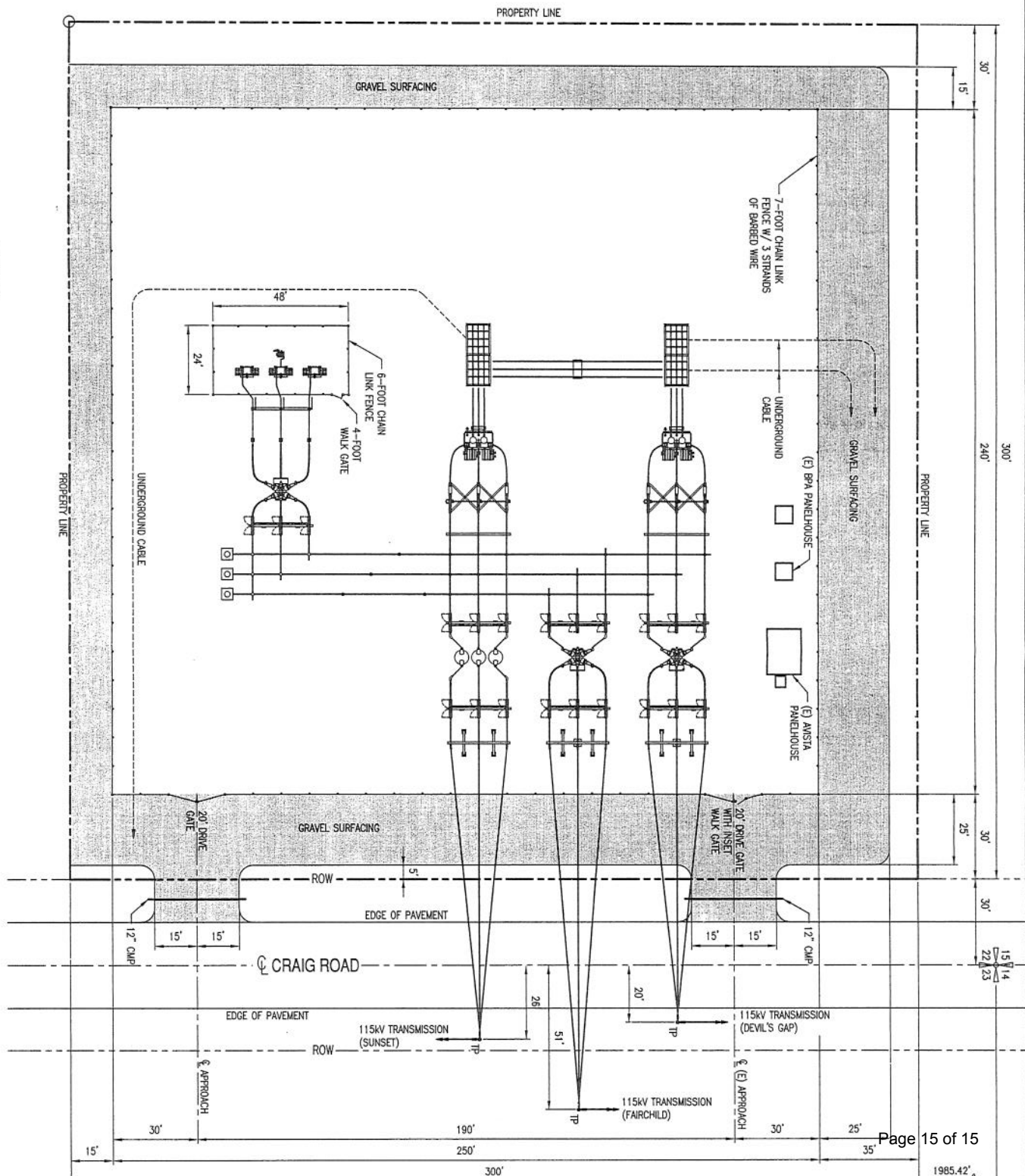
LEGEND

- (E) EXISTING
- TP TRANSMISSION POLE
- DP DISTRIBUTION POLE
- ROW RIGHT OF WAY
- PROPOSED SUBSTATION FENCE

15/14
 22/23
 SECTION CORNER

SITE DATA

PARCEL: 15221, 9015
 ADDRESS: 512 S. CRAIG RD, AIRWAY HEIGHTS, WA 99001
 PROPERTY DESCRIPTION: S/2, SE/4, NE/4 OF SEC 22, T25N R41E WM,
 LOCATION: 0.6 MILES NORTH OF HIGHWAY 2 ON CRAIG ROAD.
 ZONING: RURAL
 PROPERTY AREA: 2.07 ACRES (300' X 300')



NO	DATE	REVISION

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2310

ER Name: West Plains Transmission Reinforce

Pro Forma Amount: \$975,000

Expended to Date: \$4,686

2010 Transfer to Plant Date: December 2010

Project Description:

The Airway Heights-Silver Lake (North Fairchild Tap) 115kV Transmission Line is part of a 115kV loop around the West Plains area. The System Planning department has identified the need to reinforce the West Plains 115kV system by upgrading the lines in the area to a 100 MVA capacity. Approximately 8.5 miles of the Airway Heights-Silver line toward Silver Lake were constructed single-pole style in 2007 with 556 AAC conductor, carrying the desired 100 MVA capacity rating. However, the first 2.5 miles from Airway Heights were constructed H-frame style in 1942 with #2/0 ACSR conductor, carrying only a 48 MVA rating. This work is necessary to upgrade the final 2.5 miles of the ten mile long transmission line from #2/0 ACSR to 556 kcm Aluminum (100 MVA-Summer) conductor.

Due to the age of the line, and the increase in sag for the new conductor compared to the existing, this project calls for a full rebuild. The existing wood H-frame structures and wire will be removed and new steel H-frame structures and wire will be installed.

The line upgrade will meet compliance requirements associated with NERC Standards: TOP-004-2 R1-R4, TPL-002-0a R1-R3, TPL-003-0a R1-R3. Additionally, this work will increase service reliability to an essential military facility (North Fairchild Air Force Base). Using 2009 actual loads, the new conductor will reduce line losses by 71 MWh on an annual basis, establishing a yearly offset savings of \$7,100 (based on a \$100/MWh avoided energy cost); these savings have been reflected in the proposed revenue requirement.

The transmission line estimating process uses a baseline per mile costs derived from industry averages (see attached Feasibility Cost Chart for further detail). This number is increased based on consideration of project variables including, but not limited to, project location, soil conditions, construction timing, commodity prices, overhead rates, etc. A parallel estimate is also developed based on the engineer's/designer's best judgment of what it will take to complete the project using the line items established in the Engineer Design Scoping Document (DSD: see attached for further details). These two approaches are reconciled with review of the department manager. An additional estimate check is made when the project uses the TL-Pro design software package. This program contains an estimating function based on variables provided by the user.

Steel poles and crossarms are specified for their life-cycle cost advantages.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. In addition, this project will reduce line losses by 71 MWH on an annual basis, establishing a yearly offset savings of \$7,100 (based on a \$100/MWH avoided energy cost).

Timeline:	Start Date	End Date
BI ST805: Airway Heights – Silver Lake 115kV Rebuild	November 1, 2009	June 30, 2010

See attached timeline for further detail.

Attachment Index:

- Capital Project Request (CPR) Form, including all attachments pg. 3
- Timeline of Project (detailed) pg. 4-7
- Design Scoping Document and Engineering Estimate pg. 8-9

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.



CAPITAL PROJECT REQUEST FORM

Request Type	Project(s)
New	24905577

ER 2310	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Arwy Hts-Slvr Lk Reconductor		Project Title Count 28	Project(s) 24905577
Long Project Name (100 Characters) Airway Heights-Silver Lake 115kV Reconductor						'Parent' Code
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Long Project Name Count 44	ER Sponsor L08	BI Number ST805	WMS Job #	Rate Jurisdiction AN-Allocated North
Billing	Billing Contact			Location 299-115kv line WA		Project Start Date 11-01-2009
		Revenue Type NA- Not Applicable	Project Start Date 11-01-2009			

Project Description (Include Purpose and Necessity - 240 Characters)
 A 2.5 mile portion of the Airway Heights-Silver Lake 115kV line will be reconducted as part of the West Plains 115kV reinforcement project identified by System Planning. This segment of the line is currently "2/0 ACSR" which only carries a 48 MVA rating, as opposed to the rest of the line which carries a 100 MVA rating. Due to the age of the line (1942), and the increase in sag for the new conductor requiring taller structures, this project calls for a full rebuild.

Project Description Count
474

CONSTRUCTION			Budget Authorized:	\$754,000
Office Use only	FERC	Estimated Amount	As Built Amount	
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only
	300100	\$26,000		Project Set Up By
	355000	\$410,000		Date
	356000	\$274,000		Approved By
				Date

JSS ADDITIONS		\$710,000
Cost of Removal By FERC (3XXXXX)		
	355000	\$30,000
	356000	\$14,000
	Total Removal	\$44,000
Salvage By FERC (3XXXXX)		
	Total Salvage	
	Total Removal Less Salvage	\$44,000

APPROVALS	
SIGNATURE	DATE
Signature	
Print Name	Ken Sweigart
Signature	
Print Name	Rick Vermeers
Signature	
Print Name	Don Kopczynski
Signature	
Print Name	Scott Morris
Signature	
Print Name	

Non Standard Work Breakdown Structure Needed (Optional)		
Peer Task		
Sub Task		
Date Prepared:		

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB.
 IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM.
 COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

AL COST OF PROJECT **\$754,000**

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed
Foreman/Supervisor

Transmission Design Master Schedule Print Date: Tue 02-09-10

ID	Area	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Qtr 1, 2010			Qtr 2, 2010			Qtr 3, 2010			Qtr 4, 2010					
								Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
227	CDA	ER 2307, BI CT906: Idaho Road 115 Int Ph 2 (CDA) KS	475 days	Mon 01-05-09	Tue 11-09-10			[Gantt bar for 227]														
228		R/W Acquisition	12.5 mons	Mon 01-05-09	Tue 12-22-09		McGregor Ron	12-22	[Gantt bar for 228]													
229		Engineer	4 mons	Mon 01-04-10	Fri 04-23-10		Sweigart Ken	01-04	03-29	04-23	[Gantt bar for 229]											
230		Procure	4 mons	Mon 03-29-10	Mon 07-19-10	229SS+75%	Gilica Patricia	01-04	03-29	04-23	07-19	[Gantt bar for 230]										
231		Request Outage	0 days	Fri 04-23-10	Fri 04-23-10	229	Sweigart Ken	04-23	[Gantt bar for 231]													
232		Permit Acquisition	3 mons	Mon 04-26-10	Mon 07-19-10	229	Isaak Laura	04-26	04-23	07-19	[Gantt bar for 232]											
233		Notice to Construct/Issue Job Package	0 days	Mon 07-19-10	Mon 07-19-10	230,232	Sweigart Ken	07-19	[Gantt bar for 233]													
234		Construct Idaho-Meyer (CDA)	3 mons	Tue 07-20-10	Tue 10-12-10	230	Weber Scott	07-20	07-19	10-12	[Gantt bar for 234]											
235		Remove Bypassed Section Boulder-Rathdrum (CDA)	1 mon	Wed 10-13-10	Tue 11-09-10	234	Weber Scott	10-13	11-09	[Gantt bar for 235]												
236		Construction Complete	0 days	Tue 11-09-10	Tue 11-09-10	235		11-09	[Gantt bar for 236]													
237	SPO	ER 2310, BI ST805: AIR-FBN 115 Reconstruct (SPO) LM	203 days	Tue 12-01-09	Mon 09-13-10			[Gantt bar for 237]														
238		Engineer	2 mons	Tue 12-01-09	Wed 01-27-10		Miles Lamont	12-30	01-27	[Gantt bar for 238]												
239		Procure	2 mons	Wed 12-30-09	Wed 02-24-10	238SS+50%	Gilica Patricia	12-30	02-24	[Gantt bar for 239]												
240		Request Outage	0 days	Wed 01-27-10	Wed 01-27-10	238	Miles Lamont	01-27	[Gantt bar for 240]													
241		Notice to Construct/Issue Job Package	0 days	Fri 02-26-10	Fri 02-26-10	239FS+2 days	Miles Lamont	02-26	[Gantt bar for 241]													
242		Constuct (Spokane)	10 wks	Mon 07-05-10	Mon 09-13-10		Rosentrater Eric	07-05	09-13	[Gantt bar for 242]												
243		Construction Complete	0 days	Mon 09-13-10	Mon 09-13-10	242		09-13	[Gantt bar for 243]													
244	PUL	ER 2318, BI LT806: Nezperce Sub Int (GRA) PC (Potentially 2 Phases)	131 days	Mon 01-04-10	Mon 07-05-10			[Gantt bar for 244]														
245		Engineer	3 mons	Mon 01-04-10	Fri 03-26-10		Clevenger Patrick	01-04	03-26	[Gantt bar for 245]												
246		Procure	3 mons	Mon 02-15-10	Fri 05-07-10	245SS+50%	Gilica Patricia	02-15	05-07	[Gantt bar for 246]												
247		Request Outage (Grangeville/Jeff Scott)	0 days	Fri 03-26-10	Fri 03-26-10	245	Olson Tim	03-26	[Gantt bar for 247]													
248		Notice to Construct/Issue Job Package	0 days	Thu 04-15-10	Thu 04-15-10		Clevenger Patrick	04-15	[Gantt bar for 248]													
249		Construct (Grangeville/Jeff Scott)	2 mons	Mon 05-10-10	Mon 07-05-10	246	Olson Tim	05-10	07-05	[Gantt bar for 249]												
250		Construction Complete	0 days	Mon 07-05-10	Mon 07-05-10	249		07-05	[Gantt bar for 250]													
251	SPO	ER 2321, BI ST860: Downtown East 115 Sub Int (SPO) NA No Date	0 days	Mon 10-01-07	Mon 10-01-07			[Gantt bar for 251]														
253	SPO	ER 2322, BI ST961: Downtown West 115 Sub Int (SPO) NA 2013	303 days	Mon 10-04-10	Wed 11-30-11			[Gantt bar for 253]														
255	SPO	ER 2325, BI FT106: Bruce Siding 115 Sub Int (OTH) NA 2013	300 days	Mon 10-03-11	Fri 11-23-12			[Gantt bar for 255]														
257	SPO	ER 2341, ST801: 9CE 115 Sub Reblid Int (SPO) DG	136 days	Fri 10-01-10	Fri 04-08-11			[Gantt bar for 257]														
258		Engineer	3 mons	Fri 10-01-10	Tue 12-28-10		Gregovich Dan	10-01	12-03	[Gantt bar for 258]												
259		Procure	3 mons	Fri 12-03-10	Fri 02-25-11	258SS+75%	Gilica Patricia	12-03	02-25	[Gantt bar for 259]												
260		Request Outage	0 days	Tue 12-28-10	Tue 12-28-10	258	Gregovich Dan	12-28	[Gantt bar for 260]													
261		Notice to Construct/Issue Job Package	0 days	Fri 02-25-11	Fri 02-25-11	259	Gregovich Dan	02-25	[Gantt bar for 261]													
262		Construct (SPO)	4 wks	Mon 03-14-11	Fri 04-08-11	261SS+10 days	Rosentrater Eric	03-14	04-08	[Gantt bar for 262]												

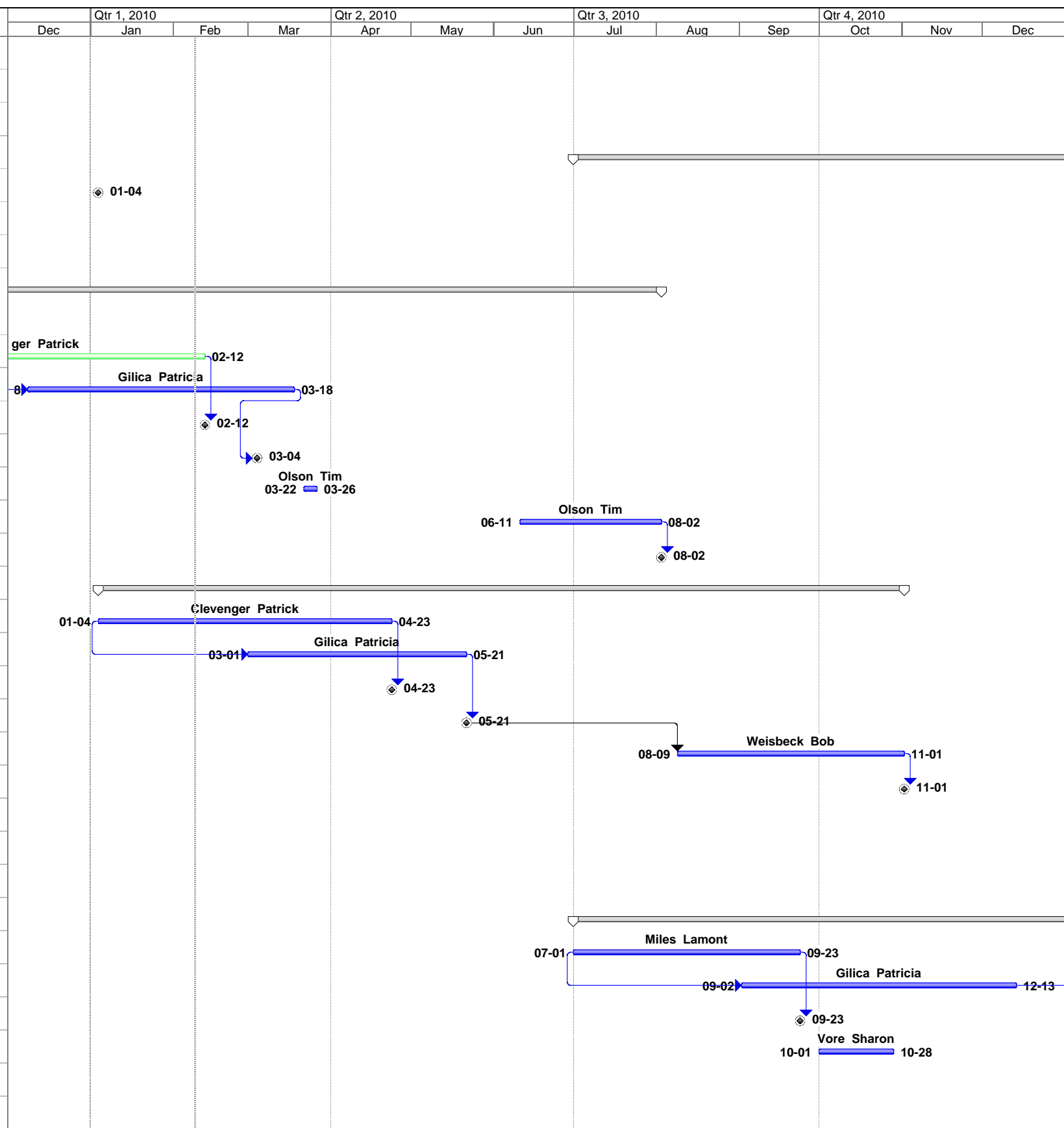
Project: Transmission Master Project S
Date: Tue 02-09-10

Task Progress Summary External Tasks Deadline

Split Milestone Project Summary External Milestone

Transmission Design Master Schedule Print Date: Tue 02-09-10

ID	Area	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Qtr 1, 2010			Qtr 2, 2010			Qtr 3, 2010			Qtr 4, 2010		
								Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
263		Construction Complete	0 days	Fri 04-08-11	Fri 04-08-11	262													
264	PUL	ER 2398, BI LT932: Wheatland 115 Sub Int (LEW) NA 2013/2014	300 days	Mon 10-01-12	Fri 11-22-13														
266	SPO	ER 2417, BI ST809: Hawthorne Sub 115 Int KS On Hold	180 days	Mon 03-02-09	Wed 11-11-09														
270	SPO	ER 2422, BI ST810 Spo 230 Reinforce (Contract) NA 2013/2014	1204 days	Thu 07-01-10	Tue 02-10-15														
272	ALL	ER 2423, AMT181: Tx Condition Rebuild NA On Hold for 2010	0 days	Mon 01-04-10	Mon 01-04-10														
275	SPO	ER 2443, BI ST203: Greenacres 115 Sub Int (SPO) NA 2013	480 days	Mon 07-01-13	Fri 05-01-15														
277	SPO	ER 2446, BI ST102: Irvin 115 Sub Int (SPO) NA 2012/2013	360 days	Tue 05-01-12	Mon 09-16-13														
279	PUL	ER 2455, BI PT902: Pullman-Terre View 115 Reconductor (Contract) PC (On Hold Based on Final Location of Pullman Sub) (May be Impacted by Smart Grid)	214 days	Thu 10-01-09	Mon 08-02-10														
280		Engineer	4.65 mons	Thu 10-01-09	Fri 02-12-10		Clevenger Patrick												
281		Procure	3.5 mons	Tue 12-08-09	Thu 03-18-10	280SS+50%	Gilica Patricia												
282		Request Outage	0 days	Fri 02-12-10	Fri 02-12-10	280	Clevenger Patrick												
283		Notice to Construct/Issue Job Package	0 days	Thu 03-04-10	Thu 03-04-10	281FS-10 days	Clevenger Patrick												
284		Construct (Pullman) Taps (This Portion May Be Eliminated)	1 wk	Mon 03-22-10	Fri 03-26-10		Olson Tim												
285		Construct (Pullman)	37 days	Fri 06-11-10	Mon 08-02-10		Olson Tim												
286		Construction Complete	0 days	Mon 08-02-10	Mon 08-02-10	285													
287	PUL	ER 2455, BI PT901: N Moscow-Terre View 115 Reconductor (Contract) PC	216 days	Mon 01-04-10	Mon 11-01-10														
288		Engineer	4 mons	Mon 01-04-10	Fri 04-23-10		Clevenger Patrick												
289		Procure	3 mons	Mon 03-01-10	Fri 05-21-10	288SS+50%	Gilica Patricia												
290		Request Outage	0 days	Fri 04-23-10	Fri 04-23-10	288	Clevenger Patrick												
291		Notice to Construct/Issue Job Package	0 days	Fri 05-21-10	Fri 05-21-10	289	Clevenger Patrick												
292		Construct (Contract)	3 mons	Mon 08-09-10	Mon 11-01-10	291	Weisbeck Bob												
293		Construction Complete	0 days	Mon 11-01-10	Mon 11-01-10	292													
294	SPO	ER 2457, BI FT130: Ben-Oth 115 Rebuild (Contract) NA 2012/2013 (May Advance)	300 days	Mon 10-01-12	Fri 11-22-13														
296	SPO	ER 2459, BI WT110: 49° North 115 Sub Int (COL) NA 2014	260 days	Thu 01-02-14	Wed 12-31-14														
298	CDA	ER 2465, BI AT100: Bronx 115 Sub Int (SPT) NA 2013	300 days	Mon 10-03-11	Fri 11-23-12														
300	SPO	ER 2473, BI ST001: BEA-F&C 115 Whitworth (SPO) LM 2010/2011 TBD	188 days	Thu 07-01-10	Mon 03-21-11														
301		Engineer	3 mons	Thu 07-01-10	Thu 09-23-10		Miles Lamont												
302		Procure	3.5 mons	Thu 09-02-10	Mon 12-13-10	301SS+75%	Gilica Patricia												
303		Request Outage	0 days	Thu 09-23-10	Thu 09-23-10	301	Miles Lamont												
304		Vegetation Management	1 mon	Fri 10-01-10	Thu 10-28-10		Vore Sharon												
305		Notice to Construct/Issue Job Package	0 days	Mon 01-10-11	Mon 01-10-11	302FS+20 days	Miles Lamont												
306		Construct (SPO)	8 wks	Tue 01-25-11	Mon 03-21-11	305SS+10 days	Rosentrater Eric												



Project: Transmission Master Project S
Date: Tue 02-09-10

Task Progress Summary External Tasks Deadline

Split Milestone Project Summary External Milestone

Transmission Design Master Schedule Print Date: Tue 02-09-10

ID	Area	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Qtr 1, 2010			Qtr 2, 2010			Qtr 3, 2010			Qtr 4, 2010		
								Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
307		Construction Complete	0 days	Mon 03-21-11	Mon 03-21-11	306													
308	SPO	ER 2474, BI ST101: BEA-BLD #2 115 Perm Upgrade (SPO) NA 2011/2012	480 days	Mon 01-03-11	Fri 11-02-12														
310	SPO	ER 2479, BI ST103: N-S Freeway 115 Sub Int (SPO) NA 2013	260 days	Tue 01-03-12	Mon 12-31-12														
312	CDA	ER 2480, BI CT???: Carlin Bay 115 Sub Int (CDA) NA No Date	260 days	Fri 01-02-15	Thu 12-31-15														
314	PUL	ER 2484, BI PT002: Moscow 230kV Sub Rebid Int (PUL) PC 2011/2012	480 days	Mon 01-03-11	Fri 11-02-12														
316	CDA	ER 2515, BI CT907: PVW Dist Tie on Poleline Rd UB Rebid (CDA) DG	80 days	Wed 12-16-09	Thu 04-08-10														
317		Easement	0 days	Wed 12-16-09	Wed 12-16-09														
318		Engineer	1 mon	Wed 12-16-09	Thu 01-14-10	317													
319		Procure	2 mons	Fri 01-08-10	Thu 03-04-10	318SS+15 days													
320		Request Outage	0 days	Thu 01-14-10	Thu 01-14-10	318													
321		Notice to Construct/Issue Job Package	0 days	Thu 03-11-10	Thu 03-11-10	319FS+5 days													
322		Construct	1 mon	Fri 03-12-10	Thu 04-08-10	321													
323	CDA	ER 2517, BI ST005: EFM 12F2 & PVW 241 Tie UB Rebid (CDA) DG 2011	260 days	Mon 01-03-11	Fri 12-30-11														
324		Budget	13 mons	Mon 01-03-11	Fri 12-30-11														
325	PUL	ER 5005, BI 05P93: IS/IT No Lew-Shawnee OPGW (Contract) PC	319 days	Thu 10-01-09	Mon 12-27-10														
326		Acquire Replacement Easement Rights	1 mon	Mon 03-01-10	Fri 03-26-10		Daniels Randy												
327		Engineer	6 mons	Thu 10-01-09	Tue 03-23-10		Clevenger Patrick												
328		Request Outage	0 days	Thu 10-01-09	Thu 10-01-09		Clevenger Patrick												
329		Procure	5 mons	Wed 03-24-10	Tue 08-10-10	327	Pat Gilica												
330		Notice to Construct/Issue Job Package	0 days	Thu 07-01-10	Thu 07-01-10		Clevenger Patrick												
331		Construct (Contract)	3 mons	Tue 09-07-10	Mon 11-29-10	330	Bob Weisbeck												
332		Test & Commission	1 mon	Tue 11-30-10	Mon 12-27-10	331	Jacob Reidt												
333	SPO	NEW052, BI ST???: Westside 230kV Sub Rebid Int (SPO) NA 2013	260 days	Wed 01-02-13	Tue 12-31-13														
335	CDA	NEW075, BI AT???: Noxon 230kV SS Rebid Int (SPT) NA 2013	260 days	Wed 01-02-13	Tue 12-31-13														
337	SPO	NEW119, BI ST???: OPT-IRV 115kV VAR Rebid Trans (SPO) NA 2012/2013	360 days	Wed 05-02-12	Tue 09-17-13														
339	ALL	CapX Electric Specific: Complete	496 days	Mon 11-05-07	Fri 10-16-09														
354		MAC 215: O&M Project Specific (Asset Man)	222 days	Tue 12-01-09	Fri 10-08-10														
355	CDA	Sleeve Maintenance: PN 09802156, Task 571000, Subtask 571020 (CDA) DW	87 days	Tue 12-01-09	Fri 04-02-10														
356		Benewah-Pinckney 230kV	82 days	Tue 12-01-09	Fri 03-26-10														
357		Engineer	2.15 mons	Tue 12-01-09	Mon 02-01-10		Dan Whicker												
358		Procure	1 mon	Tue 01-05-10	Mon 02-01-10	357SS	Dan Whicker												
359		Notice to Construct/Issue Job Package	0 days	Mon 02-01-10	Mon 02-01-10	358	Dan Whicker												
360		Construct	5 days	Mon 03-22-10	Fri 03-26-10	359FS+34 days	Weber Scott												

Project: Transmission Master Project S Date: Tue 02-09-10

Task Progress Summary External Tasks Deadline

Split Milestone Project Summary External Milestone

Transmission Design Master Schedule Print Date: Tue 02-09-10

ID	Area	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Qtr 1, 2010			Qtr 2, 2010			Qtr 3, 2010			Qtr 4, 2010		
								Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
361		Noxon-Hot Springs #2 230kV	87 days	Tue 12-01-09	Fri 04-02-10														
362		Engineer	1.55 mons	Tue 12-01-09	Thu 01-14-10		Dan Whicker												
363		Procure	1 mon	Wed 12-16-09	Thu 01-14-10	362SS	Dan Whicker												
364		Notice to Construct/Issue Job Package	0 days	Thu 01-14-10	Thu 01-14-10	363	Dan Whicker												
365		Construct	5 days	Mon 03-29-10	Fri 04-02-10	364FS+51 days	Weber Scott												
366	SPO	Paint Westside Twr's: PN 09802156, Task 571500, Subtask 571640 (Contract) DW	200 days	Mon 01-04-10	Fri 10-08-10														
367		Engineer	3 mons	Mon 01-04-10	Fri 03-26-10		Dan Whicker												
368		Procure	2 mons	Mon 03-08-10	Fri 04-30-10	367SS+75%	Dan Whicker												
369		Request Outage	0 days	Fri 03-05-10	Fri 03-05-10	367SS+75%	Dan Whicker												
370		Job Package to Contracts	0 days	Fri 06-04-10	Fri 06-04-10	368FS+25 days	Dan Whicker												
371		Notice to Construct/Issue Job Package	1.5 mons	Mon 06-07-10	Fri 07-16-10	370	Dan Whicker												
372		Construct	15 days	Mon 09-20-10	Fri 10-08-10	371FS+45 days	Feist Russ												
373	ALL	Fire Retardant: PN 09802156, Task 571500, Subtask 571630 (Contract) DW	195 days	Mon 01-04-10	Fri 10-01-10														
374		Engineer	1.5 mons	Mon 01-04-10	Fri 02-12-10		Dan Whicker												
375		Procure	28 days	Mon 02-22-10	Wed 03-31-10	374SS+35 days	Dan Whicker												
376		Job Package to Contracts	0 days	Wed 03-31-10	Wed 03-31-10	375	Dan Whicker												
377		Notice to Construct/Issue Job Package	1 mon	Thu 04-01-10	Wed 04-28-10	376	Dan Whicker												
378		Construct	5.5 mons	Thu 04-29-10	Fri 10-01-10	377	Feist Russ												
379	CDA	Foundation Grouting: PN 09802156, Task 571500, Subtask 571650 (Contract) DW	170 days	Mon 01-04-10	Fri 08-27-10														
380		Engineer	4 mons	Mon 01-04-10	Fri 04-23-10		Dan Whicker												
381		Procure	2 mons	Mon 03-29-10	Fri 05-21-10	380SS+75%	Dan Whicker												
382		Job Package to Contracts	0 days	Fri 05-21-10	Fri 05-21-10	381	Dan Whicker												
383		Notice to Construct/Issue Job Package	1.5 mons	Mon 05-24-10	Fri 07-02-10	382	Dan Whicker												
384		Construct	2 mons	Mon 07-05-10	Fri 08-27-10	383	Feist Russ												

Project: Transmission Master Project S
Date: Tue 02-09-10

Task Progress Summary External Tasks Deadline

 Split Milestone Project Summary External Milestone

29925077

DESIGN SCOPING DOCUMENT

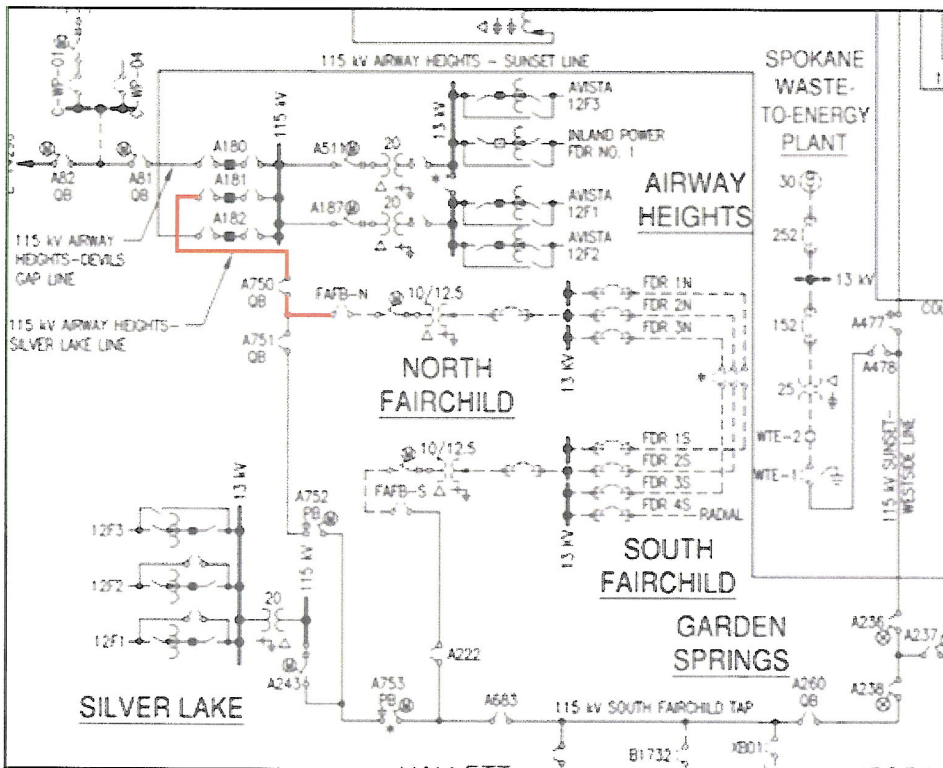
AIRWAY HEIGHTS-SILVER LAKE 115 KV RECONDUCTOR PROJECT AIRWAY HEIGHTS-N. FAIRCHILD PORTION

PROJECT DESCRIPTION:

The Airway Heights-Silver Lake 115kV line is part of a 115kV loop around the West Plains area. The System Planning department has identified the need to reinforce the West Plains 115kV system by upgrading the lines in the area to a 100 MVA capacity. The last 8.5 miles of the Airway Heights-Silver Lake line toward Silver Lake were constructed single-pole style in 2007 with 556 AAC conductor, carrying the desired 100 MVA capacity rating. However, the first 2.5 miles from Airway Heights were constructed H-frame style in 1942 with #2/0 ACSR conductor, carrying only a 48 MVA rating.

Due to the age of the line, and the increase in sag for the new conductor compared to the existing, this project calls for a full rebuild. The existing wood H-frame structures and wire will be removed and new steel H-frame structures and wire will be installed. All structures will remain within the existing alignment of the line. Due to the difficulty in guying for a tension difference at the tap structure, the new wire will be carried five spans further to the North Fairchild Substation itself.

SYSTEM CONFIGURATION:



DSD AIR-SLK Reconductor.docx
 Created: 11/09/2009
 Last Modified: 11/09/2009

PROJECT COST ESTIMATE (Engineering Estimate):*Item 1 (Rebuild of 2.5 mile Single Circuit 115kV Transmission Line):*

1. Materials:	(26) Standard H-Frame Structures @ \$6k each:	\$156,000
	Conductor (2.5 miles 556AAC @ \$60k/mile):	\$150,000
	Line Material @ \$2k per structure:	\$ 52,000
	Span Guys and Down Guys	\$ 1,000
2. Construction:	Site Preparation:	\$ 10,000
	Traffic Control:	\$ 10,000
	Restoration:	\$ 10,000
3. Construction Labor:	Structures, (17) days @ \$5k per:	\$ 85,000
	Removals, (7) days @ \$5k per:	\$ 35,000
	Span Guys and Down Guys, (0.6) days @ \$5k per:	\$ 3,000
	Stringing, (6) days @ \$5k per:	<u>\$ 30,000</u>
	Clipping, (2) days @ \$5k per:	<u>\$ 10,000</u>
	(subtotal)	\$552,000
TOTAL (Material and Construction):		\$552,000
TOTAL (Engineering):		\$ 20,000
TOTAL (Crossing Permits):		\$ 8,000
TOTAL (Taxes, A&G, and PM): @ 30%		<u>\$174,000</u>
TOTAL COST OF ITEM 1 (+/- 20% Engineering Estimate):		\$754,000*
* Procurement and Construction costs include overheads and taxes		

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2455

ER Name: Mos230-Pullman 115 Reconductor

Pro Forma Amount: \$1,300,000

Expended to date: \$14,685

2010 Transfer to Plant Date: December 31, 2010

Project Description:

This project will provide additional capacity to support continued growth in the Moscow and Pullman areas of Idaho and Washington. The existing transmission line is constructed with #1/0 copper conductor from structure 5/4A (North Moscow Substation) to structure 11/7 (Pullman Substation) and is the last phase of the transmission line between Moscow 230kV Substation and Shawnee 115kV substation to be upgraded to 556 ACSR "Parakeet" conductor.

The work will include replacing some wood poles and associated cross arms, cross braces, insulators, and guy/anchors as necessary along the 6.1 miles of transmission line required to accommodate the larger 556 ACSR conductor.

The line upgrade will meet compliance requirements associated with NERC Standards: TOP-004-2 R1-R4, TPL-002-0a R1-R3, TPL-003-0a R1-R3. The transmission line estimating process uses a baseline per mile costs derived from industry averages (see attached Feasibility Cost Chart for further detail). This number is increased based on consideration of project variables including, but not limited to, project location, soil conditions, construction timing, commodity prices, overhead rates, etc. A parallel estimate is also developed based on the engineer's/designer's best judgment of what it will take to complete the project using the line items established in the Engineer Design Scoping Document (DSD: see attached for further details). These two approaches are reconciled with review of the department manager. An additional estimate check is made when the project uses the TL-Pro design software package. This program contains an estimating function based on variables provided by the user.

Steel poles and cross arms are specified for their life-cycle cost advantages.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. Using 2009 actual loads, the new conductor will reduce line losses by 151 MWH on an annual basis, establishing a yearly offset savings of \$15,100 (based on a \$100/MWH avoided energy cost), which has been pro formed in the case.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Timeline:	Start Date	End Date
BI PT902: Pullman – Terre View 115 Reconductor	October 1, 2009	August 2, 2010
BI PT901: N. Moscow – Terre View 115 Reconductor	January 4, 2010	November 1, 2010

See attached timeline for further detail.

Attachment Index:

- Capital Project Request (CPR) Forms pg. 3-5
- Design Scoping Document (DSD) pg. 6-7
- Timeline of Project (detailed) pg. 8

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

Request Type	PROJECT
	29905056

ER 2455	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Mos 230/115-Pullman Recond	Project Chars 31	LOCATION 299
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PROJECT DESCRIPTION (250 CHARS)
Provide engineering to reconductor 115kV transmission line from 1/0 Copper to 556 AAC between Structures 12/4 to Pullman 115kV Substation in Pullman, Washington.

APPROVED BUDGET	Description Chars Count	ORGANIZATION L08	B/I NUMBER PT091	WMS (Y OR N) N	RATE JURISDICTION AN
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BILLING	Dave James	BILLING CONTACT	PROJECT START DATE 11/1/2008
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LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
Provide engineering design and support to modify and replace structures 12/4 to the Pullman 115kV Substation for reconductoring the Washington portion of Moscow 230/115kV - Pullman 115kV transmission line. This section is one of two segments on this line having 1/0 Copper conductor. Reconductoring with 556 AAC will bring the line rated capacity to the same as the remainder of the line.

TERRE VIEW - PULLMAN (2010)

CONSTRUCTION			
	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
300100	300100	\$20,000	
107300	355000	\$126,400	
107300	356000	\$137,600	
GROSS ADDITIONS		\$284,000	
NET SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			

Total Construction Cost	\$284,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Dave James	
Rick Vermeers	
Randy Cloward	

Project Contact	Pat Clevenger (2109)
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APPROVAL SIGNATURE(S) REQUIRED
 To \$99,999 - Director
 \$100,000 - \$499,999 - VP or GM Utility
 \$500,000 - \$1,999,999 - Sr Vice President
 \$2,000,000 - \$10,000,000 - CEO

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Non Standard Work Breakdown Structure needed (Optional)			

Date Prepared: 10/23/2008

Date Work Completed	
Foreman/ Supervisor	

TOTAL COST OF PROJECT	\$284,000
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CAPITAL PROJECT REQUEST FORM

Request Type	PROJECT
	39905042R

ER 2455	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Mos 230/115-Pullman Recond	Project Chars 31	LOCATION 399
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PROJECT DESCRIPTION (250 CHARS)

Provide engineering, planning, design, scheduling, materials, and construction to reconductor 115kV transmission line from 1/0 Copper to 556 ACSR between Structures 5/4A to 6/6 in Moscow, Idaho.

APPROVED BUDGET	Description Chars Count	ORGANIZATION L08	B/I NUMBER PT901	WMS (Y OR N) N	RATE JURISDICTION AN
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BILLING	Ken Sweigart	BILLING CONTACT	PROJECT START DATE 11/1/2009
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LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

Provide engineering support to replace structures 5/4A to 6/6 for reconductoring on the Moscow 230/115kV - Pullmar 115kV transmission line. This section is part of the last segment to be reconducted with 556 ACSR will bring the capacity to the same as the remainder of the line from the Moscow 230kV substation to Shawnee 115kV substation. This CPR is for the Idaho portion of the reconductor work.

Long Name Count

CONSTRUCTION

	FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT
	3XXXXX	BY FERC NUMBER	BY FERC NUMBER
300100	300100	\$30,000	
107300	355000	\$476,800	
107300	356000	\$303,900	
GROSS ADDITIONS		\$810,700	
NET SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			

Total Construction Cost	\$810,700
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS

SIGNATURE	DATE
Ken Sweigart	1/8/2010
Rick Vermeers	1/12/2010
Don Kopczyński	
Scott Morris	1/12/10

Project Contact | Pat Clevenger (2109)

APPROVAL SIGNATURE(S) REQUIRED

- To \$99,999 - Director
- \$100,000 - \$499,999 - VP or GM Utility
- \$500,000 - \$1,999,999 - Sr Vice President
- \$2,000,000 - \$10,000,000 - CEO

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Prepared: 10/29/2009

Date Work Completed	
Foreman/Supervisor	

TOTAL COST OF PROJECT \$810,700



CAPITAL PROJECT REQUEST FORM

Request Type	PROJECT
	29900590

ER 2455	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Mos 230/115-Pullman Recond	Project Chars 31	LOCATION 299
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PROJECT DESCRIPTION (250 CHARS)
Provide engineering to reconductor the Moscow - Shawnee 115kV transmission line from 1/0 Copper to 556 AAC between Structure 6/6 and Structure 11/7.

APPROVED BUDGET	Description Chars Count	ORGANIZATION L08	B/I NUMBER PT902	WMS (Y OR N) N	RATE JURISDICTION AN
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BILLING	Ken Sweigart	BILLING CONTACT	PROJECT START DATE 1/8/2010
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LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
Provide engineering design and support to modify and replace structures 6/6 to structure 11/7 for reconductoring the Washington portion of Moscow 230/115kV - Pullman 115kV transmission line. This section is one of two segments of this line having 1/0 Copper conductor. Reconductoring with 556 AAC will bring the line rated capacity to the same as the remainder of the line.

CONSTRUCTION			
	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
300100	300100	\$30,000	
107300	355000	\$267,300	
107300	356000	\$333,300	
GROSS ADDITIONS		\$630,600	
NET SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			

Total Construction Cost	\$630,600
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Ken Sweigart	1/8/2010
Rick Vermeers	1/11/10
Don Kopczynski	
Scott Morris	1/12/10

Project Contact | Pat Clevenger (2109)

APPROVAL SIGNATURE(S) REQUIRED
 To \$99,999 - Director
 \$100,000 - \$499,999 - VP or GM Utility
 \$500,000 - \$1,999,999 - Sr Vice President
 \$2,000,000 - \$10,000,000 - CEO

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Prepared: 0/231/8/2010/200

TOTAL COST OF PROJECT	\$630,600
Date Work Completed	
Foreman/Supervisor	

DESIGN SCOPING DOCUMENT

Revised 1/8/2010

NORTH MOSCOW – TERRE VIEW 115kV TRANSMISSION RECONDUCTOR

PROJECT DESCRIPTION (BASE OPTION):

Provide engineering, planning, design, scheduling, and construction documents to reconductor existing North Moscow – Terre View 115kV transmission line.

This project will provide additional capacity due to continued growth in the Moscow and Pullman areas of Idaho and Washington. The transmission line has 1/0 copper conductor from structure 5/4A to structure 11/7 and is the last phase of the transmission line between Moscow 230kV Substation and Shawnee 115kV substation to be upgrade to 556 ACSR conductor.

The work will include replacing some wood poles and associated crossarms, crossbraces, insulators, and guy/anchors as necessary along 6.1 miles of transmission line as a result of reconductoring with 556 ACSR “Parakeet” conductor. The design originally included potential make ready work for distribution underbuild and future optical fiber above the conductor space but has been removed as a result of recent discussions with the Pullman Airport Authority resulting in a revision to the Design Scoping Document. The Pullman Airport is expected to expand in the next few years, but the design is still very preliminary and they have no budget. Consequently, investing additional funds for possible future underbuild and optical fiber is prohibitive and can be included in the relocation when the airport expands.

Three primary areas will not be included in this work for various reasons. The Moscow 230kV Substation to structure 2/2, structure 3/6 to structure 3/20, Structures 11/8 to structure 11/13, and from the Pullman 115kV Substation to Shawnee 115kV Substation. These are the only portions of the Moscow 230 Substation to Shawnee 115kV transmission line, along with the portion mentioned above are not ready for future fiber cable and distribution underbuild. A Design Scoping Document (DSD) for the section from Pullman sub to Shawnee sub has been written and the remaining sections are financially prohibitive until fiber is required on this line.

GENERAL RESPONSIBILITIES:

ER:	2455
BI:	PT902
Project Number:	
Engineering Task Number:	300100
Construction Installation Number:	107300
Project Coordinator:	Ken Sweigart
Line/Structural Designer:	Pat Clevenger
System Operations:	Rich Hydzik/Garth Brandon
Right-of-Way (Customer Contacts):	Randy Daniels
Vegetation Management:	Sharon Vore
Environmental Permitting:	N/A

29905056
 \$207k in 2009 (NOT IN PLANT)
 \$75 → \$100k in 2010 (NOT IN PLANT)
 CPR = \$284k

39905042
 \$530k in 2009 (ENTERED INTO PLANT)
 \$280k in 2010 (NOT IN PLANT)
 CPR = \$810k

29900580
 \$631k in 2010 (NOT IN PLANT)

DSD: North Moscow – Terre View 115kV Reconductor .doc
 Created: 10/26/2009
 Last Modified: 10/26/2009

PLANT FOR 2010 ≈ \$1,225,000
 EST SPEND 2010 ≈ \$1,010,000
 BUDGET 2010 = \$1,300,000

Pullman Airport	Tim Olson
Distribution Design:	Dave James
Line Construction:	Ray Peterson
Inspection:	N/A

PROJECT SCHEDULE:

Line Design*	November, 2009
Acquire Replacement Easement Rights	December, 2009
Procure Line Materials	May 2010
Vegetation Management	2010
Issue Job Package	July, 2010
Receive Line Materials	August, 2010
Line Construction	September, 2010
Scheduled In-Service Date	October, 2010

PROJECT COST ESTIMATE:

1. Right-of Way:	Acquisition of Easement or Equivalent Rights:	\$ 15,000
2. Materials:	(26) Steel Direct Embed and Line Hardware @ \$5k each:	\$130,000
	(12) Structure Hardware @ 2k ea:	\$ 24,000
	Miscellaneous	\$ 15,000
	556 ACSR "Parakeet" Conductor – 105500' @ \$1.16/ft.	\$125,000
3. Construction:	Site Preparation:	\$ 10,000
	Construction Facilities & Material:	\$ 15,000
	Traffic Control:	\$ 25,000
	Restoration:	\$ 30,000
	Removal - (5) days @ 5k/day:	\$ 25,000
4. Construction Labor:	Foundations, (30) days @ \$5k per:	\$150,000
	Structures, (15) days @ \$5k per:	\$ 75,000
	Stringing, (10) days @ \$5k per:	<u>\$ 50,000</u>
	(Subtotal)	\$ 689,000
TOTAL (Material and Construction):		\$ 689,000
TOTAL (Engineering):		\$ 34,500
TOTAL (Taxes, A&G, and PM): @ 30%		<u>\$206,000</u>
TOTAL COST OF ITEM 3A (+/- 30% Engineering Estimate):		\$929,500**

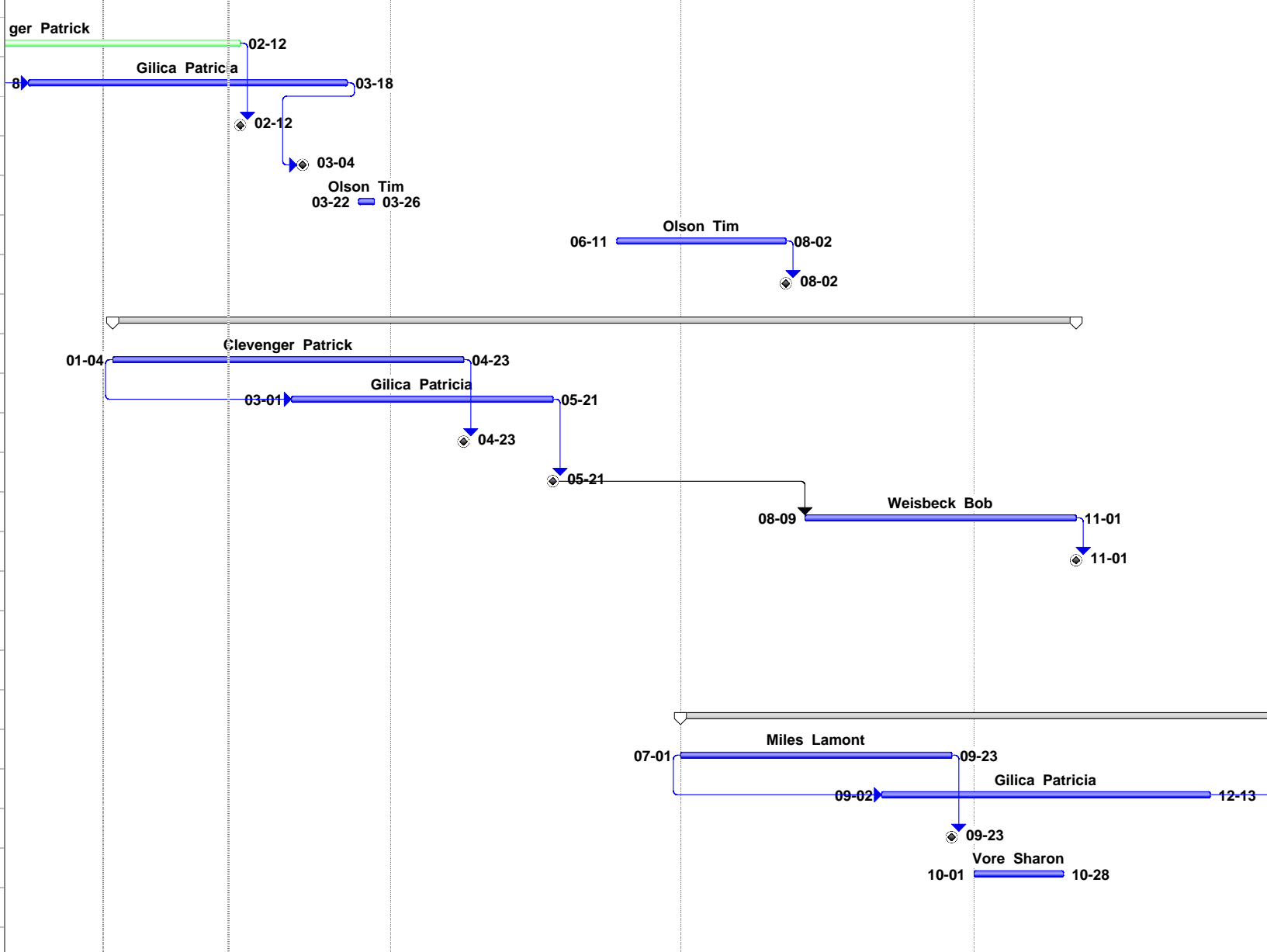
* Actual design start date based on budget approval

** Procurement and Construction costs include overheads and taxes

IDAHO COST ESTIMATE @ 25% TOTAL COST	\$280,000
WASHINGTON COST ESTIMATE @ 75% TOTAL COST	\$649,500

Transmission Design Master Schedule Print Date: Tue 02-09-10

ID	Area	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Qtr 1, 2010			Qtr 2, 2010			Qtr 3, 2010			Qtr 4, 2010		
								Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
263		Construction Complete	0 days	Fri 04-08-11	Fri 04-08-11	262													
264	PUL	ER 2398, BI LT932: Wheatland 115 Sub Int (LEW) NA 2013/2014	300 days	Mon 10-01-12	Fri 11-22-13														
266	SPO	ER 2417, BI ST809: Hawthorne Sub 115 Int KS On Hold	180 days	Mon 03-02-09	Wed 11-11-09														
270	SPO	ER 2422, BI ST810 Spo 230 Reinforce (Contract) NA 2013/2014	1204 days	Thu 07-01-10	Tue 02-10-15														
272	ALL	ER 2423, AMT181: Tx Condition Rebuild NA On Hold for 2010	0 days	Mon 01-04-10	Mon 01-04-10														
275	SPO	ER 2443, BI ST203: Greenacres 115 Sub Int (SPO) NA 2013	480 days	Mon 07-01-13	Fri 05-01-15														
277	SPO	ER 2446, BI ST102: Irvin 115 Sub Int (SPO) NA 2012/2013	360 days	Tue 05-01-12	Mon 09-16-13														
279	PUL	ER 2455, BI PT902: Pullman-Terre View 115 Reconductor (Contract) PC (On Hold Based on Final Location of Pullman Sub) (May be Impacted by Smart Grid)	214 days	Thu 10-01-09	Mon 08-02-10														
280		Engineer	4.65 mons	Thu 10-01-09	Fri 02-12-10		Clevenger Patrick												
281		Procure	3.5 mons	Tue 12-08-09	Thu 03-18-10	280SS+50%	Gilica Patricia												
282		Request Outage	0 days	Fri 02-12-10	Fri 02-12-10	280	Clevenger Patrick												
283		Notice to Construct/Issue Job Package	0 days	Thu 03-04-10	Thu 03-04-10	281FS-10 days	Clevenger Patrick												
284		Construct (Pullman) Taps (This Portion May Be Eliminated)	1 wk	Mon 03-22-10	Fri 03-26-10		Olson Tim												
285		Construct (Pullman)	37 days	Fri 06-11-10	Mon 08-02-10		Olson Tim												
286		Construction Complete	0 days	Mon 08-02-10	Mon 08-02-10	285													
287	PUL	ER 2455, BI PT901: N Moscow-Terre View 115 Reconductor (Contract) PC	216 days	Mon 01-04-10	Mon 11-01-10														
288		Engineer	4 mons	Mon 01-04-10	Fri 04-23-10		Clevenger Patrick												
289		Procure	3 mons	Mon 03-01-10	Fri 05-21-10	288SS+50%	Gilica Patricia												
290		Request Outage	0 days	Fri 04-23-10	Fri 04-23-10	288	Clevenger Patrick												
291		Notice to Construct/Issue Job Package	0 days	Fri 05-21-10	Fri 05-21-10	289	Clevenger Patrick												
292		Construct (Contract)	3 mons	Mon 08-09-10	Mon 11-01-10	291	Weisbeck Bob												
293		Construction Complete	0 days	Mon 11-01-10	Mon 11-01-10	292													
294	SPO	ER 2457, BI FT130: Ben-Oth 115 Rebuild (Contract) NA 2012/2013 (May Advance)	300 days	Mon 10-01-12	Fri 11-22-13														
296	SPO	ER 2459, BI WT110: 49° North 115 Sub Int (COL) NA 2014	260 days	Thu 01-02-14	Wed 12-31-14														
298	CDA	ER 2465, BI AT100: Bronx 115 Sub Int (SPT) NA 2013	300 days	Mon 10-03-11	Fri 11-23-12														
300	SPO	ER 2473, BI ST001: BEA-F&C 115 Whitworth (SPO) LM 2010/2011 TBD	188 days	Thu 07-01-10	Mon 03-21-11														
301		Engineer	3 mons	Thu 07-01-10	Thu 09-23-10		Miles Lamont												
302		Procure	3.5 mons	Thu 09-02-10	Mon 12-13-10	301SS+75%	Gilica Patricia												
303		Request Outage	0 days	Thu 09-23-10	Thu 09-23-10	301	Miles Lamont												
304		Vegetation Management	1 mon	Fri 10-01-10	Thu 10-28-10		Vore Sharon												
305		Notice to Construct/Issue Job Package	0 days	Mon 01-10-11	Mon 01-10-11	302FS+20 days	Miles Lamont												
306		Construct (SPO)	8 wks	Tue 01-25-11	Mon 03-21-11	305SS+10 days	Rosentrater Eric												



Project: Transmission Master Project S
Date: Tue 02-09-10

Task Progress Summary External Tasks Deadline

Split Milestone Project Summary External Milestone

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2273

ER Name: Environmental Regulations Projects: Beacon Storage Yard

Pro Forma Amount: \$750,000

Expended to date: \$16,010

2010 Transfer to Plant Date: June 2010

Project Description:

Beacon Storage Yard (\$0.750 million): The Beacon Storage Yard is a location where circuit breakers and power transformers are stored and staged for rotation into existing substations as replacements or for new construction. This site is near the Spokane River and this project work will provide an oil containment system to protect the local environment. In 2009, the Company constructed the bulk of the Beacon Substation Equipment Storage Yard for a total cost of \$948,000. In 2010, the remainder of the yard and a building to securely house the mobile substations and battery trailer will be completed and transferred to plant. There are no offsets for this project because it is required to eliminate environmental contamination.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

This project will complete the overall Beacon Storage Yard expansion. The plan is for this project to be completed in June 2010.

Additional Information:

- Costs pg. 2
- Capital Project Request (CPR) Forms, including all attachments pg. 3-5
- Scope of Work detail pg. 6-12

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

Beacon Storage/Containment Yard
Phase 2 Budget Estimates (2010)

	Description	Estimated \$\$
1	Mobile Sub storage building (60'x60')	\$200,000.00
2	Foundation for Mobile Sub Building	\$35,000.00
3	Electrical for Mobile Sub Building	\$10,000.00
4	Card Control Gate - Into Pole Yard	\$30,000.00
5	650' of 7' privacy fence along Upriver and Havana	\$20,000.00
6	395' of 7' privacy fence from gate to substation on Havana	\$12,000.00
7	1210' of 6' reclaimed fence fabric btwn yards	\$14,500.00
	Moving Equipment out of Pole Yard	\$75,000.00
8	Bollards @ Monitoring Well	\$500.00
9	Demolition of old pole bunks	\$35,000.00
10	Re-gravel Yard (1,400 ton)	\$50,000.00
11	Grade and Smooth Yard	\$35,000.00
12		
13	10.5'x20' CXT Building - Inspector's shack	\$31,500.00
14		
15	additional containment for bushings and regs	\$50,000.00
16		
	Total	\$598,500.00



CAPITAL PROJECT REQUEST FORM

ER 2273	Budget Category 5-Maintenance	Use Tab Key Service Code ED-Electric Direct	Project Title (30 Characters) Beacon Storage Yard Oil Containment	Request Type Revised	Project(s) 02804423
Long Project Name (100 Characters) Beacon Storage Yard Oil Containment Storage Area				Parent Code BEA10A	
Approved Budget	Will This Project include Retirement of Materials or Equipment? No	ER Sponsor M08	BI Number SS765	WMS Job # 023	Rate Jurisdiction WA-Washington
Billing		Revenue Type Select	Billing Contact	Location 008-Common-WA/ID	Project Start Date 1/1/2009

1/27/10
1/27/10

Project Description (Include Purpose and Necessity - 240 Characters)
Expand Beacon storage yard and construct oil containment for storage of spare oil filled equipment. Beacon is 300 yards from the Spokane River and project is needed to comply with Federal environmental requirements as well as State and Local environmental standards. Construction to begin in 2009 and be completed in 2010.
*** THIS REVISION COVERS TOTAL CONSTRUCTION COSTS FOR THE REMAINDER OF THE PROJECT ***

CONSTRUCTION				Budget Authorized: \$1,800,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	Date
Task	3XXXXX	By FERC Number	By FERC Number	Project Set Up By	Approved By
	300100	\$100,000			
	352000	\$1,700,000			
	350100				

APPROVALS			
		SIGNATURE	DATE
GROSS ADDITIONS	\$1,800,000	<i>Aaron Henson</i>	1/18/2010
Cost of Removal By FERC (3XXXXX)		<i>Michael A. Magruder</i>	1/18/10
		<i>Rick Vermeers</i>	1-26-10
Total Removal		<i>Don Kopczynski</i>	
Salvage By FERC (3XXXXX)		<i>Dennis Vermillion</i>	1/26/10
Total Salvage			
Total Removal Less Salvage			

Non Standard Work Breakdown Structure Needed (Optional)
Peer Task: _____
Sub Task: _____
Date Prepared: _____

TOTAL COST OF PROJECT	\$1,800,000	APPROVAL SIGNATURE(S) REQUIRED
		To \$99,999 - Director
		\$100,000-\$499,999 - VP or GM Utility
		\$500,000-\$2,999,999 - SF Vice President/CFO
		\$3,000,000-\$9,999,999 - President/CEO/COO
		Over \$10,000,000 - Board Chair
		Out-of-Budget - Capital Budget Committee
		THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING HIS JOB IMMEDIATE UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed
Foreman/Supervisor

WWP 133 (RWW 1-96)

**REVISED
AUTHORITY FOR EXPENDITURE**

WORK ORDER
7365 r

ER
0765

MAC

WORK ORDER TITLE (19 CHARS)
BEAC ST YD-OIL CONT

LOCATION
98

EXPANDED WORK ORDER TITLE (44 CHARS)
BEACON STORAGE YD: BUILD OIL CONT STORAGE AREA

<input checked="" type="checkbox"/> APPROVED BUDGET ITEM	ER SPONSOR M08	B/I SPONSOR F08	B/I NUMBER SS765	WU NUMBER	USER INFO
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BILLING	BILLING CONTACT
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DESCRIPTION (INCLUDE PURPOSE AND NECESSITY)
Construct a storage area for oil-filled spare equipment that includes an oil containment system.

In the normal operation of our electrical business, we maintain some spare equipment. Some of this spare equipment must be stored containing insulating oil. The oil-filled spares are stored at Beacon Substation, which is within 300 yards of the Spokane River.

**FINANCE DEPARTMENT
GENERAL ACCOUNTING SECTION**

This is a REVISED AFE.

CONSTRUCTION			
WORK ORDER	U/MAIN/ SUB	RESPONSIBILITY CENTERS	AMOUNT
7365	030010	M08,N08,E14,F08,X08,P07	50,000
7365	039010	E07,E14,F08,L08,M08	565,000
GROSS ADDITIONS			615,000
REMOVAL			
REMOVAL			
SALVAGE			
SALVAGE			
RETIREMENT			
RETIREMENT			
BREAKERS IN PLANT			
TRANSFORMERS OR REG'S			
OPERATION, MAINTENANCE OR SUSPENSE			
TOTAL O&M OR SUSPENSE			
TOTAL COST OF PROJECT			615,000

Total Construction Cost (Budget Line 7)	615,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	615,000
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Mike Nissley <i>MN</i>	12/20/01
Ron Little <i>RL</i>	12-20-01

Refer Questions To: Gayle Genoway

Date Prepared: 12/20/01	Ext. 4890
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THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER.

IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/ Supervisor	

WWP 133 (RWW 1-98)

**REVISED
AUTHORITY FOR EXPENDITURE**

WORK ORDER
7365 r

ER
0765

MAC

WORK ORDER TITLE (19 CHARS)
BEAC ST YD-OIL CONT

LOCATION
98

EXPANDED WORK ORDER TITLE (44 CHARS)
BEACON STORAGE YD: BUILD OIL CONT STORAGE AREA

APPROVED BUDGET ITEM ER SPONSOR M08 B/I SPONSOR F08 B/I NUMBER SS765 WU NUMBER USER INFO

BILLING BILLING CONTACT

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Construct a storage area for oil-filled spare equipment that includes an oil containment system.

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TRANSFORMERS OR REG'S			
OPERATION, MAINTENANCE OR SUSPENSE			
TOTAL O&M OR SUSPENSE			
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BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Mike Nissley <i>MN</i>	12/20/01
Ron Little <i>RL</i>	12-20-01

Refe To: Project total of ~\$1M was transferred to plant in December 2009. Remaining work ext. 890

THE FOR IMM SIGI ACC Date Fore Supp includes completion of URD electrical service for cabinet heaters, security fencing, some grading and gravelling, and a new secure storage building for the mobile subs and battery trailer.

- Mike M. - x4187

SCOPE OF WORK

Beacon Storage-Containment Yard / Replace Security Fence C-2801

This job consists of furnishing labor, materials, and equipment (fully operated and maintained) to replace the existing six foot (6') fence with new perimeter seven foot (7') chain link fence; furnishing and installing one (1) new twenty foot (20') motor operated slide gate; replacing existing six foot (6') high, twenty foot (20') slide gate with seven foot (7') high twenty foot (20') gate, furnishing and installing two four foot (4') walk gates; and furnishing and installing one (1) section of wood isolation fence; and installing and internal six foot (6') fence using the reclaimed fabric from the existing fence at Avista's Beacon Storage Yard located at 4323 E. Upriver Drive, Spokane, WA.

SPECIAL CONDITIONS:

- SC-1 The new 20 foot sliding drive gate **must** be able to interface with Avista's standard access card reader system. Security system is contracted with Allied Security (Eric Ostlund 624-3152 is the contact person).
- SC-2 Contractor shall furnish and install privacy fence fabric with "Privacy Link" privacy slats. Fabric shall be manufactured by Privacy Link or approved equal. If Contractor proposes to use an alternate material, he should submit an "Alternate Proposal" and detail the material and the cost. This Alternate will be evaluated by Owner.
- SC-3 The sliding drive gate shall be made of galvanized fencing fabric – **NOT** privacy fabric.
- SC-4 Avista will furnish and install all gate locks and signs.
- SC-5 The security of the yard **must** be maintained throughout the job. Integrity of the fence must be maintained when Contractor is not onsite.
- SC-6 Contractor will be working adjacent to energized transmission and distribution lines and must maintain a 25 foot minimum clearance from all lines and observe all other safety rules and procedures.
- SC-7 The bottom of the fence fabric shall not be more than two inches (2") above rough grade.
- SC-8 **Welding hinges to gate post will not be acceptable.**
- SC-9 A portion of fence fabric that is to be removed and has been designated as "salvage" fabric for Owner, shall be rolled up and put it in an area designated by Owner's Representative.

Scope of Work**-2-****Beacon Storage-Containment Yard /
Replace Security Fence****C-2801**

- SC-10 Contractor shall remove and legally dispose of the fence posts, rails and concrete footings, as well as the fencing fabric that is designated as fabric to be legally disposed.
- SC-11 Contractor shall maintain its equipment so that no leakage or spillage of fluids occurs. The Contractor shall remove from the site any equipment violating this requirement. The Contractor shall submit a Spill Prevention Program for Owner's review.
- SC-12 Contractor must have a spill clean-up kit onsite at all times to clean up any spill that occurs immediately.
- SC-13 Contractor shall provide any compressed air, chemical toilets, and potable water as required for the duration of the Work.
- SC-14 Contractor shall coordinate all Work with the Owner through the Owner's Representative on the job.

SPECIFICATIONS:

Specification S 1172-09 Security Fence dated January, 2010.
Construction Practice: 4.6.2 Wood Isolation Section

CONTRACTOR RESPONSIBILITY:

Contractor shall provide workmen who are skilled and specialized in the Work to which they are assigned for this project.

It will be the Contractor's responsibility to make a thorough inspection of the Work Site(s) and/or equipment to be repaired before submitting a bid. The condition of the Work Site(s) and/or equipment shall be accepted "as found" and the Contractor shall include any associated preparation Work needed in his bid.

The Contractor shall be responsible to field verify all elevations and dimensions shown in the Drawings prior to the performance of the Work.

Right-of-Way to the Work area has been obtained by the Owner. Any additional right-of-way to and from the Work Site across property shall be obtained by the Contractor who shall be responsible for meeting all requirements of the property owner. Damage to property that is not part of the Owner's agreement will be chargeable to the Contractor and will be deducted from the retention unless previously settled between Contractor and property owner per C-14 of the General Conditions.

Scope of Work**-3-****Beacon Storage-Containment Yard /
Replace Security Fence****C-2801**

All necessary permits shall be obtained by the Contractor except for those listed under Owner Responsibility. Contractor shall be responsible to meet all conditions of the Fence Permit acquired by Owner.

It will be the responsibility of the Contractor to locate and safeguard all underground facilities in the area such as gas, water, electric, telephone, sewer, drain lines, etc. Any repair or expense incurred from damage to these facilities will be chargeable to the Contractor.

It will be the responsibility of the Contractor to legally dispose of all non-salvageable material and miscellaneous debris from the project by direction of the Owner's Representative on the job.

The Contractor shall assign such forces and prosecute the Work in such a manner as to assure compliance with the approved Schedule.

Public safety consideration is vitally important and it shall be the Contractor's responsibility to place signs warning pedestrians and vehicular traffic of danger. When necessary, the signs may be supplemented by flagpersons to direct traffic or by roping off particularly dangerous jobs. It shall be the Contractor's responsibility to insure public safety by meeting all state and local safety rules and regulations.

Contractor warrants and agrees that wages and benefits paid by the Contractor to its employees for Work done in performance of this contract shall be equal to that required under any Collective Bargaining Agreement covering his employees or shall be substantially equal to or higher than the value of wages and benefits paid by the Owner to its employees who would perform the Work if done by the Owner.

CULTURAL/HISTORICAL COMPLIANCE

Contractor shall perform all Work by or under the supervision of Contractor in strict compliance with Avista Corporation's Cultural Resources Protocol, attached to this Agreement as Exhibit CRP, and in compliance with all applicable Federal, state and tribal laws, ordinances and regulations concerning the protection of human remains, sacred sites, cultural resources, and historical resources, including, without limitation the Federal Power Act, the National Historic Preservation Act, the American Indian Religious Freedom Act, the Native American Graves Protection and Repatriation Act, the Archaeological Resources Protection Act, and Executive Order 13007 which relates to sacred sites.

Violation of the protocol could result in contract termination or criminal or civil penalties. Sites which contain Artifacts or human remains are protected by law and public release of information about these sites can lead to damage or vandalism to the sites.

Scope of Work**-4-****Beacon Storage-Containment Yard /
Replace Security Fence****C-2801****SUBCONTRACTORS:**

Contractor shall not assign nor subcontract any portion of the Work to be performed under this Agreement without first securing the written consent of the Owner as provided in Sections C-19 and C-25 of the General Conditions.

A copy of the executed subcontract shall be forwarded to the Owner no more than five (5) days from the date the subcontract is executed.

INSURANCE:

Before Contractor commences Work on this project, a Certificate of Insurance with associated Endorsement verifying (1.) that the Contractor has insurance to the following limits, and (2.) Avista Corporation is named as additional insured on ISO form A, must be on file in Avista Corporation's Purchasing Department.

- a. Worker's Compensation and Employer's Liability Insurance in accordance with applicable laws relating thereto.
- b. Commercial/Comprehensive General Liability Insurance on an occurrence basis with a combined (may include Umbrella Excess coverage) single limit of not less than \$2,000,000.
- c. Commercial/Comprehensive Automobile Liability Insurance with a combined limit of not less than \$2,000,000 (may include Umbrella Excess coverage) or equivalent for both injury and property damages, per occurrence-including coverage for owned, hired and non-owned automobiles.

OWNER RESPONSIBILITY:

To furnish 830 feet of six foot (6') security fencing fabric.
Acquire Fence permits from Spokane County.

CONTRACT:

The Contractor shall submit his bid proposal on the Owner's proposal forms provided in the bid package. Alterations to the Proposal shall invalidate the Contractor's bid. Qualified bids or alternates shall be submitted on a separate transmittal form.

The Contractor understands and agrees to the terms and conditions of the General Conditions, Proposal and Scope of Work as included in the bid package. Any alterations or exceptions to these documents must be included with your bid proposal. No alterations or exceptions will be considered after the Work has been awarded.

Scope of Work**-5-****Beacon Storage-Containment Yard /
Replace Security Fence****C-2801**

All quantities in the bid Proposal are estimated and these units may vary. Extra Work Orders will be written only if the Work completed in the field does not coincide with the specific items in the bid Proposal. A negotiated price reduction/increase will be used when a portion of an item is deleted/added in a "lump sum" item.

The Work will not be considered complete and a 10% retention of the total Contract Price will be withheld until all clean-up has been completed and accepted by the Owner's Representative on the job and all damage claims have been satisfied, if applicable.

SUBMITTALS:**A. Submittals required with Bid Proposal:**

1. Copy of Contractor's Safety Questionnaire (form supplied by Owner)
2. Proposed sub-contractors (if any)
3. Proposed schedule
4. Name and phone number of foreman on project.

B. Submittals by successful Contractor at Pre-Job Conference:

1. Written Project Schedule. This schedule shall show the approximate time frame and projected construction dates proposed by the Contractor for the different phases of the job. These job phases shall be broken down into units not exceeding two weeks for any one function in any one place.
2. OSHA Material Safety Data sheets on the products to be used.
3. Certificate of Insurance with associated Endorsement adding Avista Corporation as Additional Insured (ISO form A).
4. Site Specific Safety Plan

These Submittals must be received by the Owner before the Contractor shall be eligible for any progress payments.

PRE-JOB CONFERENCE:

Upon awarding of this contract, a Pre-Job Conference will be scheduled with Avista Corporation's Generation and Production Department. At this time, the successful Contractor shall present all Submittals described in the Scope of Work. Also at this meeting, job requirements; specifications; qualified bids; phone number and address of responsible agent(s) in charge; and any irregularities or questions regarding this Work should be discussed.

Scope of Work**-6-****Beacon Storage-Containment Yard /
Replace Security Fence****C-2801****BILLING:**

Invoices shall be submitted to the attention of Tammie Miller at Avista Corporation's Generation and Production Department, P. O. Box 3727, MSC-51, Spokane, Washington 99220 for payment.

The following items refer to the bid proposal:Item No. 1 (Remove Existing Fence):

This item includes removing and salvaging 830 linear feet of the existing six foot (6') open weave fabric; removing and legally disposing of 1,100 linear feet of existing six foot (6') rustake slatted fabric; as well as the posts and foundations. Yard security **must** be maintained at all times.

Contractor shall legally dispose of the fence posts, rails and concrete footings. The removed salvageable fence fabric shall be rolled up and put it in an area designated by Owner's Representative.

Item No. 2 (Furnish and Install Bracing, Tension Wire, Etc., and Install Owner Furnished Fabric):

This item includes installing approximately 1,211 linear feet of Owner furnished six foot (6') open weave chain link fence fabric as well as furnishing and installing bracing, top and bottom tension wire, line posts set in concrete on ten foot (10') centers, and corner posts, all set in concrete. Please refer to drawing E-35683.

Item No. 3 (Furnish & Install New Perimeter Fencing With Privacy Fabric):

This item includes furnishing and installing 1,072 linear feet of seven foot (7') security fence with Privacy Link privacy fabric beige in color (to match existing 7 foot (7') fence), per Avista Specification S 1172-09; bracing, pipe top rail, line posts set in concrete on eight foot (8') centers, and corner posts, all set in concrete, with three (3) strands of barb wire on outward leaning extensions. Please refer to drawing E-35683 and Specification S 1172-09.

Item No. 4 (Furnish & Install Drive Gates):

This item includes furnishing and installing one (1) seven foot (7') high, 20 foot motorized slide gate with open weave two inch (2'') mesh fabric complete with all necessary fittings, and latches, and three (3) strands of barbed wire on top complete and ready for service.

Scope of Work

-7-

Beacon Storage-Containment Yard /
Replace Security Fence

C-2801

This item also includes replacing the existing six foot (6') high 20 foot motorized slide gate with a seven foot (7') high, 20 foot motorized slide gate with open two inch (2") mesh fabric complete with all necessary fittings, latches, and three (3) strands of barbed wire on top complete and ready for service.

Item No. 5 (Furnish and Install Walk Gates):

This item includes furnishing and installing one (1) 4 ft x 6'-8" walk gate in the seven foot (7') perimeter fence with privacy slats in the color beige, complete with all necessary fittings, hinges and latches and three (3) strands of galvanized barbed wire on top complete and ready for service. A hold open keeper is **not** required.

This item also includes furnishing and installing one (1) 4 ft x 5'-8" walk gate in the six foot (6') interior fence complete with all necessary fittings, hinges and latches complete and ready for service. A hold open keeper is **not** required.

Item No. 6 (Furnish & Install New Wood Isolation Panels):

This item includes furnishing and installing an eight foot (8') wide wood isolation fence panel between new fence and existing substation fence per the drawing E-35683 and the Construction Practice 4.6.2.

Item No. 7 (Clean-up of Site):

This item includes the clean-up, removal and legal disposal of all Contractor generated debris.

/tjm

G&P

3-3-10

Project / Task No.: 02804423 / 107610

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2214

ER Name: Contractual Required Projects: Colstrip Transmission

Pro Forma Amount: \$503,000

Expended to date: \$34,988 paid by Avista to Northwestern

2010 Transfer to Plant Date: Monthly throughout 2010

Project Description:

Contractual Required Projects:

The Colstrip Transmission System (CTS) covers 494.5 circuit miles of 500 kV transmission between Colstrip and Townsend. The CTS system also includes the Colstrip and Broadview 500 kV substations. The system is operated and maintained by NorthWestern. NorthWestern either performs or contracts out the capital work associated with the joint owned facilities. Avista, NorthWestern, Portland General Electric, PacifiCorp, and Puget Sound Energy each have an ownership share of the facilities and are parties to the Colstrip Transmission Agreement which, among other provisions, obligates the joint owners to fund necessary capital improvements for the CTS. Capital additions for 2010 and 2011 include 500 kV circuit breaker replacements at the Colstrip and Broadview switching stations. 2010 is the third year of a seven-year project to replace all of the 500 kV breakers. The original breakers are at or reaching the end of their useful lives and are considered obsolete. Also, a new communication path between Colstrip and Broadview will be constructed in 2010 and 2011 in conjunction with the replacement of an obsolete electromechanical relay system. Other 2010 and 2011 capital work includes Raptor Protection Mitigation on the Broadview-Townsend #1 & #2 lines, 500 kV breaker failure relay upgrades at Broadview and Colstrip, ATR (Colstrip Acceleration Trend Relay) Engineering/Development for necessary software and hardware upgrades, and ongoing network security upgrades so we can be compliant with NERC CIP standards. There are no offsets or savings to incorporate for this project. The work being done is due to Obsolescence. As a partner in the project we are bound to pay for capital outlays for the benefit of the project.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

All of these projects will be completed by 12/31/2010.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Additional Information:

- These are all done by invoice:
- 500 kV plan Spreadsheet attached pg. 3
- 2010 500 kV Capital Budget Item Explanation prepared by Northwestern pg. 4-7
- Colstrip Project Transmission Agreement pg. 8-131

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

500 kV 5-Year Budget (2010-2014) - AVISTA
(\$000)

Capital Expenditures	2009B	2010	2011	2012	2013	2014	TOTAL
500 kV Broadview Relay Upgrades	4	2	-	-	-	-	7
500 kV Colstrip Relay Upgrades	5	3	-	-	-	-	8
500 kV Broadview Breaker Replacements	55	56	60	63	66	-	301
500 kV Colstrip Breaker Replacements	64	66	71	74	78	164	517
500 kV Unidentified Tools and Equipment	-	1	1	1	1	1	7
500 kV Broadview Breaker Failure Relay Upgrade/Replacement	-	3	3	3	3	-	13
500 kV Colstrip Breaker Failure Relay Upgrade/Replacement	-	4	4	4	4	7	22
500 kV Col-Bdv "B" Line Series Cap Fiber Optic Transceiver Replacement	-	6	-	-	-	-	6
500 kV Broadview Series Cap Control System Replacement	-	5	-	-	-	-	5
500 kV Colstrip Generator Relay Replacement Carryover	-	3	-	-	-	-	3
500 kV ATR Engineering/Development	48	48	32	32	32	32	222
500 kV Bdv-Tnsd 1 & 2 Lines Raptor Protection Mitigation	-	5	5	5	5	5	27
500 kV Routine CapEX	26	-	-	-	-	-	26
500 kV Arrester Replacements	8	-	-	-	-	-	8
500 kV Substation CapEX	23	-	-	-	-	-	23
500 kV Line CapEX	11	-	-	-	-	-	11
500 kV Communications Air Conditioner Replacements	-	2	2	2	2	2	11
500 kV Communications DC Charger Replacements	-	8	8	8	8	8	38
500 kV Communications Generator Transfer Panel Replacement	-	3	3	3	3	3	13
500 kV Communications Col-Bdv OPGW Installation	-	255	345	-	-	-	600
Total Capital Expenditures	244	471	533	195	202	222	1,867
Operations and Maintenance	2009B	2010	2011	2012	2013	2014	TOTAL
C19 Colstrip Substation	24	25	26	27	28	29	157
C20 500kV Col-Brd Lines	27	37	29	30	32	33	188
C21 Broadview Substation	12	12	13	13	14	14	79
C22 Broadview Auto TX's	1	1	1	1	1	1	6
C23 Col-Brd Line Comp	6	7	7	7	7	8	42
C24 Brd-Gar Line Comp	1	1	1	1	1	1	6
C25 500kV Brd-Gar Lines	42	42	45	47	49	51	276
C26 Gar BPA Equip	0	0	0	0	0	0	1
C27SOCC & Comp Maint	17	7	19	19	20	21	102
C28 SOCC Union Labor	21	25	22	23	24	25	140
C29 NonUnion Labor	35	40	38	39	41	42	235
C32 ATR Studies	10	10	10	11	11	12	64
C33 BPA Line Comp Charge	88	88	88	88	88	88	527
Counterpoise Replacement B Line	8	8	-	-	-	-	16
Shield Wire Deadends A & B Lines	-	11	-	-	-	-	11
Shield Wire Deadends 1 & 2 Lines	-	-	12	-	-	-	12
Anode Replacement 1 & 2 Lines	29	38	-	-	-	-	66
Anode Replacement A & B Lines	-	-	5	-	-	7	12
Spacer Replacement A & B Lines	-	-	163	-	-	-	163
Spacer Replacement 1 & 2 Lines	194	170	-	-	-	-	364
Comp Inspection/Maint A & B Lines	-	-	10	10	-	-	20
Comp Inspection/Maint 1 & 2 Lines	-	-	12	12	-	-	24
Communications	17	24	24	24	24	24	139
Memo Items	49	56	58	61	63	66	354
Total Operations and Maintenance	580	602	585	415	404	422	3,007
Grand Total	824	1,073	1,118	610	606	644	4,874

Note: 2009 dollars no inflation adjustment

500kV 2010 CAPITAL BUDGET

Listed below is a description of what is included in each of the 2010 500kV Capital budget line items.

Unidentified Tools & Equipment – To buy new and/or replacement tools in excess of \$1500 so that O&M can be performed on the 500kV system. Replacements are necessary on a continuing basis due to breakage, excessive wear, loss, etc.

500kV Breaker Repl. 500-7 @ Colstrip – This is a continuation of the 500kV breaker replacement program that was started in 2008. The original breakers are at or reaching the end of their useful lives and are considered obsolete. Repair and replacement parts are extremely difficult to locate and in many cases do not exist. This is year 3 of a 7 year program.

500kV Breaker Repl. 500-14 @ Bvw -- This is a continuation of the 500kV breaker replacement program that was started in 2008. The original breakers are at or reaching the end of their useful lives and are considered obsolete. Repair and replacement parts are extremely difficult to locate and in many cases do not exist. This is year 3 of a 7 year program.

“B” Line Series Cap Fiber Optic Transceiver Repl. @ Bvw – To replace both the existing fiber columns and the transceivers which are obsolete and continuously troublesome. The fiber columns have already been purchased and will be installed as a part of this project. Replacement parts are difficult to locate and there is a risk of being unable to operate the series capacitors due to equipment failure. (This same work has already been accomplished on the “A” line in previous years).

Series Cap Control System Repl. @ Bvw – The existing control system is outdated and is using non-standard equipment, is difficult to test and has a very confusing control scheme. While there are primary and secondary controllers, the scheme requires that both controllers sense the appropriate current level to insert the cap banks. If one controller fails the cap banks cannot be automatically inserted. This item will replace the existing control scheme with one that will simplify the control scheme and the ability to test. The new scheme would make the primary and secondary controllers truly redundant and would allow one or the other to be tested. This new controller scheme would control both series cap banks at Broadview. If the series caps are ever replaced or upgraded, this new control scheme would work on the new cap banks as well.

500kV Breaker 500-7 @ Colstrip Failure Relaying Repl -- The existing 500kV breaker protection/reclosing relays at Colstrip are the original equipment installed when the 500kV system was built. They are now considered obsolete and have become increasingly problematic. The present breaker protection system is complex, has undergone miscellaneous modifications over time which has created confusing circuits and drawings. This hampers testing and troubleshooting. This item will replace the old protection system on the new 500kV breaker that we are replacing in 2010 (500-7 at Colstrip). This new protection system will be installed while the breaker is already out of service. This would be an ongoing project that goes hand in hand with the 500kV breaker replacement project over the next several years.

500kV Breaker 500-14 @ Bvw Failure Relaying Repl -- The existing 500kV breaker protection/reclosing relays at Broadview are the original equipment installed when the 500kV system was built. They are now considered obsolete and have become increasingly problematic. The present breaker protection system is complex, has undergone miscellaneous modifications over time which has created confusing circuits and drawings. This hampers testing and troubleshooting. This item will replace the old protection system on the new 500kV breaker that we are replacing in 2010 (500-14 at Broadview). This new protection system will be installed while the breaker is already out of service. This would be an ongoing project that goes hand in hand with the 500kV breaker replacement project over the next several years.

Colstrip Generator Relay Repl (Carryover) -- The vendor supplied relay control system for the station power backup generator is obsolete and problematic. In January 2007, the generator control system at Colstrip caused a complete loss of station power and subsequent 500kV yard outage resulting in a loss of the 500kV system and Colstrip generation. Replacement of this system was budgeted in 2009 and is presently being worked on. The final installation of the new system may not be completed until 2010, these budget dollars are to fund the c/o work.

500kV Relay Upgrade @ Colstrip (Carryover) -- One of the existing relay protection systems on the Colstrip-Broadview lines are the electromechanical GE SYLP-SLCN relays and they communicate via power line carrier. These relays are becoming obsolete and GE does not support these relays with spare parts. Fully redundant relay systems are required on these lines, one set has already been upgraded and the 2nd set needs to be upgraded. Replacement of this system was budgeted in 2009 and is presently being worked on. The final installation of the new system needs to be in conjunction with a new geographically diverse communications path. The 1st phase of a new communications path is budgeted for 2010, and this item will provide the funds for connection of the new relay system at Colstrip to the new communications path.

500kV Relay Upgrade @ Bvw (Carryover) -- One of the existing relay protection systems on the Colstrip-Broadview lines are the electromechanical GE SYLP-SLCN relays and they communicate via power line carrier. These relays are becoming obsolete and GE does not support these relays with spare parts. Fully redundant relay systems are required on these lines, one set has already been upgraded and the 2nd set needs to be upgraded. Replacement of this system was budgeted in 2009 and is presently being worked on. The final installation of the new system needs to be in conjunction with a new geographically diverse communications path. The 1st phase of a new communications path is budgeted for 2010, and this item will provide the funds for connection of the new relay system at Broadview to the new communications path.

ATR Engineering/Development -- The platform the ATR runs on needs to be upgraded every 5 years. Computer technology gets obsolete in a fairly short time and we need to be sure the ATR will be reliable and repairable. The solution is to update the ATR platform on a programmed basis (every 5 years), this plan has been approved by the Partners. This item will fund a platform upgrade to the ATR including new hard drives, servers, software, labor, contractor costs, etc. This will also fund ongoing network security upgrades so we can be compliant with the CIP standards.

Raptor Protection Mitigation Bvw-Tnsd #1 & #2 -- Eagle mute streamers cause roughly 80% of the faults that occur each year on the 500kV lines. Eagles feed in the evening, roost on the tower arms at night and in the early morning when they fly, they let loose a long stream of mute which causes a fault on the line. We have had some success installing tower flooring on the structures in the line sections where there have been a concentration of faults. The flooring deflects the mute, keeps it off of the insulators and eliminates the fault. This budget item will fund the flooring installation of 20 structures.

Communications Air Conditioner Repl. -- Air conditioners at the 500kV communications sites are at the end of their useful lives and need to be replaced. We have an ongoing program of replacing the older air conditioners at the 500kV communications sites. This budget item continues that program.

Communications DC Charger Repl. -- DC chargers at the 500kv communications sites are at the end of their useful lives, are beginning to fail and need to be replaced. We have an ongoing program of replacing the older DC chargers at the 500kV communications sites. This budget item continues that program.

Communications Generator Transfer Panel Repl. -- Failures in the contacts of the communications building generator transfer panels have begin to occur. We have an ongoing program of replacing 4 of the transfer panels each year at the 500kV communications sites. This budget item continues that program.

Communications Bvw-Colstrip OPGW Installation -- One of the existing relay protection systems on the Colstrip-Broadview lines are the electromechanical GE SYLP-SLCN relays and they communicate via power line carrier. These relays have been replaced but the new relays cannot communicate via the power line carrier that the SYLP-SLCN's now use. A new geographically diverse communications route between Broadview and Colstrip is needed. This item will install OPGW on the NWE 230kV system between Broadview and Colstrip. OPGW would be installed on the NWE poles subject to the NWE pole attachment policy. The 500kV partners would own the fiber and be responsible for its O&M. This option is the most economical of the other options that were considered. This budget item would fund the 1st phase of this new communications path. This will be a 2 year project.

THE MONTANA POWER COMPANY

AND

PUGET SOUND POWER & LIGHT COMPANY

AND

THE WASHINGTON WATER POWER COMPANY

AND

PORTLAND GENERAL ELECTRIC COMPANY

AND

PACIFIC POWER & LIGHT COMPANY

COLSTRIP PROJECT TRANSMISSION AGREEMENT

COLSTRIP PROJECT TRANSMISSION AGREEMENT

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COLSTRIP PROJECT TRANSMISSION AGREEMENT

THIS AGREEMENT is made as of the 6th day of May, 1981, by and between THE MONTANA POWER COMPANY, a Montana corporation ("Montana") and PUGET SOUND POWER & LIGHT COMPANY, a Washington corporation ("Puget") and THE WASHINGTON WATER POWER COMPANY, a Washington corporation ("Water Power") and PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation ("Portland") and PACIFIC POWER & LIGHT COMPANY, a Maine corporation ("Pacific") and BASIN ELECTRIC POWER COOPERATIVE, a North Dakota cooperative corporation ("Basin Electric"):

WITNESSETH:

WHEREAS, the parties desire to establish terms and conditions relating to their ownership, as tenants in common, and the planning, financing, acquisition, construction, operation and maintenance of the 500 kV transmission system, and related facilities, that will interconnect the Colstrip Units #3 and #4 Steam Electric Generating Project and the Colstrip Units #1 and #2 Steam Electric Generating Project ("Colstrip Units #1 and #2") to Montana's Transmission System and to Bonneville Power Administration's ("BPA") transmission system near Townsend, Montana.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein stated and the performance thereof, all as hereinafter set forth, the parties hereto mutually agree as follows:

1. Relation to Other Agreements and Term

This Agreement is one of the Project Agreements ("Project Agreements"), as that term is defined in Section 1 of the Ownership and Operation Agreement, Colstrip Units #3 and #4 ("Ownership Agreement").

2. Definitions

(a) "Costs of Transmission System Construction" shall have the meaning set forth in Section 14 hereof.

(b) "Costs of Transmission System Operation" shall have the meaning set forth in Section 17 hereof.

(c) "Integrated System Capacity" means the capacity of the Transmission System and Montana's Transmission System as an integrated system.

(d) "Montana/Puget" means Montana and Puget and shall include their successors and assigns of an ownership interest in Colstrip Units #1 and #2 or any part thereof.

(e) "Montana's Transmisson System" means all or any portion of transmission facilities owned by Montana, its successors or assigns, and all other transmission facilities within Montana's load control area other than the Transmission System.

(f) "Person" means any individual, partnership, corporation, trust, joint venture, or unincorporated organization.

(g) "Project" shall have the meaning set forth in Section 1(n) of the Ownership Agreement.

(h) "Project Share" shall have the meaning set forth in Section 2(b) of the Ownership Agreement.

(i) "Prudent Utility Practice" at any particular time means either any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice shall apply not only to functional parts of the Transmission System, but also to appropriate structures, landscaping, painting, signs, lighting, other facilities and public relations programs, including recreational facilities, and any other programs or facilities, reasonably designed to promote public enjoyment, understanding and acceptance of the Transmission System. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. Prudent Utility Practice shall also include those practices, methods and acts that are required by applicable laws and final orders or regulations of regulatory agencies having jurisdiction.

(j) "Requirements Capacity" means capacity in the Transmission System for each Owner as follows:

Colstrip-to-Broadview Segment ("C-B Segment"), as described in Exhibits A and B hereto:

Montana	790.6 MW	Water Power	214.3 MW
Puget	719.1 MW	Pacific	142.8 MW
Portland	285.7 MW	Basin Electric	107.5 MW

Broadview-to-Townsend Segment ("B-T Segment"), as described in Exhibits A and B hereto:

Montana	435.8 MW	Water Power	217.9 MW
Puget	731.3 MW	Pacific	145.2 MW
Portland	290.5 MW	Basin Electric	109.3 MW

(k) "Requirements Share" means, for each Transmission Owner with respect to the C-B Segment or the B-T Segment as the case

may be, a fraction the numerator of which is such Transmission Owner's Requirements Capacity in such Segment and the denominator of which is the sum of all Transmission Owners' Requirements Capacity in such Segment.

(l) "Segment" means the C-B Segment or the B-T Segment, interchangeably as the context may require.

(m) "Transmission Committee" means the Committee provided for in Section 22 hereof.

(n) "Transmission Operator" means the operator appointed under Section 4 hereof.

(o) "Transmission Owners" means Montana, Puget, Water Power, Portland, Pacific and Basin Electric and shall include their successors and assigns of an ownership interest in the Transmission System or any part thereof.

(p) "Transmission System" means the facilities described in Exhibit "A" hereto and related facilities, real property and property rights (including, but not limited to, the real property as described in Exhibit "B" hereto).

(q) "Transmission System Capacity" means that portion of the Integrated System Capacity allocated to the Transmission System pursuant to Section 8(b).

(r) "Transmission System Capital Additions" means additions, betterments, and replacements to the Transmission System that are necessary to assure design reliability for Requirements Capacity or that are required by governmental agencies or that are necessary to transmit generation from Colstrip Units #1 and #2 and the Project.

(s) "Transmission System Capital Retirements" means physical elements of the Transmission System removed from service or use with the intent that the items so removed will not be placed back into service.

(t) "Transmission System Construction" means all activities necessary for planning, engineering, acquisition and erection of the Transmission System and of Transmission System Capital Additions and Transmission System Elective Capital Additions.

(u) "Transmission System Elective Capital Additions" means additions, betterments, and replacements to the Transmission System that are not Transmission System Capital Additions.

(v) "Transmission System Surplus Capacity" means the capacity of the Transmission System that is excess to Requirements Capacity, determined in accordance with Section 7(c).

3. Ownership of the Transmission System

Subject to the terms and conditions hereinafter set forth, ownership of the Transmission System shall be as follows:

(a) The Transmission System shall be owned by the Transmission Owners as tenants in common, with each Transmission Owner's respective undivided interest ("Transmission Ownership Percentage") being based on the proportion that each Transmission Owner's payment of Costs of Transmission System Construction bears to the total payments made by all Transmission Owners pursuant to Sections 16(c), 16(e), 16(f) and 16(g).

(b) Each Transmission Owner shall promptly take all action (including, but not limited to, obtaining all requisite authorizations) necessary for participation by such Transmission Owner in the ownership, construction, operation and maintenance of the Transmission System. Each Transmission Owner shall promptly take such action (including, but not limited to, the execution, acknowledgment, delivery and recordation of instruments of conveyance and for releases of security interests) as may reasonably be requested by any other Transmission Owner to effect, evidence or vest each Transmission Owner's respective interests in the Transmission System.

(c) Each Transmission Owner may at any time assign one or more representatives to the Transmission System. Such representatives shall remain the employees of their respective employers and may keep their employers advised concerning matters involving the Transmission System. The salary and related costs of the representatives shall be an expense of each respective employer. The Transmission Operator shall not direct the work of or in any fashion utilize such representatives to supervise or to perform services. Transmission Operator shall have no authority to discharge such representatives but may, for good cause, require the Transmission Owner to transfer its representatives from the Transmission System.

(d) Each of the Transmission Owners shall have the right at all reasonable times to inspect the Transmission System and all Transmission System records. The Transmission Operator shall provide access and safe and sufficient equipment and facilities required for such inspection.

4. Transmission Operator

(a) The Transmission Owners hereby appoint Montana, and Montana hereby accepts appointment, as the Transmission Operator of the Transmission System.

(b) The Transmission Operator, as agent for and on behalf of the Transmission Owners, shall construct, operate and maintain

the Transmission System, hire all Transmission System personnel, and pay all Costs of Transmission System Construction and Costs of Transmission System Operation, all in accordance with Prudent Utility Practice, this Agreement, guidelines established from time to time by the Transmission Committee, and any applicable laws, regulations, orders, permits and licenses, now or hereafter in effect, of any governmental authority.

(c) The Transmission Operator shall not assign, transfer, or delegate, voluntarily or by operation of law, its responsibilities to any Person without the written approval of Transmission Committee members representing at least 50% of the total Requirements Shares of each Segment affected by such matter (excluding the Requirements Share of the Transmission Operator). The Transmission Operator may resign as Operator upon the giving of two (2) years' notice to the Transmission Owners. The Transmission Committee shall thereupon appoint a new Transmission Operator.

(d) In every instance where Transmission Operator is required by this Agreement to act as agent for and on behalf of the Transmission Owners, or any of the Transmission Owners, Transmission Operator is hereby granted and shall have the power to exercise authority to do everything necessary, proper and usual, in the ordinary course of business, for effecting the purpose of its agency, including, but not limited to, the power to enter into contracts with third parties for and on behalf of the Transmission Owners, the power to make and receive payments, the power to initiate, compromise or settle claims with third parties, the power to act as agent in its own name, and the power to appoint subagents. The Transmission Operator shall exercise such agency power in accordance with any guidelines established by the Transmission Committee. The grant of such agency powers to Transmission Operator shall remain in effect until the termination of this Agreement pursuant to Section 35.

(e) The Transmission Operator shall maintain a force of able and efficient manpower and, as employer of the force, Transmission Operator shall hire and fire personnel as necessary. The work force will be employed in the classifications necessary to construct, operate and maintain the Transmission System. The Transmission Operator shall negotiate any contracts entered into with unions and set wage scales for nonunion personnel.

(f) The Transmission Operator shall maintain a training program as necessary to assure the availability of qualified personnel for the construction, operation and maintenance of the Transmission System. If such training program utilizes facilities of Transmission Operator other than Transmission System facilities, the costs of such use of facilities, shall be allocated on an equitable basis to Transmission System costs hereunder. Transmission Operator shall make such training program and reasonable use of Transmission System facilities

available to employees of the other Transmission Owners for the purpose of training and the costs of such training shall be apportioned equitably between the Transmission System and such other Transmission Owners.

(g) The Transmission Operator shall pay promptly all sums due employees or due any governmental or other agency on their behalf or on account of their employment and shall not permit any labor claims to become a lien against the property of the Transmission Owners, other than claims that are being contested in good faith.

(h) The Transmission Operator shall develop and maintain a safety program for protection of personnel and equipment. The Transmission Operator shall practice good housekeeping. Subject to the rights of the other Transmission Owners to inspect the Transmission System, the Transmission Operator shall control access to the Transmission System.

(i) A Transmission Owner may enjoy advantages while marketing its entitlement to the use of the Transmission System because it has been designated Transmission Operator. Except as otherwise specifically provided in this Agreement, Transmission Operator shall not be obligated as an agent or fiduciary on the behalf of Transmission Owners to notify or otherwise inform a Transmission Owner of offers tendered it to acquire Transmission Operator's ownership entitlement to use of Transmission System Capacity nor to offer any Transmission Owner participation in arrangements for use of Transmission Operator's ownership entitlement to Transmission System Capacity.

5. Design, Engineering and Construction Management

The Transmission Owners shall retain a firm or firms, including a Transmission System Architect-Engineer, recognized for knowledge, skill and experience in the design and construction of electrical transmission facilities and related facilities until the Transmission Committee determines that the services of any such firm or firms are no longer required or desirable.

6. Subsynchronous Resonance

(a) The Transmission Owners and Montana/Puget shall undertake, or cause to be undertaken, tests, evaluations and computer modeling to determine if Subsynchronous Resonance (SSR) is likely to affect the operation of Colstrip Units #1 and #2. To the extent practicable, such tests shall be performed during periods of scheduled maintenance of Colstrip Units #1 and #2.

(b) Montana/Puget shall bear all costs of planning, engineering, acquisition, construction, operation and maintenance of any relay protection against SSR that is installed on Colstrip Units #1 and #2. Each Transmission Owner shall bear its Project

Share of all costs of planning, engineering, acquisition, construction, operation and maintenance of any relay protection against SSR that is installed on the Project.

(c) The Transmission Committee shall determine what protection against SSR is required for Colstrip Units #1 and #2. Such determination shall be based upon the tests, modeling, and evaluations performed pursuant to Section 6(a). The criteria for determining what protection is required will be such that (1) no more than one trip of Colstrip Unit #1 or #2 will occur on the average due to SSR in any three consecutive month period, and (2) Colstrip Units #1 and #2 shall not be subject to any unreasonable risk of damage due to SSR. The Transmission Committee shall make such determinations within a reasonable period after the tests, modeling and evaluations required by Section 6(a) are completed.

(d) Except as provided in Section 6(b), each Transmission Owner shall bear its Share (i.e., equal to the sum of one-half its Requirements Share for the C-B Segment, and one-half its Requirements Share for the B-T Segment) of the following:

- (i) All costs not in excess of \$6,000,000 to provide protection against SSR for Colstrip Units #1 and #2; provided, however, that the Transmission Committee determination to provide such protection is made prior to the expiration of two years after the last to occur of: (1) the commercial operation date of Colstrip Unit #3, (2) the commercial operation date of Colstrip Unit #4, or (3) the first date upon which all of the series capacitors for the Transmission System, as presently planned, are energized;
- (ii) All costs that are incurred to perform the tests, modeling, and evaluations described in Section 6(a); and
- (iii) Replacement power costs or foregone revenues, less fuel costs, and start-up costs incurred by Montana/Puget as a result of such tests described in Section 6(a), to the extent such costs do not exceed \$350,000; provided, such costs shall not include those incurred as a result of forced outage of Colstrip Units #1 or #2 occurring as a result of such tests or in preparation thereof.

(e) The Transmission Operator shall take all or some portion of Transmission System series capacitors out of service, reduce available Transmission System Capacity or take other reasonable action to avoid SSR on Colstrip Units #1 and #2 or the Project.

7. Transmission System Capacity Entitlement

(a) Subject to Section 7(d), each Transmission Owner shall have the right to use its Requirements Capacity.

(b) The capacity of the combined Transmission System and Montana's Transmission System that is usable after accommodating inadvertent flow on such combined system shall be allocated to the Transmission System and to Montana's Transmission System in the same proportion as the Integrated System Capacity is allocated under Section 8(b).

(c) The Transmission Operator shall determine Transmission System Surplus Capacity in accordance with guidelines developed by the Transmission Committee.

(d) If the Transmission Operator determines pursuant to guidelines established by the Transmission Committee that capacity of the Transmission System is unavailable for use as a result of inadvertent power flows on the Transmission System or has been derated so that each Transmission Owner cannot use its Requirements Capacity, then the use of all available capacity will be allocated among the Transmission Owners by the Transmission Operator in the proportion that each Transmission Owner's Requirements Capacity bears to all Transmission Owners' Requirements Capacity.

(e) Each Transmission Owner shall have the right to use its Requirements Share of the available Transmission System Surplus Capacity; provided that any use of Transmission System Surplus Capacity shall be subject to interruption, curtailment or such other restrictions as the Transmission Operator determines are necessary so that each Transmission Owner may utilize its Requirements Capacity. Such determinations shall be made in accordance with guidelines to be developed by the Transmission Committee.

(f) Transmission Operator shall interrupt, curtail or otherwise restrict schedules through the Broadview Substation 500/230 kV transformers, described in Exhibit "A," to the extent required by Montana to transmit 790.6 MW of its power through said transformers.

(g) Any sale, transfer or assignment of any right to use Transmission System Capacity for a period greater than one (1) year shall be deemed a transfer or assignment of an interest in the Transmission System for purposes of Section 28.

8. Transmission System Capacity Determinations and Allocations

(a) On the request of the Transmission Committee, the Transmission Operator shall make the following capacity determinations in accordance with Exhibit "C," as supplemented and modified from time to time by the Transmission Committee:

- (1) Transmission System separate capacity;
- (2) Montana's Transmission System separate capacity;
and

(3) Integrated System Capacity.

(b) The Integrated System Capacity shall be allocated between the Transmission System and Montana's Transmission System in the proportion that each system's separate capacity determined pursuant to Exhibit "C" bears to the sum of such separate capacities; provided, however, if future developments, additions, or changed conditions on one of the separate systems result in a change in the Integrated System Capacity determined pursuant to Sections 8(a)(1), (2) and (3), the amount of capacity allocated to the other system pursuant to this Section 8(b) shall not be reduced.

9. Scheduling

(a) Before 4:00 p.m., Mountain Time of each day, the Transmission Owners shall make available to Transmission Operator hourly transmission schedules for the following day or days over the Transmission System. A Transmission Owner may at any time change its schedules.

(b) Each Transmission Owner shall schedule to the Transmission Operator the losses allocated to such Transmission Owner under Section 11. Such losses shall be scheduled 168 hours after their occurrence unless otherwise mutually agreed between Transmission Operator and such Transmission Owner.

10. Load Control

Each Transmission Owner shall include in its respective load control area its share of the output of the Colstrip Units #1 and #2 and the Project. Montana shall include the Transmission System in its load control area.

11. Losses

Montana shall receive transmission loss compensation for Transmission System losses in its control area only as determined and allocated in accordance with Exhibit "D." Any Transmission Owner may at any time propose to the Transmission Committee a revised Exhibit "D." The Transmission Committee may approve such revised Exhibit "D" by a vote of Transmission Committee members representing at least 85% of the total Requirements Shares of each Segment for which losses are proposed to be calculated.

12. Scheduling of Outages

(a) The Transmission Operator shall schedule outages for major maintenance as required by the manufacturers' applicable conditions of sale and delivery of the affected facilities and

equipment or as the manufacturer may advise from time to time, unless otherwise directed by the Transmission Committee.

(b) The Transmission Operator shall schedule all Transmission System outages for inspection and routine maintenance at such time as shall be directed by the Transmission Committee, provided, however, that any outages required by governmental agencies having jurisdiction or outages to avoid hazard to the Transmission System or to any person or property shall be scheduled by the Transmission Operator as required.

13. Transmission System Construction

(a) Transmission Operator shall take whatever action is necessary or appropriate to seek and obtain all licenses, permits and other rights and regulatory approvals necessary for the construction, operation and maintenance of the Transmission System, on behalf of itself and the other Transmission Owners. However, the Transmission Owners acknowledge that there is no assurance that such permits, licenses and approvals will be obtained.

(b) Transmission Operator shall prosecute Transmission System Construction in accordance with appropriate plans and specifications for the Transmission System so as to complete Transmission System Construction by a date to be established by the Transmission Committee. The Transmission Owners acknowledge that there is no assurance that such construction will be completed as scheduled.

(c) All agreements, purchase contracts and orders heretofore entered into by Montana in its own name relating to Transmission System Construction are hereby dedicated to the Transmission System and ratified by the Transmission Owners. Transmission Operator, with reasonable expedition for itself and as agent for the other Transmission Owners, shall enter into additional contracts for such purpose as well as for operation and maintenance of the Transmission System. The award of any contracts in connection with Transmission System Construction, operation and maintenance of the Transmission System shall be made by Transmission Operator in a manner designed to result in the least overall cost consistent with standards of high quality.

(d) The Transmission Operator shall dispose of surplus Transmission System property in accordance with the directions of the Transmission Committee. Proceeds from such disposal shall be equitably distributed or allocated to the Transmission Owners in proportion to their payments for such property.

14. Costs of Transmission System Construction

"Costs of Transmission System Construction" are all costs allocable to Transmission System Construction (excluding allowance

for funds used during construction) after giving appropriate consideration to credits relating to such costs including proceeds from the disposition of surplus property and interest received on sums of money deposited in the Construction Trust Account referred to in Section 16. Without limiting the generality of the foregoing, such costs shall include:

- (a) All costs of preliminary site investigation and development, land acquisition, architectural and engineering services, labor, materials, equipment, supplies, personnel training, testing, permits and licenses, legal services, Transmission System Capital Additions and Transmission System Elective Capital Additions.
- (b) Payroll, including related fringe benefits and payroll taxes, of direct full time Transmission System employees;
- (c) Payroll of Transmission Operator's employees, other than those charged to its administrative and general expenses, and other than direct full time Transmission System employees, on an actual time basis including related fringe benefits and payroll taxes;
- (d) Reasonable traveling expense including use of Transmission Operator's transportation equipment;
- (e) All costs of insurance obtained pursuant hereto applicable to Transmission System Construction;
- (f) All costs relating to injury or damage (whether incurred by a Transmission Owner or any other person or entity) arising out of Transmission System Construction (other than those released or indemnified pursuant to Section 24(a), (c) or (d)) less proceeds of insurance maintained pursuant hereto or of insurance under any contract for Transmission System Construction;
- (g) All federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with Transmission System Construction, except any tax or payment in lieu of taxes assessed or charged directly against any individual Transmission Owner unless such tax or payment was assessed or charged to the individual Transmission Owner on behalf of the Transmission System;
- (h) All costs required by the Transmission Agreement executed by BPA and Transmission Owners, Contract No. DE-MS79-81BP90210, to be paid by the Transmission Operator to BPA on behalf of Transmission Owners; and
- (i) Administrative and general costs of Transmission Operator applicable to Transmission System Construction determined in accordance with Exhibit "E" hereto.

15. Transmission Construction Budget

As soon as practical after the execution of this Agreement, Transmission Operator shall submit to the Transmission Owners a budget setting forth an estimate of amounts expected to be expended for Costs of Transmission System Construction and an estimate of Transmission System Capital Retirements and related costs in each quarter hereafter to the completion of Transmission System Construction, together with an estimated cash flow schedule for each of said quarters. By September 1 of each year, Transmission Operator shall submit to the Transmission Committee for approval an updated budget and cash flow schedule, supported by detail adequate for the purpose of comprehensive review, describing the items of Costs of Transmission System Construction and Transmission System Capital Retirements, the amounts expected to be expended therefor in each month during the next 12 months commencing the following January and in each quarter thereafter. Construction budget and cash flow schedules shall be changed by Transmission Operator from time to time as necessary to reflect substantial changes in construction schedules, plans, specifications or costs and, when so changed, shall be submitted to the Transmission Committee for approval.

16. Construction Payments

(a) The Operator designated by the Ownership Agreement pursuant to Section 8 thereof has established a separate trust account ("Construction Trust Account") in a bank located in the State of Montana and having qualifications meeting all requirements imposed upon depositories for any of the Transmission Owners. Sums of money for Costs of Transmission System Construction shall be deposited therein and Transmission Operator shall withdraw and apply funds therefrom only as necessary to pay Costs of Transmission System Construction.

(b) The Transmission Operator shall establish upon receipt from any Transmission Owner of reasonable advance notice a trust account separate from the Construction Trust Account, subject to the same qualifications required by Section 16(a). Thereafter, sums of money for Costs of Transmission System Construction shall be deposited in said separate trust account and withdrawn as provided by Section 16(a).

(c) For 330 MW of Montana's Requirements Capacity and 330 MW of Puget's Requirements Capacity in the C-B Segment, Montana has paid on behalf of Montana and Puget \$13,304,727 to construct a double circuit steel tower 230 kV transmission line, a portion of the Transmission System. This amount shall be credited to Montana as a payment of Costs of Transmission System Construction. After reimbursement to Montana by Puget pursuant to Section 16(d) hereof, said amount shall be credited one-half to Puget and one-half to Montana as a payment of Costs of Transmission System Construction.

(d) As reimbursement for one-half of the payment referred to in Section 16(c), Puget shall pay Montana \$6,652,363.50, less accumulated depreciation reserve, on the date (the "Reimbursement Date" stated in Section 4.2 of the Montana-Puget Colstrip Units #1 and #2 Transmission Contract) the Transmission Committee determines that the Transmission System will be energized and has sufficient capacity to transmit the Project's and Colstrip Units #1 and #2 net generating capability, unless otherwise agreed by Montana and Puget; provided, however, that said reimbursement shall not constitute a novation, nor relieve Puget, of its obligations under the Montana-Puget Colstrip Units #1 and #2 transmission contract for liabilities accrued thereunder and for annual costs specified in Section 3.3 of said contract. Said reimbursement shall thereafter relieve Puget of its obligation to reimburse Montana for its share of the annual cost of the Colstrip-Broadview 230 kV transmission line, a part of the Transmission System.

(e) For 330 MW of Puget's Requirements Capacity in the B-T Segment, Puget shall pay \$11,146,164 plus Puget's actual short-term borrowing rate from August 1, 1976, on said amount which remains unpaid, on or before May 1, 1982. This amount shall be credited to Puget as it is made, as a payment of Costs of Transmission System Construction.

(f) Except as provided in Section 16(g), each Transmission Owner's proportionate share of the Costs of Transmission System Construction in excess of payments described in Sections 16(c) and (e) shall be determined and paid for on the basis of its Project Share. At the time of execution of this Agreement or promptly thereafter, each Transmission Owner shall have paid (or cause payment of) its Project Share of the accumulated Costs of Transmission System Construction incurred prior to the date of such execution in excess of the payments described in Sections 16(c) and (e).

(g) Each Transmission's Owner's share of Costs of Transmission System Construction related to Transmission System Elective Capital Additions and Transmission System Capital Additions shall be determined and paid for on the basis of Requirements Shares in each segment to which said addition is made.

(h) Upon execution of this Agreement, each Transmission Owner shall deposit (or cause deposit of) into the Construction Trust Account its Project Share of a working fund of \$50,000. Transmission Operator shall periodically notify each Transmission Owner a reasonable period of time in advance, as determined from time to time by the Transmission Committee, or in the event of an emergency as soon as practicable, of expenditures for Costs of Transmission System Construction. Whether or not such expenditures are provided for in the budget, each Transmission Owner shall deposit (or cause deposit of), its share of such expenditures, as determined in Section 16(f) in the Construction Trust Account in funds immediately available on the dates specified in the notification.

(i) The Construction Trust Account may from time to time be closed or later reopened upon the unanimous action of the Transmission Committee.

17. Costs of Transmission System Operation

Costs of Transmission System Operation means all expenses incurred in or relating to the operation and maintenance of the Transmission System, including but not limited to:

- (a) Payroll, including related fringe benefits and payroll taxes, of direct full-time Transmission System employees;
- (b) Payroll of Transmission Operator's employees, other than those charged to its administrative and general expenses, and other than direct full-time Transmission System employees, on an actual time basis including related fringe benefits and payroll taxes;
- (c) Materials and supplies including related purchasing and handling costs;
- (d) Reasonable traveling expense including use of Transmission Operator's transportation equipment;
- (e) All costs of insurance obtained pursuant hereto applicable to operation or maintenance of the Transmission System;
- (f) All costs relating to injury or damage (whether incurred by a Transmission Owner or any other person or entity) arising out of operation or maintenance of the Transmission System (other than those claims released or indemnified pursuant to Section 24(a), (c) or (d)) less proceeds of insurance maintained pursuant hereto or of insurance under any contract relating to operation or maintenance of the Transmission System;
- (g) All federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with ownership, operation and maintenance of the Transmission System, except any tax or payment in lieu of taxes assessed or charged directly against any individual Transmission Owner unless such tax or payment was assessed or charged to the individual Transmission Owner on behalf of the Transmission System;
- (h) All costs of providing dispatching services for the Transmission System;
- (i) All costs required by the Transmission Agreement executed by BPA and Transmission Owners, Contract No. DE-MS79-81BP90210, to be paid by the Transmission Operator to BPA on behalf of Transmission Owners; and
- (j) Administrative and general costs of Transmission Operator applicable to Transmission System operation and maintenance as determined in accordance with Exhibit "E" attached hereto.

18. Operating Budget

(a) On or before September 1 of each year, the Transmission System Operator shall submit to the Transmission Committee a budget of its estimate of Costs of Transmission System Operation by calendar months for the operating year beginning January 1 next following. Such budget shall be subject to approval by the Transmission Committee which approval shall not unreasonably be withheld. The Transmission Committee shall approve such budget or a revised budget on or before November 1 in any such year. The budget will list the work force and expense therefor, materials, supplies, and other expenses associated with the normal maintenance program. Extraordinary items of maintenance will be detailed to set forth the cost of labor required beyond that available from the regular force and other expense which will be incurred. The Transmission Operator will submit budget revisions as may become necessary from time to time during any operating year which the Transmission Committee shall promptly consider and which shall similarly be subject to approval by the Transmission Committee. The budget will guide expenditures for operating and maintenance purposes through the ensuing year, except as may be required in an emergency.

(b) In the event of emergency, forced outages, or instances of unforeseen maintenance when repairs could be effected more rapidly by expenditure of overtime and other expediting costs, the Transmission Owners will be individually notified. Unless authorized by the Transmission Committee as Costs of Transmission System Construction or Costs of Transmission System Operation, Transmission Owners desiring accelerated repairs will share pro rata on the basis that their respective Requirement Shares in the affected Segment bears to all such Transmission Owners' Requirement Shares desiring accelerated repairs, the expediting costs expended to return the Transmission System to the required capacity level at an earlier date.

(c) The Transmission Owners recognize it will be necessary for continued operation of the Transmission System, or to maintain the Transmission System in operable condition, that the Transmission Operator be in a position to meet commitments for payroll, repairs and replacements, materials and supplies, services and other expenses of a continuing nature in order that it may fulfill its obligations to the Transmission Owners as Transmission Operator under this Agreement. Accordingly, notwithstanding any of the provisions of this Section 18, the Transmission Operator, on behalf of the Transmission Owners, may make all expenditures in the normal course of business or in an emergency, all as the same are necessary for the proper and safe operation and maintenance of the Transmission System. As soon as practicable after the making of any such expenditures, the Transmission Operator shall make a full report thereof to the Transmission Committee. The Transmission Operator shall take any action required by a final and binding order of any public authority having jurisdiction or in any emergency for the safety of the Transmission System.

19. Operation and Maintenance Payments

(a) The Operator designated by the Ownership Agreement has established pursuant to Section 8 thereof a separate trust account ("Operation Trust Account") in a bank located in the State of Montana and having qualifications meeting all requirements imposed upon depositories for any of the Transmission Owners. Sums of money for Costs of Transmission System Operation shall be deposited therein and the Transmission Operator shall withdraw and apply funds therefrom only as necessary to pay Costs of Transmission System Operation.

(b) The Transmission Operator shall establish upon receipt from any Transmission Owner of reasonable advance notice a trust account separate from the Operation Trust Account, subject to the same qualifications required by Section 19(a). Thereafter, sums of money for Costs of Transmission System Operation shall be deposited in said separate trust account and withdrawn as provided by Section 19(a).

(c) Upon establishment of the Operation Trust Account, each Transmission Owner shall deposit (or cause deposit of) into the Operation Trust Account, its share (i.e., equal to the sum of one-half its Requirements Share for the C-B Segment, and one-half its Requirements Share for the B-T Segment) of a working fund an amount established by the Transmission Committee as sufficient for the continuing operation of the Transmission System. The Transmission Operator shall equitably allocate the Costs of Transmission System Operation between the C-B Segment and the B-T Segment in accordance with guidelines established by the Transmission Committee. The Transmission Operator shall periodically notify each Transmission Owner at a reasonable period of time in advance, as determined from time to time by the Transmission Committee, or, in the event of an emergency as soon as practicable, of expenditures for Costs of Transmission System Operation and the allocation of such expenditures between the C-B Segment and the B-T Segment. Whether or not such expenditures are provided for in the budget, each Transmission Owner shall deposit (or cause deposit of) its Requirements Share of such expenditures in the Operation Trust Account in funds immediately available on the dates specified in the notification.

(d) The Operation Trust Account, or the separate trust account established pursuant to Section 19(b), may from time to time be combined with the Construction Trust Account established pursuant to Section 8 of the Ownership Agreement or Section 16 of this Agreement as determined by the unanimous action of the Transmission Committee.

20. Accounting and Reports

(a) Transmission Operator shall keep up-to-date Transmission System books and records of Transmission System financial transactions and other arrangements in carrying out the terms of this

Agreement. Such books and records shall contain information supporting the allocation of Transmission Operator's administrative and general costs associated with the Transmission System. Such books and records shall be retained by Transmission Operator for such period as is required by the rules and regulations of the Federal Energy Regulatory Commission or such longer period determined by the Transmission Committee and shall be made available for inspection and audit by each of the Transmission Owners at any reasonable time.

(b) Any contract with any consultant or contractor of Transmission Operator providing for reimbursement of costs or expenses of any kind shall require the keeping and maintenance of books, records, documents and other evidence pertaining to the costs and expenses incurred or claimed under such contract to the extent, and in such detail, as will properly reflect all costs related to this Agreement and shall require such books, records, documents and evidence to be made available to each of the Transmission Owners at all reasonable times for review and audit. Each of the Transmission Owners shall have the right to examine and copy all plans, specifications, bids and contracts relating to the Transmission System provided that proprietary information subject to confidentiality agreements shall only be disclosed in accordance with the terms of such agreements.

(c) All accounts shall be kept so as to permit conversion to the system of accounts prescribed for electric utilities by the Federal Energy Regulatory Commission, but the manner in which accounts are kept pursuant to this Agreement is not intended to be determinative of the manner in which they are treated in the books of account of the Transmission Owners.

(d) Transmission Operator shall cause all books and records to be audited annually by independent Certified Public Accountants of national reputation acceptable to all the Transmission Owners. Copies of such audits shall be supplied to each Transmission Owner. The cost of such periodic audits shall be a Transmission System cost. Any Transmission Owner may request a more frequent audit, but in that case the requesting Transmission Owner shall pay the costs of such audit.

(e) Transmission Operator shall furnish to each Transmission Owner monthly statements of Costs of Transmission System Construction and Costs of Transmission System Operation and monthly construction progress, operation and maintenance reports in accordance with guidelines established by the Transmission Committee. The Transmission Operator shall also furnish to each Transmission Owner such other reports as may from time to time reasonably be requested by such Transmission Owner. At the request of any Transmission Owner, Transmission Operator shall provide certificates signed by a responsible officer of Transmission Operator or an individual designated by him for such signature setting forth the status of Costs of Transmission System Construction and application of funds. The certificate

shall be in such form and contain such information as is reasonably requested by such a Transmission Owner.

21. Insurance

(a) The Transmission Operator shall procure at the earliest practicable time and thereafter maintain in effect at all times hereinafter provided, to the extent available at reasonable cost and in accordance with standards prevailing in the utility industry for projects of similar size and nature, adequate insurance coverage of the Transmission System with responsible insurers, with each Transmission Owner as a named assured and with losses payable to the respective Transmission Owners for their benefit as their respective interests may appear, to protect and insure against: worker's compensation and employer's liability, public liability for bodily injury and property damage, all risks of physical damage to property or equipment, including transportation and installation perils, and such other insurance as the Transmission Committee deems necessary, with reasonable limits and subject to appropriate exclusions and deductibles. Self-insurance under the State of Montana's worker's compensation laws may be substituted for the referenced worker's compensation and employer's liability insurance and the Transmission Owners 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 Transmission Owner shall ensure that each of its policies of insurance that may be applicable to any claims arising in connection with the Transmission System shall provide a waiver of the insurer's rights of subrogation against, or name as additional assureds, all the other Transmission Owners and their respective agents and employees. To the extent permitted by its insurance policies, each Transmission Owner waives any rights of subrogation against all the other Transmission Owners, their agents and employees, for losses, costs, damages, or expenses arising out of the construction, operation, maintenance, reconstruction or repair of the Transmission System.

(c) Copies of all policies of insurance procured pursuant to Section 21(a) shall be provided to each Transmission Owner. Upon request of a Transmission Owner, any Transmission Owner will provide copies of policies of insurance described in Section 21(b). Transmission Operator shall notify the Transmission Owners of the assertion of any claim in excess of \$500,000 against the Transmission System 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 Transmission Operator to the Transmission Owners. The insurance program, policies and coverages shall be reviewed annually by the Transmission Committee.

22. Transmission Committee

(a) There is hereby established a Transmission Committee to facilitate effective cooperation, interchange of information and efficient management of the Transmission System, on a prompt and orderly basis. The Transmission Committee shall be composed of not more than six (6) members. Each party (or its successors and assigns acting collectively) shall appoint one (1) Transmission Committee member. Each Transmission Committee member shall have the right to vote the Requirement Share of the party (or its successors and assigns) that appointed such member. A member shall vote as a unit its entire Requirement Share in the Segment effected by such vote.

(b) Upon execution of this Agreement, each party shall notify all of the other parties of the Transmission 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 Transmission Owners. Any party (or its successors and assigns acting collectively) may appoint an alternate or alternates to serve on the Transmission Committee in the absence of the regular Transmission Committee member or to act on specified occasions or with respect to specified occasions or with respect to specified matters. Any reference herein to "Transmission Committee member" includes the member's alternate in the absence of the member.

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

(d) Any action which may be taken at a meeting of the Transmission Committee may be taken without a meeting if all Transmission Committee members consent in writing. The Transmission Committee may, by unanimous action, adopt written procedures for review and approval of matters requiring Transmission 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) Transmission Operator shall use its best efforts to keep all members of the Transmission Committee informed of all significant matters with respect to Transmission System Construction, operation and maintenance of the Transmission System (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 Transmission Committee, or separately with members thereof, during the development of any of Transmission Operator's proposals regarding such matters when practicable to do so. Upon request of any Transmission Committee member, Transmission 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 Transmission System.

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

- (i) Any proposal made by two Transmission Committee members appointed by Transmission Owners other than Transmission Operator except as provided in Section 22(j);
- (ii) Transmission System Construction and Transmission System operating budgets and changes therein except as provided in Section 22(j);
- (iii) Any changes in the working fund in the Construction Trust Account or Operation Trust Account, except as provided in Section 16(i) or Section 19(d);
- (iv) Award of any contract, approval of any change order, or payment of any controverted claim, in excess of \$500,000;
- (v) Insurance coverage, including limits and choice of insurers;
- (vi) Estimate of cost of repair or damage to the Transmission System if in excess of \$2,000,000, recommendation whether to repair in whole or in part or to remove from service, construction budget for repair of Transmission System;
- (vii) Disposition of surplus property having a value of such minimum amount as is established by the Transmission Committee;

- (viii) Settlement of third party claims against the Transmission System in excess of \$500,000;
- (ix) Any proposal by Transmission Operator to issue a purchase order to any other Transmission Owner for facilities, goods, services, or other items to be provided to the Transmission System;
- (x) Any other action required to be taken by the Transmission Committee pursuant to this Agreement for which a procedure or voting percentage for reaching approval is not otherwise specifically provided.

(g) All proposals of Transmission Operator relating to any matters regarding the Construction, operation and maintenance of the Transmission System submitted to the Transmission Committee under any provisions of this Agreement shall include itemized cost estimates and other detail sufficient to support a comprehensive review. Upon request, Transmission Operator shall furnish or make available all supporting reports, analyses, recommendations or other documents pertaining thereto. Transmission Operator shall prepare and furnish such documents to each Transmission Owner as may be required by any regulatory authority to be maintained by such Transmission Owner.

(h) If any matter submitted to the Transmission Committee under Section 22(f) is not approved by a vote within 10 days after the original submission to the Transmission Committee, or within such longer time as the Transmission Committee may decide upon unanimously, then each member of the Transmission Committee who declines to vote approval, upon demand of Transmission Operator or any Transmission Committee member voting for approval of the matter, shall specify in a written statement his reasons for declining approval, and shall also state therein what alternative, if any, is acceptable to him. Such statement shall be submitted to the other Transmission Committee members within 10 days after expiration of the later of (i) the member's receipt of a demand for a written statement of his reasons for declining approval or (ii) such longer period as the Transmission Committee may decide upon unanimously. Each member who has not submitted such written statement within the time provided in the preceding sentence shall be deemed to have approved the matter as submitted by Transmission Operator. Immediately after receipt of such statements from Transmission Committee members representing at least 30% of the total Requirement Shares of each Segment affected by such matter, Transmission Operator may refer the disputed matter to arbitration pursuant to Section 23 hereof. If Transmission Operator elects not to do so and does not submit an alternative proposal, Transmission Committee members representing at least 30% of the total Requirement Shares of each Segment affected by such matter may refer such matter to arbitration pursuant to Section 23.

(i) Two Transmission Committee members appointed by Transmission Owners other than Transmission Operator may submit to the Transmission Committee any proposal which conforms with the requirements imposed on Transmission Operator under Section 22(g) by serving a copy of such proposal on all other Transmission Committee members. Within 15 days after receipt of such proposal, Transmission Operator shall submit one or more written alternative proposals. Such an alternative proposal may be that the Transmission System continue to be constructed, operated or maintained in the manner previously planned. The Transmission Committee shall meet with reasonable promptness and vote on such proposals. If the Transmission Committee approves in accordance with this section any of Transmission Operator's proposals, the proposal of the other Transmission Committee members shall be dismissed and Transmission Operator shall implement its approved proposal. If the Transmission Committee does not approve any of Transmission Operator's proposals, as they may be amended, the Transmission Committee shall vote on the proposal or proposals of the other Transmission Committee members and if the Transmission Committee approves in accordance with this section any such proposal, Transmission Operator shall proceed with the approved proposal. If the Transmission Committee does not approve any of the proposals submitted, it shall require submission of further proposals or it shall dismiss all proposals. If the Transmission Committee does not require further proposals or dismisses all proposals, the Transmission Committee member appointed by Transmission Operator or the Transmission Committee members submitting any such proposal, as the case may be, may submit its proposal to arbitration within 15 days after the Transmission Committee vote. The arbitrator shall then consider Transmission Operator's proposal and determine if its proposal is in accordance with Prudent Utility Practice. If the arbitrator so determines, Transmission Operator shall proceed accordingly and the proposal of the other Transmission Committee members shall be dismissed. If the arbitrator determines Transmission Operator's proposal is not in accordance with Prudent Utility Practice, he shall then consider the proposal of such other Transmission Committee members and determine if such proposal of such other Transmission Committee members is in accordance with Prudent Utility Practice. If the arbitrator determines such proposal is in accordance with Prudent Utility Practice, Transmission Operator shall proceed with the proposal. If the arbitrator determines that none of the proposals conform with Prudent Utility Practice, he shall dismiss all proposals and terminate the arbitration.

(j) Proposals for Transmission System Elective Capital Additions in excess of \$25,000 shall require the approval of Transmission Committee members representing at least 85% of the total Requirement Shares of each Segment to which said addition is made.

(k) The Transmission Committee is the successor to the group known as the Steering Committee with respect to the Transmission System, and by execution of this Agreement, each Transmission Owner ratifies, confirms and adopts all prior actions of said Steering Committee.

(l) Any of the specific dollar limitations contained in subsections (iv), (vi) and (viii) of Section 22(f) and in Section 22(j) may be changed from time to time with approval of Transmission Committee members representing at least 85% of the total Transmission Ownership Percentages.

23. Arbitration

Any controversies arising out of or relating to this Agreement which cannot be resolved through negotiations among the Transmission Owners within thirty (30) days after inception of the matter in dispute shall, upon demand of any Transmission Owner involved in the controversy, be submitted to an Arbitrator having demonstrated expertise in the matter submitted. If the Transmission Owners cannot mutually agree upon such Arbitrator, then upon petition of any Transmission Owner, such Arbitrator shall be appointed by the Superior Court of the State of Washington, in and for the County of Spokane. The arbitration shall be conducted in Spokane, Washington, pursuant to the Washington Arbitration Act, RCW Chapter 7.04 as the same may be amended from time to time. The Arbitrator shall render his decision in writing not later than thirty (30) days after the matter has been submitted to him, and such decision shall be conclusive and binding upon the Transmission Owners. The costs incurred by any arbitration proceedings shall be charged to Costs of Transmission System Construction or Costs of Transmission System Operation, whichever may be appropriate; provided that each party shall bear its own attorneys fees and costs of witnesses.

24. Liabilities

(a) Each Transmission Owner releases all other Transmission Owners and their respective directors, officers, employees and agents, from any consequential damages (including, but not limited to, any loss of use, revenue or profit and any replacement power costs, except as otherwise provided by Section 6(d)(iii)) arising out of Transmission System Construction or the construction, operation, maintenance, reconstruction and repair of the Transmission System, the Project, Colstrip Units #1 and #2 or any equipment installed to protect the Project or Colstrip Units #1 and #2 (collectively, the "Colstrip System") from SSR.

(b) The Colstrip System and each Transmission Owner's electric system shall be designed, constructed, operated, maintained and used in conformance with accepted electric utility practices:

- (i) to minimize electric disturbances such as, but not limited to, the abnormal flow of power which may interfere with the Colstrip System, the electric system of any other Transmission Owner or any electric system connected with the Colstrip System or such other Transmission Owner's electric system; and
- (ii) to minimize the effect on such electric system and on each Transmission Owner's customers of electric disturbances originating on the Colstrip System, each Transmission Owner's electric system, or another electric system.

(c) No Transmission Owner ("First Party"), its directors, officers, employees, and agents, shall be liable to any other Transmission Owner ("Second Party") for any loss, injury or damage to the Colstrip System or the electric system of any Second Party caused by or arising out of an electric disturbance (including, but not limited to, SSR) on the Colstrip System, whether or not such electric disturbance resulted from the negligent, grossly negligent or wrongful act or omission of the First Party, its directors, officers, employees, agents or subcontractors, whether its or their own or imputed, in the design, construction, operation, maintenance, use or ownership of the Colstrip System or the First Party's electric system, or the performance or nonperformance of the obligation of any Transmission Owner under Section 24(b) of this agreement; provided, however, that such loss, injury or damage does not result from action taken or not taken by the First Party, which action is knowingly or intentionally taken or failed to be taken with intent that injury or damage would result therefrom or which action is wantonly reckless. Each Second Party releases from each other First Party, its directors, officers and employees from any such liability.

(d) Each First Party shall hold harmless and indemnify each Second Party, its directors, officers and employees, from any claims from loss, injury or damage suffered by those to whom the First Party delivers power or energy, which loss, injury or damage is caused by or arises out of an electric disturbance on the Colstrip System, whether or not such electric disturbance resulted from the negligent, grossly negligent or wrongful act or omission of the Second Party, its directors, officers, employees, agents or subcontractors whether its or their own or imputed, in the design, construction, operation, maintenance, use or ownership of the Colstrip System or the Second Party's electric system, or the performance or nonperformance of the obligation of any Transmission Owner under Section 24(b) of this Agreement; provided, however, that such loss, injury or damages does not result from action taken or not taken by the Second Party, which action is knowingly or intentionally taken or failed to be taken with

intent that injury or damage would result therefrom or which action is wantonly reckless.

(e) Each Transmission Owner shall make good faith efforts to amend the Agreement Limiting Liability Among Western Interconnected Systems and the Western Interconnected Electric Systems' Excess Liability Insurance Policy (the "Program") so that the Colstrip System qualifies under the Program as a single electric system separate from Montana's electric system. If the Program cannot be so amended, then, for a period of two (2) years commencing with the later of (i) the energization of the Transmission System, or (ii) commercial operation of the Project, the Transmission Owners shall either indemnify Montana against, or name Montana as an insured party under insurance policies providing protection against, third party property loss or injury arising out of the construction, operation, maintenance, reconstruction and repair of the Colstrip System in the amount of the deductible limit Montana then provides in accordance with Prudent Utility Practice under its third party liability insurance policies.

(f) Throughout the term of this agreement, the Colstrip System shall be a party to the Program or an equivalent arrangement.

(g) Nothing in this section shall be interpreted or construed as creating any duty to, any standard of care with reference to, or any liability to anyone not a party to this agreement.

25. Default

(a) Upon failure of a Transmission Owner to make or cause to be made any payment when due, or to perform or cause to be performed any other obligation to be performed by it pursuant to the terms, covenants and conditions contained in the Project Agreements, any other Transmission Owner may make written demand upon said Transmission Owner for such payment or performance. Any Transmission Owner making such a demand shall concurrently deliver copies of the demand to all other Transmission Owners.

(b) If the failure of a Transmission Owner is to make a payment when due and such failure is not cured within five (5) days from the date of a demand made pursuant to Section 25(a), it shall constitute a default at the expiration of such period.

(c) If the failure of a Transmission Owner is to perform any obligation contained in the Project Agreements other than to make payments when due and such failure is not cured within 30 days from the date of a demand made pursuant to Section 25(a) or, if it could not be cured within said 30 days, within a reasonable period after the date of such demand, it shall constitute a default at the expiration of such period.

(d) If a Transmission Owner shall dispute a default asserted against it, then such Transmission Owner shall timely make or cause to be made payment of any sums in dispute or perform the obligation in dispute but may do so under protest. Such protest shall be in writing, shall specify the reasons upon which the protest is based and copies thereof shall be mailed to the other Transmission Owners. Upon resolution of such dispute, the payments advanced or made between Transmission Owners, as in this paragraph provided, shall be adjusted appropriately.

(e) All disputes referred to in Section 25(d) shall be submitted to arbitration pursuant to Section 23 to determine the extent, if any, of the obligation of the Transmission Owner disputing such default. If payment or performance is timely made under protest, an act of default shall not be deemed to have occurred.

(f) In the event that a Transmission Owner is in default because of failure to make payments when due, then the following shall occur during the period such Transmission Owner is in default unless the nondefaulting Transmission Owners elect otherwise in writing:

- (i) The defaulting Transmission Owner shall have no right to use the Transmission System;
- (ii) The defaulting Transmission Owner's rights to use the Transmission System shall be deemed to be assigned to the Transmission Operator on behalf of the nondefaulting Transmission Owners during the period of default and may be sold by the Transmission Operator and the proceeds applied to the amounts owed by the defaulting Transmission Owner pursuant to the Project Agreements.

In the event of a default, the nondefaulting Transmission Owners are authorized to execute, deliver and file on behalf of all Transmission Owners, such notices, demands, agreements, consents, financing statements, applications and other documents as are necessary or appropriate to implement the provisions of this subsection to the full extent legally possible; provided that if the default is cured, the nondefaulting Transmission Owner shall take such reasonable action as may be requested by the Person curing such default to reflect the fact that such default has been cured. In the event that any of the provisions of this subsection are waived by nondefaulting Transmission Owners or are held to be unenforceable by competent authority, then the remaining provisions shall be severable and in full force and effect.

(g) Payments not made when due may be advanced by other Transmission Owners and, if so advanced, shall bear interest until paid at the rate of 2% per month or the highest lawful rate, whichever is lower.

(h) In addition to the rights granted in this Section 25, any nondefaulting Transmission Owner may take any action, at law or in equity, including an action for specific performance, to enforce this Agreement and to recover for any loss, damage or payment advances, including attorneys' fees in all trial and appellate courts and collection costs incurred by reason of such default.

(i) Section 25(f) shall not create an encumbrance prior to the lien of any existing mortgage, loan or credit agreement of each Transmission Owner except to the extent permitted thereunder.

(j) Each act or omission to act which becomes an act of default hereunder shall be treated as a separate act of default under this Section 25.

26. Uncontrollable Forces

No Transmission Owner shall be considered to be in default in the performance of any of its obligations hereunder, other than obligations of such Transmission Owner to pay costs and expenses, if failure of performance shall be due to uncontrollable forces. The term "uncontrollable forces" shall mean any cause beyond the control of the Transmission Owner, failing to perform and which, by the exercise of reasonable diligence, such Transmission Owner is unable to overcome, and shall include but not be limited to an act of God, fire, flood, explosion, strikes, labor disputes, labor or materials shortages, sabotage, an act of the public enemy, civil or military authority, including court orders, injunctions, and orders of government agencies with proper jurisdiction prohibiting acts necessary to performance hereunder or permitting any such act only subject to unreasonable conditions, insurrection or riot, an act of the elements, failure of equipment, inability to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers or failure of any governmental agency to timely act. Nothing contained herein shall be construed so as to require a Transmission Owner to settle any strike or labor dispute in which it may be involved. Any party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

27. Waiver of Right to Partition

So long as the Transmission System or any part thereof as originally constructed, reconstructed or added to is used or useful for the transmission of electric power and energy, or to the end of the period permitted by applicable law, whichever first occurs, the Transmission Owners waive their right to partition whether by partition in kind or sale and division of the proceeds thereof, and agree that they will not resort to any action at law or in equity to partition and further waive the benefit of all laws that may now or hereafter authorize such

partition of the properties comprising the Transmission System. It is agreed this covenant shall be deemed to run with the land. All instruments of conveyance which effect, evidence or vest each Transmission Owner's respective ownership interest in the Transmission System shall contain this waiver of right to partition.

28. Transfers and Assignments

All or any part of the interest of each Transmission Owner in the Transmission System or any part thereof, and all or any part of the rights set forth in the Project Agreements which relate to such interest, may be transferred and assigned as follows, but not otherwise:

(a) To any mortgagee, trustee or other secured party, as security for bonds or other indebtedness of such Transmission Owner, present or future, and such secured party may transfer or assign the interest given as security pursuant to, or in lieu of, a foreclosure of the lien (or the exercise of power of sale) held by such secured party, provided that the transferee or assignee assumes all of the duties and obligations of the Transmission Owner making the transfer or assignment under the Project Agreements which relate to the interest being transferred or assigned;

(b) To any financial institution leasing an interest in the Project to the Transmission Owner making the transfer or assignment provided that such financial institution shall not transfer or assign the interest transferred or assigned to it other than to such Transmission Owner or, the transferee or assignee of such financial institution's interest in the project;

(c) To any financial institution acting as trustee under a construction trust agreement with the Transmission Owner making the transfer or assignment in the Project; provided that such financial institution shall not transfer or assign the interest transferred or assigned to it other than to such Transmission Owner or the transferee or assignee of such financial institution's interest in the Project.

(d) To any Person in the electric utility business into which or with which the Transmission Owner making the transfer may be merged or consolidated or to which the Transmission Owner transfers substantially all of its assets;

(e) To any Person wholly owning, wholly owned by, or wholly owned in common with the Transmission Owner making the transfer;

(f) To any other Person, provided that the Transmission Owner shall first offer to transfer its interest or any part thereof to the other Transmission Owners, at the amount of, and on terms not less advantageous than, those of a bona fide offer from a buyer able and willing to purchase such Transmission Owner's interest. The portion of such interest to be offered to

each Transmission Owner pursuant to this subsection (f) shall be equal to the proportionate interest of such Transmission Owner in the Transmission System after excluding the interest being offered. The initial offer shall be kept open for a period of 90 days. If, at the end of the 90-day period, any Transmission Owner shall have failed to accept such offer, the proportionate interest offered to such Transmission Owner shall be offered on a pro rata basis to the other Transmission Owners, who shall have a further period of 7 days to accept the same. The process referred to in the immediately preceding sentence shall be repeated until all Transmission Owners then being offered an interest shall have failed to accept such offer.

(g) To any other Person with the written consent of all Transmission Owners.

No transfer or assignment of any interest in the Transmission System or any part thereof pursuant to Sections 28(d), (e), (f) or (g) may be made unless simultaneously the Transmission Owner's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements, which relate to the interest being transferred or assigned. Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

29. Obligations Are Several

The duties, obligations and liabilities of the Transmission Owners hereunder are intended to be several and not joint or collective and no Transmission Owner shall be jointly or severally liable for the acts, omissions, or obligations of any other Transmission Owner. Nothing herein contained shall be construed to create an association, joint venture, partnership, or impose a partnership duty, obligation or liability, among the Transmission Owners. No Transmission Owner shall have a right or power to bind any other Transmission Owner without its express written consent, except as expressly provided in this Agreement.

30. Notices

Any notice, demand or request provided for in this Agreement served, given or made in connection therewith shall be deemed properly served, given or made if given by telephone or in person and confirmed in writing, or if in writing by acknowledged delivery or sent by registered or certified mail, postage prepaid, addressed to the Transmission Owner or Transmission Owners at its or their principal place or places of business to the attention

of the president or chief executive officer of such Transmission Owners. Any Transmission Owner may at any time, and from time to time, change its designation of the person to whom notice shall be given by giving notice to the other Transmission Owners as hereinabove provided.

31. Implementation

Each Transmission Owner shall take such reasonable action (including, but not limited to, the execution, acknowledgment and delivery of documents), as may be requested by any other Transmission Owner for the implementation of this Agreement.

32. Provisions for Additional Facilities; Interconnection

(a) With the consent of all other Transmission Owners (which consent will not unreasonably be withheld), a Transmission Owner may at its expense make interconnections with the Transmission System. Upon such consent being given, the Transmission Committee shall specify the terms and conditions under which such interconnections may be made and the payments by the interconnecting Transmission Owner, if any, and the distribution or allocation of such payments to the other Transmission Owners.

(b) Except as otherwise provided in Section 32(a), each Transmission Owner shall have the right at its expense to install and operate on the Transmission System, facilities for its own system; provided, however, that the facilities of any Transmission Owner shall be so installed and operated as not to burden or unreasonably interfere with those of the other Transmission Owners or the Transmission System, the construction on the Transmission System lands of additional Transmission System facilities, or the ultimate full utilization of the land for the Transmission System. In the event that a Transmission Owner proposes to install or operate facilities which would require the relocation of previously installed facilities of another Transmission Owner, or of the Transmission System, but would otherwise meet the requirements of the preceding sentence, the Transmission Owner desiring to install or operate such facilities shall have the right to require such relocation if it bears all direct and indirect costs of such relocation.

(c) Each of the Transmission Owners releases all other Transmission Owners and their agents and employees from claims to profits, charges, rents, or benefits that may arise from use by any Transmission Owner of Transmission System real property and property rights permitted by this Section 32.

33. Regulatory Approval

It is understood that transfers of property under this Agreement may be subject to the jurisdiction of state or federal

regulatory agencies. Such transfers shall not be effective until all required approvals and all other required action by such agencies having jurisdiction shall have been obtained.

34. Rule Against Perpetuities or Similar or Related Rules

If the duration of any term or condition of this Agreement shall be subject to the rule against perpetuities or a similar or related rule, then the effectiveness of such term or condition shall not extend beyond (i) the maximum period of time permitted under such rule, or (ii) the specific applicable period of time expressed in this Agreement, whichever is shorter. For purposes of applying the rule against perpetuities or a similar or related rule, the measuring lives in being shall be of the officers and directors of Montana shown in its 1980 Annual Report, together with all such listed persons' children, all of whom are living on the date of execution of this Agreement. As used in this paragraph, the word "children" shall have its primary and generally accepted meaning of descendants of the first degree.

35. Termination

At any time after the end of the Project pursuant to Section 31 of the Ownership Agreement, any Transmission Owner, for any cause deemed by it sufficient, may propose termination of this Agreement. In such event, the Transmission Owner proposing termination shall offer to assign all its right, title and interest in and to the Transmission System to the other Transmission Owners, pro rata according to their then Transmission Ownership Percentages. Such other Transmission Owners shall have the right, but not the obligation, to purchase all or any part of such Transmission System at the then-depreciated original cost thereof, less cost of salvage. To the extent such facilities are not purchased by the other Transmission Owners, the Transmission Operator shall sell for removal to the highest bidder all salable parts of the Transmission System which can be removed from service without impairing the efficiency or usefulness of the Transmission System Capacity that each other Transmission Owner is entitled to use. After deducting all costs of such removal, including, without limiting the generality of the foregoing, the cost of meeting all applicable requirements of law, the Transmission Operator shall, if there are net proceeds, distribute to each Transmission Owner whose interest in the Transmission System is being terminated its Transmission Ownership Percentage of said net proceeds.

Upon such removal, this Agreement shall terminate as to those Transmission Owners proposing termination, and such Transmission Owners shall have no right, title or interest in the Transmission System remaining after such removal. If the right, title and interest of Transmission Owner proposing termination are not completely purchased by the other Transmission Owners,

that portion not purchased shall become the property of such other Transmission Owners in proportion to their Transmission Ownership Percentage. If all Transmission System facilities are being removed from service and if the Transmission Operator should determine that they will bring a greater amount at salvage if sold as a unit, including land and structures, than they would if it were dismantled and the salable parts removed and sold, then the Transmission Operator may sell the Transmission System as a unit to the highest bidder. After deducting all costs of ending the Transmission System, including, without limiting the generality of the foregoing, the cost of decommissioning, razing all structures and disposing of the debris and meeting all applicable requirements of law, the Transmission Operator shall, if there are net proceeds, distribute to each Transmission Owner its proportionate share of such proceeds according to its Transmission Ownership Percentage. In the event such costs of ending the Transmission System exceed available funds, each Transmission Owner shall pay its Transmission Ownership Percentage of such excess as incurred.

36. Effective Date; Term

This Agreement shall be effective and binding when executed by Montana, Puget, Water Power, Portland, and Pacific and shall be effective and binding as to Basin Electric only when executed by Basin Electric. This agreement shall continue until terminated pursuant to Section 35.

37. Miscellaneous

(a) The headings of the clauses of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.

(b) The singular of any term in this Agreement shall encompass the plural and the plural the singular, unless the context otherwise indicates.

(c) This Agreement shall be construed in accordance with the laws of the State of Montana, except that Section 23 shall be construed in accordance with the laws of the State of Washington.

(d) This Agreement shall not be amended except by written instrument executed, acknowledged and delivered by all of the Transmission Owners.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in several counterparts.

THE MONTANA POWER COMPANY

By /s/ Melvyn M. Ryan
Its Executive Vice President
for Administration

Attest:

/s/ T. O. McElwain
Asst. Secretary

PUGET SOUND POWER & LIGHT COMPANY

By /s/ D. H. Knight
Its Sr. Vice President

Attest:

/s/ W. E. Watson
Secretary

THE WASHINGTON WATER POWER COMPANY

By /s/ H. W. Harding
Its Vice President

Attest:

/s/ L. O. Falk
Asst. Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By /s/ Glen E. Bredemeier
Its Vice President

Attest:

/s/ Warren Hastings
Asst. Secretary

PACIFIC POWER & LIGHT COMPANY

By /s/ R. B. Lisbakken
Its Vice President

Attest:

/s/ Sally A. Nofziger
Asst. Secretary

BASIN ELECTRIC POWER COOPERATIVE

By _____
Its _____

Attest:

Secretary

STATE OF MONTANA)
)
COUNTY OF SILVER BOW) ss.

On this 6th day of May, 1981, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared Melvyn M. Ryan, known to me to be the Executive Vice President for Administration of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

/s/ James Walsh
Notary Public in and for the State of
Montana
Residing at Butte
My Commission expires 6/26/82

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

On this 6th day of May, 1981, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared D. H. Knight, known to me to be the Sr. Vice President of PUGET SOUND POWER & LIGHT COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

/s/ Jeanette Ragsdale
Notary Public in and for the State of
Washington
Residing at Seattle
My Commission expires August 1, 1981

STATE OF WASHINGTON)
)
COUNTY OF) ss.

On this 6th day of May, 1981, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared H. W. Harding, known to me to be the Vice President of THE WASHINGTON WATER POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

/s/ Lois L. Loveridge
Notary Public in and for the State of
Washington
Residing at Spokane, Washington
My Commission expires October 17, 1982

STATE OF OREGON)
)
COUNTY OF) ss.

On this 6th day of May, 1981, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared Glen E. Bredemeier, known to me to be the Vice President of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

/s/ Shirley A. Kushner
Notary Public in and for the State of
Oregon
Residing at Portland, OR
My Commission expires 9/27/84

STATE OF OREGON)
)
COUNTY OF) ss.

On this 6th day of May, 1981, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared R. B. Lisbakken, known to me to be the Vice President of PACIFIC POWER AND LIGHT COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

/s/ Hilda V. Hambach
Notary Public in and for the State of
Oregon
Residing at Portland, OR
My Commission expires September 28, 1982

STATE OF NORTH DAKOTA)
)
COUNTY OF) ss.

On this ____ day of _____, 198____, before me, the undersigned, a Notary Public in and for the State of North Dakota, personally appeared _____, known to me to be the _____ of BASIN ELECTRIC POWER COOPERATIVE and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public in and for the State of
North Dakota
Residing at _____
My Commission expires _____

(Exhibit A
Colstrip Project
Transmission Agreement
Revision 1 Dated 8/10/.

DESCRIPTION OF TRANSMISSION SYSTEM

The Colstrip Transmission System under this Agreement consists of the following listed facilities constructed and/or reconstructed for transmitting the output of Colstrip Generating Units #1, #2, #3 and #4 from the general vicinity of Colstrip, Montana to the interconnection with Bonneville Power Administration near Townsend, Montana and includes specifically enumerated facilities at various interconnection points with Montana's Transmission System at Colstrip and Broadview, and with the Generating Units at Colstrip.

The transmission line sections listed below are construed to include all poles, towers, tower functions, counterpoise, fixtures, conductors, insulators, overhead ground (shield) wires, fences, roads, trails, real property and property rights, and other appurtenances necessary to construct, operate, and maintain the given transmission line section.

The subsection and switchyards listed below are construed to include all electrical switchgear, transformers, reactors, capacitors, poles, towers, bus structures, bus conductors and insulators, foundations, control houses, relays, batteries, meters and metering equipment, local control devices, ground mats, raceways, wireways, conduits, potential devices, railroad spurs, real property and property rights, and other appurtenances necessary to construct, operate and maintain the given substation or switchyard as that operation pertains to the 500 kV line sections and their intended operation.

The real property and property rights associated with the specific facilities are listed separately in Exhibit "B".

All voltages listed are nominal.

COLSTRIP-BROADVIEW SEGMENT

500 kV Transmission Line Sections

1. One overhead 500 kV line, approximately 116 miles long, extending from the Colstrip 500 kV switchyard to the Broadview 500 kV switchyard NW of Billings, Montana.
2. One existing overhead 500 kV line, that was previously operated as a double circuit 230 kV line and which was converted to a single circuit 500 kV line, extending approximately 113 miles from the Colstrip 500 kV switchyard to the Broadview 500 kV switchyard NW of Billings, Montana.

Colstrip Project
Transmission Agreement
Revision 1 dated 8/10/89

500 kV Switchyards and Substations

3. The Colstrip 500 kV switchyard immediately east of Montana's existing Colstrip 230 kV switchyard and substation, including the following major equipment and associated structures and facilities:
- 7 - 500 kV Power Circuit Breakers
 - 2 Banks - 500 kV Shunt Line Reactors (approx. 100 Mvar. each)
 - 2 Banks - 500/230/34.5 kV, Autotransformers (approx. 300/400/500 Mva. each)
 - 2 - 230 kV 3 ϕ Disconnect Switches to Interconnect with Montana's Existing 230 kV Bus
 - 2 Banks - 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 45 Mvar. each)
 - 34.5 kV Station Power Transformers
 - Ground Mat, Excluding Underground Ties to the Plant Ground Mat
 - Conduits to Montana's 230 kV Switchyard Control House and to the Generating Units #1, #2, #3, and #4 Extending Only to the First Manhole Outside the Switchyard Fence
 - Control Cables to Montana's 230 kV Switchyard Control House, but Excluding Such Cables to the Generating Units #1, #2, #3, and #4
 - Fencing, Except Immediately Adjacent to Montana's Existing 230 kV Switchyard
 - 1 - Control House, including Supervisory Control, Telemetering, Relaying and Other Equipment and Devices therein
 - 1 - Emergency Internal Combustion Generator Set
4. A portion of the Broadview 500 kV switchyard immediately north of Montana's existing Broadview 230 kV switchyard and substation, including the following major equipment and associated structures and facilities related to the Colstrip-Broadview 500 kV lines and the Broadview 500/230/34.5 kV Autotransformers:
- All 500 kV Transmission Line Relays
 - 2 Banks - 500 kV Shunt Line Reactor (approx. 100 Mvar. each), including relays
 - 2 Banks - 500 kV Series Capacitors, including relays
 - 1 Bank - 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 90 Mvar.), including relays
 - * 1/3 of 2 Banks - 500/230/34.5 kV Autotransformers (approx. 360/480/600 Mva. each), including relays

EXHIBIT A
 Colstrip Project
 Transmission Agreement
 Revision 1 dated 8/10/89

- ** 7/18 of the following Common Facilities:
 *** 7 - 500 kV Power Circuit Breakers and 500 kV Buswork
 230 kV Buswork to Interconnect at Two Existing Disconnect
 Switches in Montana's 230 kV Bus
 2 - 34.5 kV Station Power Transformers
 Fencing, Except Immediately Adjacent to Montana's Existing
 230 kV Switchyard
 1 - Switchyard Control House
 1 - Warehouse
 1 - Emergency Internal Combustion Generation Set
 Supervisory Control, Telemetering, Relaying and Other
 Equipment and Devices in the Control House which are
 Directly Related to the Common Facilities Listed
 Herein

* Not including 2/3 owned exclusively by Montana

** Not Including 2/9 owned exclusively by Montana

*** Allocations of Common Facilities are based on the following:

- 1st level - between line positions and transformer positions:
 2/6 to transformers and 4/6 to lines
 2nd level - between Transmission System and Montana:
 Transformers: 1/3 to Transmission System and 2/3 to Montana
 Lines : 100% to Transmission System and 0% to Montana
 3rd level - between Segments:
 Transmission System: 1/2 to Colstrip-Broadview Segment and
 1/2 to Broadview-Townsend Segment
 Allocation to Colstrip-Broadview Segment of Transmission System
 is therefore:

$$1/2 (1 \times 4/6 + 1/3 \times 2/6) = 7/18$$

BROADVIEW-TOWNSEND SEGMENT

500 kV Transmission Line Sections

1. Two overhead 500 kV lines, each approximately 133 miles long, extending from the Broadview 500 kV switchyard to the interconnection point with Bonneville Power Administration's 500 kV double-circuit line near Townsend, Montana.

500 kV Switchyards and Substations

2. A portion of the Broadview 500 kV switchyard immediately north of Montana's existing Broadview 230 kV switchyard and substation including the following major equipment and associated structures and facilities related to the Broadview-Townsend 500 kV lines:

Exhibit A
Colstrip Project

Transmission Agreement
Revision 1 dated 8/10/89

- All 500 kV Transmission Line Relays
 2 Banks - 500 kV Shunt Line Reactors (approx. 225 Mvar. each) including relays
 2 - Neutral Reactors for Single Pole Switching, including relays
 1 Bank - 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 90 Mvar.), including relays

** 7/18 of the following Common Facilities:

- ****
- 7 - 500 kV Power Circuit Breakers and 500 kV Buswork
 - 230 kV Buswork to Interconnect at Two Existing Disconnect Switches in Montana's 230 kV Bus
 - 2 - 34.5 kV Station Power Transformers
 - Fencing, Except Immediately Adjacent to Montana's Existing 230 kV Switchyard
 - 1 - Switchyard Control House
 - 1 - Warehouse
 - 1 - Emergency Internal Combustion Generation Set
 - Supervisory Control, Telemetering, Relaying and Other Equipment and Devices in the Control House which are Directly Related to the Common Facilities Listed Herein

** Not including 2/9 owned exclusively by Montana

**** Allocations of Common Facilities are based on the following:

- 1st level - between line positions and transformer positions:
2/6 to transformers and 4/6 to lines
 - 2nd level - between Transmission System and Montana:
Transformers: 1/3 to Transmission System and 2/3 to Montana
Lines : 100% to Transmission System and 0% to Montana
 - 3rd level - between Segments:
Transmission System: 1/2 to Colstrip-Broadview Segment and
1/2 to Broadview-Townsend Segment
- Allocation to Broadview-Townsend Segment of Transmission System is therefore:

$$1/2 (1 \times 4/6 + 1/3 \times 2/6) = 7/18$$

Page 1 of.
Exhibit A
Colstrip Project Transmission
Agreement

DESCRIPTION OF TRANSMISSION SYSTEM

The Colstrip Transmission System under this Agreement will consist of the following listed facilities to be constructed and/or reconstructed for transmitting the output of Colstrip Generating Units #'s 1, 2, 3 and 4 from the general vicinity of Colstrip, Montana to the interconnection with Bonneville Power Administration near Townsend, Montana, and including specifically enumerated facilities at various interconnection points with Montana's Transmission System at Colstrip and Broadview, and with the Generating Units at Colstrip.

The transmission line sections listed below are construed to include all poles, towers, tower foundations, counterpoise, fixtures, conductors, insulators, overhead ground (shield) wires, fences, roads, trails, real property and property rights, and other appurtenances necessary to construct, operate, and maintain the given transmission line section.

The substation and switchyards listed below are construed to include all electrical switchgear, transformers, reactors, capacitors, poles, towers, bus structures, bus conductors and insulators, foundations, control houses, relays, batteries, meters and metering equipment, local control devices, ground mats, raceways, wireways, conduits, potential devices, railroad spurs, real property and property rights, and other appurtenances necessary to construct, operate and maintain the given substation or switchyard as that operation pertains to the 500 kV line sections and their intended operation.

The real property and property rights associated with the specific facilities are listed separately in Exhibit "B."

All voltages listed are nominal.

COLSTRIP-BROADVIEW SEGMENT

500 kV Transmission Line Sections

1. One overhead 500 kV line, approximately 116 miles long, extending from the Colstrip 500 kV switchyard to the Broadview 500 kV switchyard NW of Billings, Montana.
2. One existing overhead 500 kV line, currently operating as a double circuit 230 kV line and which will be converted to a single circuit 500 kV line, extending approximately 113 miles from the Colstrip 500 kV switchyard to the Broadview 500 kV switchyard NW of Billings, Montana.

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 Exhibit A
 Colstrip Project Transmission
 Agreement

500 kV Switchyards and Substations

3. The Colstrip 500 kV switchyard immediately east of Montana's existing Colstrip 230 kV switchyard and substation, including the following major equipment and associated structures and facilities:
- 7 - 500 kV Power Circuit Breakers
 - 2 Banks - 500 kV Shunt Line Reactors (approx. 100 Mvar. each)
 - 2 Banks - 500/230/34.5 kV, Autotransformers (approx. 300/400/500 Mva. each)
 - 2 - 230 kV 3 ϕ Disconnect Switches to Interconnect with Montana's Existing 230 kV Bus
 - 2 Banks - 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 45 Mvar. each)
 - 34.5 kV Station Power Transformers
 - Ground Mat, Excluding Underground Ties to the Plant Ground Mat
 - Conduits to Montana's 230 kV Switchyard Control House and to the Generating Units #'s 1, 2, 3, and 4 Extending Only to the First Manhole Outside the Switchyard Fence
 - Control Cables to Montana's 230 kV Switchyard Control House, but Excluding Such Cables to the Generating Units #'s 1, 2, 3 and 4
 - Fencing, Except Immediately Adjacent to Montana's Existing 230 kV Switchyard
 - 1 - Control House, including Supervisory Control, Telemetering, Relaying and Other Equipment and Devices therein.
 - 1 - Emergency Internal Combustion Generator Set
4. A portion of the Broadview 500 kV switchyard immediately north of Montana's existing Broadview 230 kV switchyard and substation, including the following major equipment and associated structures and facilities related to the Colstrip-Broadview 500 kV lines and the Broadview 500/230/34.5 kV autotransformers:
- All 500 kV Transmission Line Relays
 - 2 Banks - 500 kV Shunt Line Reactor (approx. 100 Mvar. each), including relays
 - 2 Banks - 500 kV Series Capacitors, including relays
 - 1 Bank - 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 90 Mvar.), including relays
 - * 1/3 of 2 Banks - 500/230/34.5 kV Autotransformers (approx. 360/480/600 Mva. each), including relays

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 Exhibit A
 Colstrip Project Transmission
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- ** 7/18 of the following common facilities:
 *** 7 - 500 kV Power Circuit Breakers and 500 kV Buswork
 230 kV Buswork to Interconnect at Two Existing
 Disconnect Switches in Montana's 230 kV Bus
 2 - 34.5 kV Station Power Transformers
 Fencing, Except Immediately Adjacent to Montana's
 Existing 230 kV Switchyard
 1 - Switchyard Control House
 1 - Warehouse
 1 - Emergency Internal Combustion Generation Set
 Supervisory Control, Telemetering, Relaying and Other
 Equipment and Devices in the Control House which are
 Directly Related to the Common Facilities Listed
 Herein

* Not including 2/3 owned exclusively by Montana

** Not including 2/9 owned exclusively by Montana

*** Allocations of common facilities are based on the following:

- 2/3 to 4 - 500 kV Lines, allocated to the Transmission System
 1/3 to 2 - 500/230/34.5 Autotransformers
 1/3 of Autotransformer allocation to the Transmission
 System
 1/2 of Transmission System Allocation to Colstrip-
 Broadview Segment.
 $7/18 = 1/2 (2/3 + 1/3 \times 1/3)$

BROADVIEW-TOWNSEND SEGMENT

500 kV Transmission Line Sections

- Two overhead 500 kV lines, each approximately 133 miles long, extending from the Broadview 500 kV switchyard to the interconnection point with Bonneville Power Administration's 500 kV double-circuit line near Townsend, Montana.

500 kV Switchyards and Substations

- A portion of the Broadview 500 kV switchyard immediately north of Montana's existing Broadview 230 kV switchyard and substation including the following major equipment and associated structures and facilities related to the Broadview-Townsend 500 kV lines:

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 Exhibit A
 Colstrip Project Transmission
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All 500 kV Transmission Line Relays :

- 2 Banks - 500 kV Shunt Line Reactors (approx. 225 Mvar. (each)) including relays
- 2 - Neutral Reactors for Single Pole Switching, including relays
- 1 Bank - 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 90 Mvar.), including relays
- * 7/18 of the following common facilities:
 - 7 - 500 kV Power Circuit Breakers and 500 kV Buswork
 - 230 kV Buswork to Interconnect at Two Existing Disconnect Switches in Montana's 230 kV Bus
 - 2 - 34.5 kV Station Power Transformers
 - Fencing, Except Immediately Adjacent to Montana's Existing 230 kV Switchyard
 - 1 - Switchyard Control House
 - 1 - Warehouse
 - 1 - Emergency Internal Combustion Generation Set
 - Supervisory Control, Telemetering, Relaying and Other Equipment and Devices in the Control House which are Directly Related to the Common Facilities Listed Herein

- * Allocations of common facilities are based on the following:
 - 2/3 to 4 - 500 kV Lines, allocated to the Transmission System
 - 1/3 to 2 - 500/230/34.5 Autotransformers
 - 1/3 of Autotransformer allocation to the Transmission System
 - 1/2 of Transmission System allocation to Broadview-Townsend Segment.
- $7/18 = 1/2 (2/3 + 1/3 \times 1/3)$

EXHIBIT "B"
Colstrip Project
Transmission Agreement
Revision 1 dated 8/10

A = Existing Substations
--- = Transmission Corridor

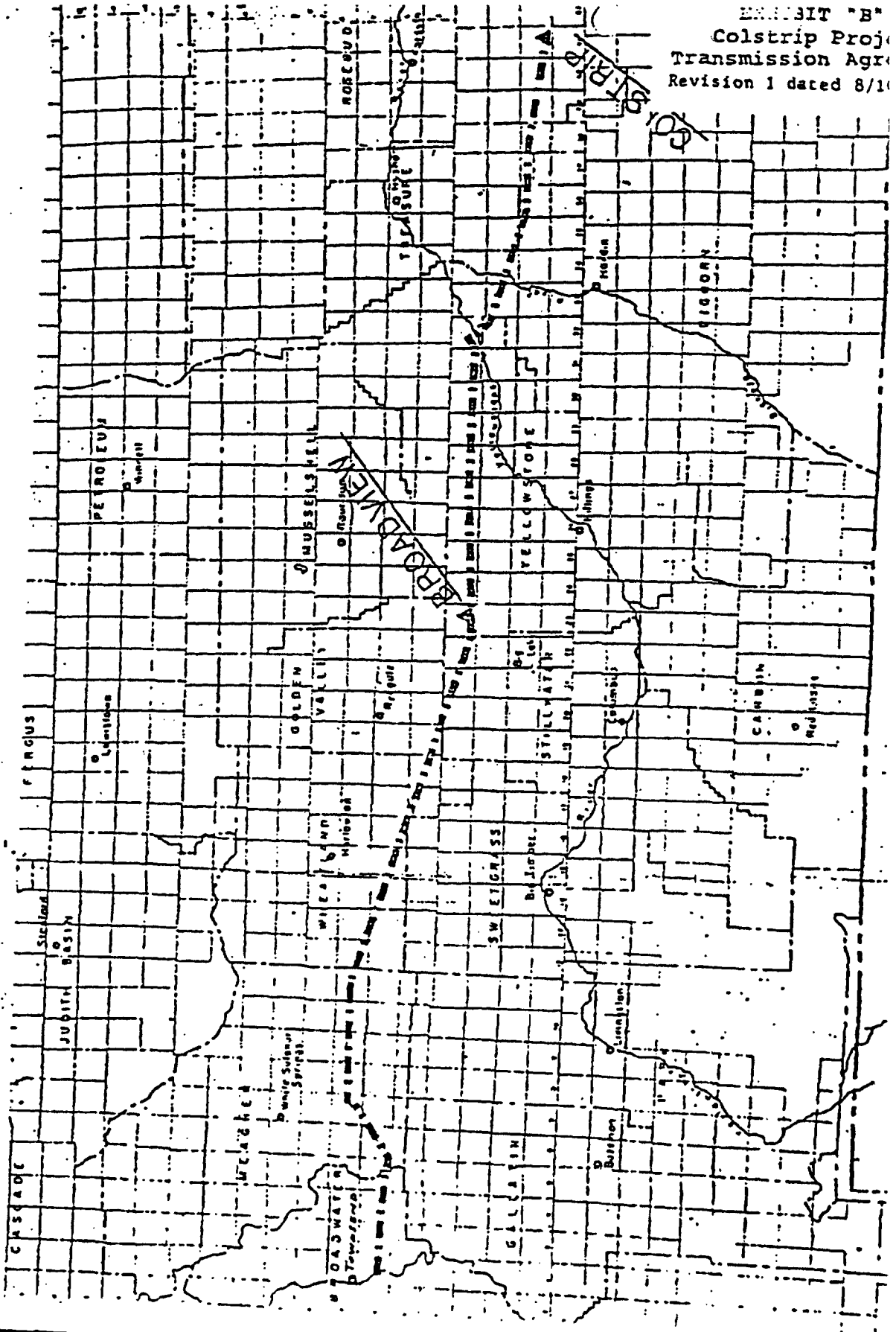


Exhibit B
Colstrip Project
Transmission Agreement
Revision 1 dated 8/10/89

REAL ESTATE

- (1) The Broadview Switchyard is located on the following real property:

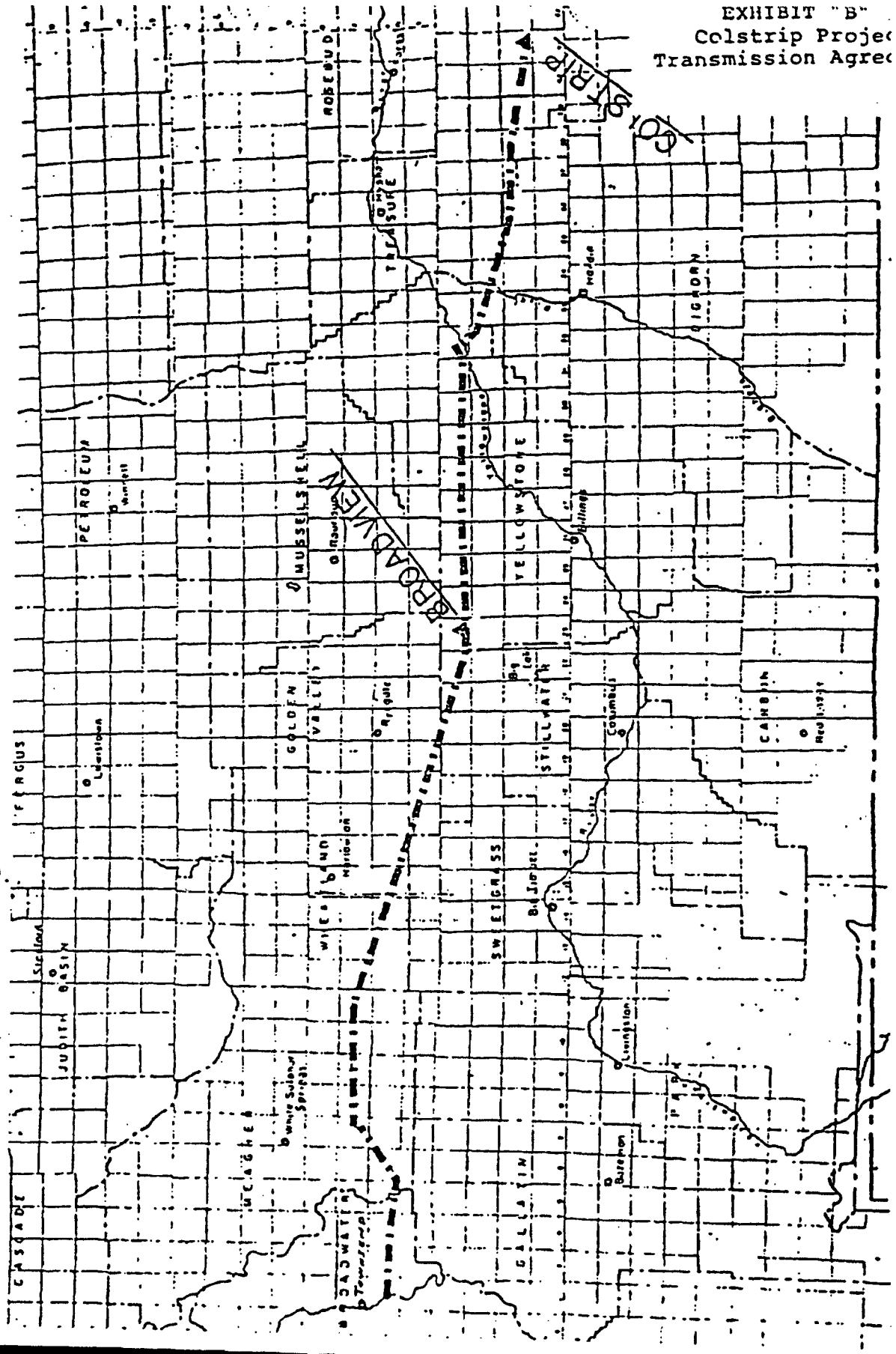
A tract of land situated in Section 34, Township 4 North, Range 23 East, P.M.M., being Tract B of Certificate of Survey No. 1520 Amended, as filed with the Clerk and Recorder of Yellowstone County, Montana, and containing 90.55 acres, more or less.

- (2) The Colstrip Switchyard is located on the following real property:

A tract of land situated in the SE 1/4 of Section 27, Township 2 North, Range 41 East, P.M.M., being Tract 1 of Certificate of Survey No. 35013, as filed with the Clerk and Recorder of Rosebud County, Montana, and containing 30.647 acres, more or less.

EXHIBIT "B"
Colstrip Project
Transmission Agree

A = Existing Substations
= Transmission Corridor



Page 1 of . . .
Exhibit B
Colstrip Project Transmission
Agreement

THE BROADVIEW SWITCHYARD

A tract of land situated in Section 34, Township 4 North, Range 23 East, P.M.M., being Tract B of Certificate of Survey No. 1520 Amended, and described as follows:

Beginning at the North corner of said Certificate of Survey, also being a point on the southwesterly right-of-way line of the Burlington Northern Railroad; thence, 1st Course, along said right-of-way line, S. $41^{\circ}49'56''$ E., 2,961.03 feet; thence, N. $86^{\circ}47'58''$ W., 4,087.32 feet; thence, N. $00^{\circ}10'33''$ E., 834.12 feet; thence, S. $89^{\circ}49'27''$ E., 2,100.00 feet; thence, N. $00^{\circ}10'33''$ E., 1,150.40 feet to the point of beginning and containing in all 90.55 acres, more or less.

Page 1 of
Exhibit C
Colstrip Project Transmission
Agreement

CRITERIA FOR CAPACITY DETERMINATIONS

Transmission Capacity determinations under Section 8 of this Agreement were made initially in accordance with the following procedures and criteria. Subsequent determinations, when necessary, will be made in accordance with the same procedures and criteria unless agreed otherwise by the Committee.

Procedures:

1. Transmission Operator will make the determinations or arrange to have them made at the request of the Committee.
2. Determinations will be made by stressed system and forced flow computer simulations of the operation of appropriate portions of the interconnected network.
3. The simulations and resulting determinations of transmission capacity will be submitted to the Committee for review and concurrence.
4. Determinations will be made for both the Colstrip-Broadview Segment and the Broadview-Garrison (Broadview-Townsend) Segment of:
 - (a) the Transmission System;
 - (b) Montana's Transmission System; and
 - (c) the integrated combination of the two Systems (Integrated System).
5. Determinations will be made for normal systems with all facilities in service.
6. Changes by the Committee in these procedures or criteria or changes in the system capacities because of future developments, additions or changed conditions will be recorded in appropriate amendments to this Exhibit C.

Criteria:

1. Simulations to determine separate capacities of the Transmission System and of Montana's Transmission System will be performed with the two Systems isolated from each other east of Garrison insofar as is practical.
2. Transmission capacities for each system (i.e., the Transmission System, Montana's Transmission System and the Integrated

Page 2 of
 Exhibit C
 Colstrip Project Transmission
 Agreement

System) in each segment will be determined by stressing only the system and segment being tested in a manner as agreed by the Committee.

3. For the normal system determination (all facilities in service), tests of performance will be made by simulating line faults on the System being tested that cause the most severe disturbance. Satisfactory performance will be such that the System remains stable with normal clearing of the fault and the first post-fault voltage swing on any load bus in the interconnection remains at or above 80% of the nominal voltage. Generator unit dropping may be used in cases of certain three-phase faults to meet these criteria.

Initial Capacity Determinations and Allocations:

The parties, on the basis of several simulations performed to date of the Systems as they are projected to exist upon the initial commercial operation of Colstrip Units #3 and #4, have agreed upon initial allocations of the Integrated System Capacity in the following percentages:

	<u>Colstrip- Broadview Segment</u>	<u>Broadview- Townsend (Garrison) Segment</u>
The Transmission System	87%	75%
Montana's Transmission System	<u>13%</u>	<u>25%</u>
The Integrated System	100%	100%

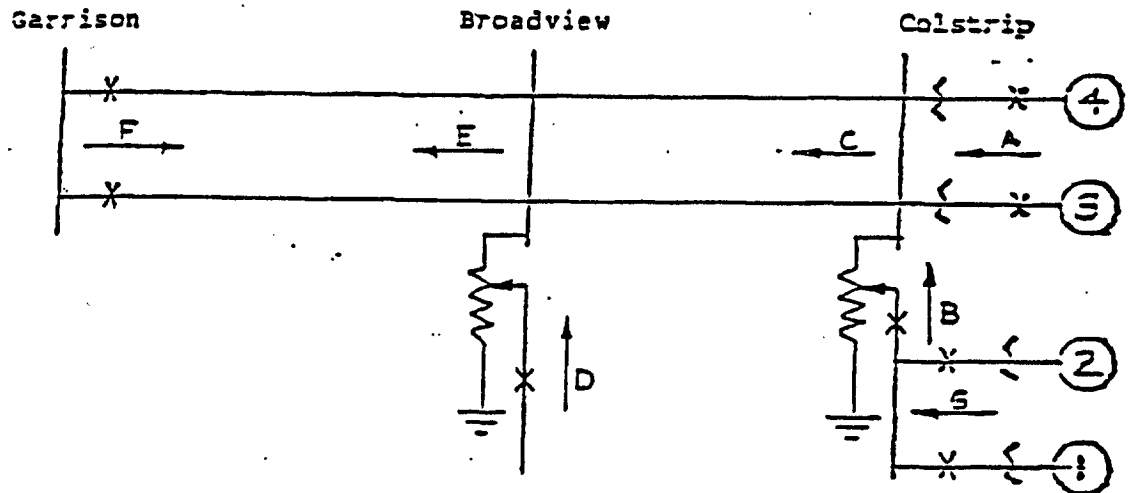
The Integrated System Capacity has been determined as follows, subject to further study and review by the Committee in accordance with the above procedures and criteria. The above percentage allocations will be applied to the Integrated System Capacity and will serve as the basis for the initial ratchet of Section 8(b).

	<u>Colstrip- Broadview Segment</u>	<u>Broadview- Townsend Segment</u>
Integrated System Transmission Capacity	2,598 MW	2,573 MW

Page 1 of 4
 Exhibit D
 Colstrip Project
 Transmission Agreement
 Revision 1 dated 8/10/89

LOSS DETERMINATION AND ALLOCATIONS

Loss calculations and allocations pursuant to Section 11 will be done not less often than once each hour in accordance with the following procedures:



DEFINITIONS AND NOMENCLATURE

- X = Metering points (arrow indicates positive direction of flow)
- A = Metered power flow into Colstrip #3 & #4 step-up transformers
- B = Metered power flow into Colstrip 500/230 kV autotransformers
- C = Calculated power flow into Colstrip-Broadview 500 kV lines at Colstrip
- D = Metered power flow into Broadview 500/230 kV autotransformers
- E = Calculated power flow into Broadview-Garrison 500 kV lines at Broadview
- F = Metered power flow into Broadview-Garrison 500 kV lines at Garrison
- G = Metered power flow from Colstrip #1 & #2 step-up transformers
- LT = Total losses to be allocated = A + B + D + F

Exhibit D
 Colstrip Project
 Transmission Agreement
 Revision 1 dated 8/10/89

- LA = Calculated losses in Colstrip #3 & #4 step-up transformers
 LB = Calculated losses in Colstrip 500/230 kV autotransformers
 LC = Calculated losses in Colstrip-Broadview 500 kV lines
 LD = Calculated losses in Broadview 500/230 kV autotransformers
 LE = Calculated losses in Broadview-Garrison 500 kV lines
 LW = Losses on all schedules using Transmission System Surplus Capacity and losses on all schedules for Persons other than the Transmission Owner providing the transmission capacity. Such losses will be determined as 5% of such schedules. Such percentage may be revised by a vote of the Transmission Committee members representing at least 85% of the total Requirement Shares of each Segment.

INITIAL CALCULATION OF LOSSES (Indicated by subscript I):

$LA_I = f(|A|)$, where $f(|A|)$ means a function of $|A|$, and $|A|$ means the absolute value of A

$LB_I = f(|B|)$

$LC_I = f(|C_I|)$, where $|C_I| = |A + B - LA_I - LB_I|$

$LD_I = f(|D|)$

$LE_I = f(|F|)$, where metered power flow F is used rather than calculated power flow E.

The Transmission Committee shall determine the appropriate functions $f(|A|)$, $f(|B|)$, $f(|C_I|)$, $f(|D|)$, and $f(|F|)$, to represent losses on those facilities. These functions may include relationships of voltage, current, var flow and other appropriate constants and variables.

$LT_I = LA_I + LB_I + LC_I + LD_I + LE_I$

Constrip Project
Transmission Agreement
Revision 1 dated 8/10/89

ALLOCATION OF CALCULATION AND METERING ERROR AND OF LW:

$$LA = LA_1 \times (LT/LT_1) \quad (LT-LW)/LT = LA_1 \times (LT-LW)/LT_1$$

= $LA_2 \times$ (Allocation Factor), where $(LT - LW)/LT_1 =$ Allocation Factor

$$LB = LB_1 \times (\text{Allocation Factor})$$

$$LC = LC_1 \times (\text{Allocation Factor})$$

$$LD = LD_1 \times (\text{Allocation Factor})$$

$$LE = LE_1 \times (\text{Allocation Factor})$$

As a check, the following should balance within 2 kilowatt hours:

$$LA + LB + LC + LD + LE + LW = A + B + D + F$$

ALLOCATION AMONG USERS WHERE SUBSCRIPT (N) REFERS TO:

N = 1 = Montana	4 = FWP
2 = Puget	5 = Pacific
3 = PGE	6 = Bonneville

All schedules among the parties for replacement or return of losses will be excluded in the following calculation:

A_N = N's share of power flow at A) These shares of generation are) not considered to be "schedules) of power flow" in the following) four equations.

G_N = N's share of power flow at G)

BW_N = N's schedules of power flow at B subject to assessment of LW losses

SB_N = N's total schedules of power flow at B less BW_N

DW_N = N's schedules of power flow at D subject to assessment of LW losses

SD_N = N's total schedules of power flow at D less DW_N

$$B_2 = G_2 + SB_2$$

$$B_N = SB_N \text{ for } N = 3, 4, 5, 6$$

$$B_1 = B - B_2 - B_3 - B_4 - B_5 - B_6 - \sum_1^6 BW_N$$

$$LB_1 = |B_1| \times (LB / \sum_1^6 |B_N|)$$

* If $B_1 < 0$ and $|B_1| \leq (A_1 - LA_1 - LB_1)$,
then $C_1 = A_1 + B_1 - LA_1 - LB_1$

* If $B_1 < 0$ and $|B_1| > (A_1 - LA_1 - LB_1)$, then $C_1 = 0$

* If $B_1 \geq 0$, then $C_1 = A_1 + B_1 - LA_1 - LB_1$

Transmission Agreement
Revision 1 dated 8/10/89

$$C_N = A_N + B_N - L_{AN} - L_{BN} \text{ for } N = 2, 3, 4, 5, 6$$

$$D_N = S_{DN} \text{ for } N = 2, 3, 4, 5, 6$$

$$D_1 = D - D_2 - D_3 - D_4 - D_5 - D_6 - \sum_1^6 D_{WN} **$$

$$LD_1 = |D_1| \times (LD / \sum_1^6 |D_N|)$$

$$** \text{ If } D_1 < 0 \text{ and } |D_1| \leq (C_1 - LC_1 - LD_1),$$

$$\text{then } E_1 = C_1 + D_1 - LC_1 - LD_1$$

$$** \text{ If } D_1 < 0 \text{ and } |D_1| > (C_1 - LC_1 - LD_1), \text{ then } E_1 = 0$$

$$** \text{ If } D_1 \geq 0, \text{ then } E_1 = C_1 + D_1 - LC_1 - LD_1$$

$$E_N = C_N + D_N - L_{CN} - L_{DN} \text{ for } N = 2, 3, 4, 5, 6$$

$$L_{AN} = |A_N| \times (L_A / \sum_1^6 |A_N|) = L_A \times |A_N| / \sum_1^6 |A_N|$$

$$L_{BN} = |B_N| \times (L_B / \sum_1^6 |B_N|) = L_B \times |B_N| / \sum_1^6 |B_N|$$

$$L_{CN} = |C_N| \times (L_C / \sum_1^6 |C_N|) = L_C \times |C_N| / \sum_1^6 |C_N|$$

$$L_{DN} = |D_N| \times (L_D / \sum_1^6 |D_N|) = L_D \times |D_N| / \sum_1^6 |D_N|$$

$$L_{EN} = |E_N| \times (L_E / \sum_1^6 |E_N|) = L_E \times |E_N| / \sum_1^6 |E_N|$$

$$L_N = L_{AN} + L_{BN} + L_{CN} + L_{DN} + L_{EN}$$

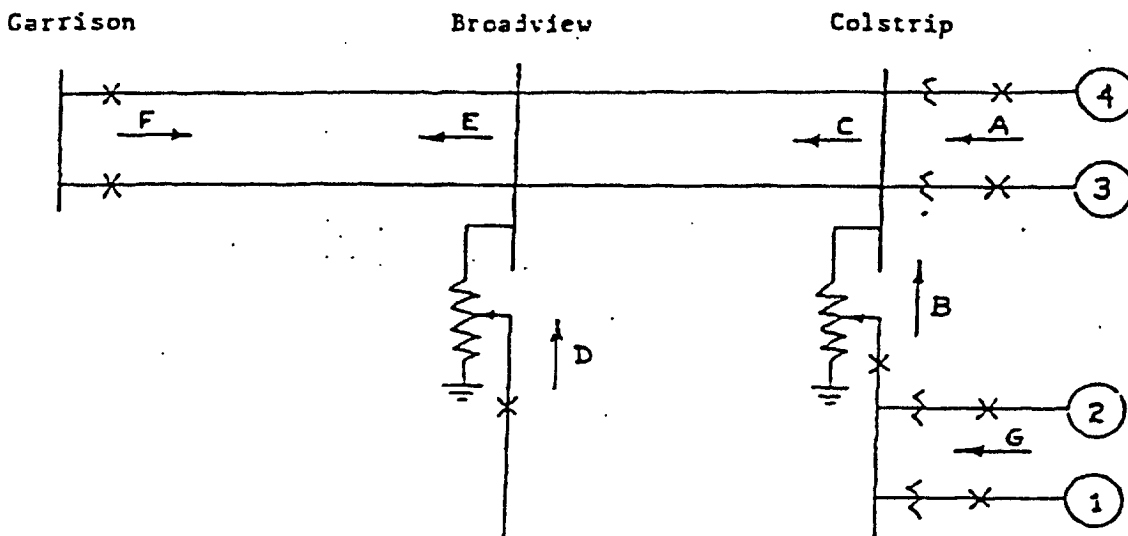
As a check, the following should balance within 2 kilowatt hours:

$$LW + \sum_1^6 L_N = A + B + D + F$$

Exhibit D
Colstrip Project
Transmission Agreement

LOSS DETERMINATION AND ALLOCATIONS

Loss calculations and allocations pursuant to Section 10 will be done not less often than once each hour in accordance with the following procedures:



DEFINITIONS AND NOMENCLATURE

- X = Metering points (arrow indicates positive direction of flow)
- A = Metered power flow into Colstrip 3 & 4 step-up transformers
- B = Metered power flow into Colstrip 500/230 kV auto-transformers
- C = Calculated power flow into Colstrip-Broadview 500 kV lines at Colstrip
- D = Metered power flow into Broadview 500/230 kV auto-transformers
- E = Calculated power flow into Broadview-Garrison 500 kV lines at Broadview
- F = Metered power flow into Broadview-Garrison 500 kV lines at Garrison
- G = Metered power flow into Colstrip 1 & 2 step-up transformers
- LT = Total losses to be allocated = A + B + D + F

Exhibit D
Colstrip Project
Transmission Agreement

- LA = Calculated losses in Colstrip 3 & 4 step-up transformers
- LB = Calculated losses in Colstrip 500/230 kV auto transformers
- LC = Calculated losses in Colstrip-Broadview 500 kV lines
- LD = Calculated losses in Broadview 500/230 kV auto-transformers
- LE = Calculated losses in Broadview-Garrison 500 kV lines
- LG = Calculated losses in Colstrip 1 & 2 step-up transformers = $f(|G|)$
- LW = Losses on all schedules using Transmission System Surplus Capacity and losses on all schedules for Persons other than the Transmission Owner providing the transmission capacity. Such losses will be determined as 5% of such schedules. Such percentage may be revised by a vote of the Transmission Committee members representing at least 85% of the total Requirement Shares of each Segment.

INITIAL CALCULATION OF LOSSES (Indicated by subscript I):

$LA_I = f(|A|)$, where $f(|A|)$ means a function of $|A|$, and $|A|$ means the absolute value of A

$LB_I = f(|B|)$

$LC_I = f(|C_I|)$, where $|C_I| = |A + B - LA_I - LB_I|$

$LD_I = f(|D|)$

$LE_I = f(|F|)$, where metered power flow F is used rather than calculated power flow E.

The Transmission Committee shall determine the appropriate functions $f(|A|)$, $f(|B|)$, $f(|C_I|)$, $f(|D|)$, $f(|F|)$, and $f(|G|)$ to represent losses on those facilities. These functions may include relationships of voltage, current, var flow and other appropriate constants and variables.

$$LT_I = LA_I + LB_I + LC_I + LD_I + LE_I$$

Exhibit D
Colstrip Project
Transmission Agreement

ALLOCATION OF CALCULATION AND METERING ERROR AND OF LW:

$$LA = LA_1 \times (LT/LT_1)(LT-LW)/LT = LA_1 \times (LT-LW)/LT_1$$

$$= LA_1 \times (\text{Allocation Factor}), \text{ where } (LT - LW)/LT_1 = \text{Allocation Factor}$$

$$LB = LB_1 \times (\text{Allocation Factor})$$

$$LC = LC_1 \times (\text{Allocation Factor})$$

$$LD = LD_1 \times (\text{Allocation Factor})$$

$$LE = LE_1 \times (\text{Allocation Factor})$$

As a check, the following should balance within 2 kilowatthours:

$$LA + LB + LC + LD + LE + LW = A + B + D + F$$

ALLOCATION AMONG USERS WHERE SUBSCRIPT (N) REFERS TO:

N = 1 = Montana	5 = Pacific
2 = Puget	6 = Basin Electric
3 = PGE	7 = Bonneville
4 = WWP	

All schedules among the parties for replacement or return of losses will be excluded in the following calculation.

A_N = N's share of power flow at A } These shares of generation are not
 G_N = N's share of power flow at G } considered to be "schedules of power
 flow" in the following four lines.

BW_N = N's schedules of power flow at B subject to assessment of LW losses

SB_N = N's total schedules of power flow at B less BW_N

DW_N = N's schedules of power flow at D subject to assessment of LW losses

SD_N = N's total schedules of power flow at D less DW_N

$B_2 = G_2 - LG_2 + SB_2$, where $LG_2 = LG \times G_2/G$

$B_N = SB_N$ for $N = 3, 4, 5, 6, 7$

$B_1 = B - B_2 - B_3 - B_4 - B_5 - B_6 - B_7 - \sum_1^7 BW_N$ *

$LB_1 = |B_1| \times (LB / \sum_1^7 |B_N|)$

* If $B_1 < 0$ and $|B_1| \leq (A_1 - LA_1 - LB_1)$, then $C_1 = A_1 + B_1 - LA_1 - LB_1$

* If $B_1 < 0$ and $|B_1| > (A_1 - LA_1 - LB_1)$, then $C_1 = 0$

* If $B_1 \geq 0$, then $C_1 = A_1 + B_1 - LA_1 - LB_1$

Exhibit D
Colstrip Project
Transmission Agreement

$$C_N = A_N + B_N - L_{A_N} - L_{B_N} \text{ for } N = 2, 3, 4, 5, 6, 7$$

$$D_N = S_{D_N} \text{ for } N = 2, 3, 4, 5, 6, 7$$

$$D_1 = D - D_2 - D_3 - D_4 - D_5 - D_6 - D_7 - \sum_1^7 D_{W_N} **$$

$$LD_1 = |D_1| \times (LD / \sum_1^7 |D_N|)$$

$$** \text{ If } D_1 < 0 \text{ and } |D_1| \leq (C_1 - LC_1 - LD_1), \text{ then } E_1 = C_1 + D_1 - LC_1 - LD_1$$

$$** \text{ If } D_1 < 0 \text{ and } |D_1| > (C_1 - LC_1 - LD_1), \text{ then } E_1 = 0$$

$$** \text{ If } D_1 \geq 0, \text{ then } E_1 = C_1 + D_1 - LC_1 - LD_1$$

$$E_N = C_N + D_N - L_{C_N} - L_{D_N} \text{ for } N = 2, 3, 4, 5, 6, 7$$

$$L_{A_N} = |A_N| \times (L_A / \sum_1^7 |A_N|) = L_A \times |A_N| / \sum_1^7 |A_N|$$

$$L_{B_N} = |B_N| \times (L_B / \sum_1^7 |B_N|) = L_B \times |B_N| / \sum_1^7 |B_N|$$

$$L_{C_N} = |C_N| \times (L_C / \sum_1^7 |C_N|) = L_C \times |C_N| / \sum_1^7 |C_N|$$

$$L_{D_N} = |D_N| \times (L_D / \sum_1^7 |D_N|) = L_D \times |D_N| / \sum_1^7 |D_N|$$

$$L_{E_N} = |E_N| \times (L_E / \sum_1^7 |E_N|) = L_E \times |E_N| / \sum_1^7 |E_N|$$

$$L_N = L_{A_N} + L_{B_N} + L_{C_N} + L_{D_N} + L_{E_N}$$

As a check, the following should balance within 2 kilowatthours:

$$LW + \sum_1^7 L_N = A + B + D + F$$

Page 1 of 1
Exhibit E
Colstrip Project Transmission
Agreement

ADMINISTRATIVE AND GENERAL

As a reimbursement for general office electric system administrative and general expenses and related employee benefit costs indirectly applicable to the Transmission System, but not charged thereto, Transmission Operator will charge monthly to Transmission System Costs of Construction or Costs of Transmission System Operation, as appropriate, a percentage ("Percentage Rate") of labor costs provided for in Sections 14(b) and 14(c) and in Sections 17(a) and 17 (b) hereof, incurred by the Transmission Operator during the current month, which labor costs include a loading rate to cover pay for the time not worked, such as vacation, holiday and sick leave. The applicable Percentage Rate shall be determined annually by the Transmission Committee and shall be based upon Transmission Operator's actual costs incurred during the previous year. The applicable Percentage Rate shall be a fraction the numerator of which is the sum of Transmission Operator's annual (i) administrative and general salaries recorded to FERC Account 920, (ii) office supplies and expenses recorded in FERC Account 921, and (iii) an appropriate provision for employee pensions and benefits recorded in FERC Account 926 which relate to administrative and general salaries recorded in FERC Account 920, and the denominator of which Transmission Operator's is (i) total annual electric system labor costs such as Transmission Operator's payroll charged to construction, retirements and clearing accounts, and (ii) Transmission Operator's labor costs billed to persons under other agreements to manage and operate joint projects.

TRANS4DD

15

AMENDMENT NO. 1 TO
COLSTRIP PROJECT TRANSMISSION AGREEMENT

This Amendment No. 1 to the Colstrip Project Transmission Agreement (Transmission Agreement) is entered into ~~February 14, 1990~~ by THE MONTANA POWER COMPANY, PUGET SOUND POWER & LIGHT COMPANY, THE WASHINGTON WATER POWER COMPANY, PORTLAND GENERAL ELECTRIC COMPANY, and PACIFICORP.

RECITALS:

WHEREAS, the parties to the Colstrip Project Transmission Agreement, dated May 6, 1981, recognize that Basin Electric has not been a participant in the Colstrip Units #3 and #4 Steam Electric Generating Project and related facilities; and

WHEREAS, the parties to the Transmission Agreement identify the need for minor corrections to the Transmission Agreement.

NOW, THEREFORE, the parties hereto mutually agree to amend the Transmission Agreement as follows, where all terms defined in the Transmission Agreement shall have the same meanings when used in this Amendment No. 1:

(a) The first paragraph of page 1 is deleted and the following paragraph is inserted in lieu thereof:

"This Agreement is made as of the 6th day of May, 1981, by and between THE MONTANA POWER COMPANY, a Montana corporation ("Montana") and PUGET SOUND POWER & LIGHT COMPANY, a Washington corporation ("Puget") and THE WASHINGTON WATER POWER COMPANY, a Washington corporation ("Water Power"), PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation ("Portland") and PACIFIC POWER & LIGHT COMPANY, a Maine corporation ("Pacific");"

(b) Subsection 2(j) is deleted and the following subsection is inserted in lieu thereof:

(j) "Requirements Capacity" means capacity in the Transmission System for each Owner as follows:

Colstrip - Broadview Segment ("C-B Segment"), as described in Exhibits A and B hereto:

Montana	822.8 MW
Puget	746.0 MW
Portland	307.2 MW
Water Power	230.4 MW
Pacific	153.6 MW

Broadview - Townsend Segment ("B-T Segment"), as described in Exhibits A and B hereto:

Montana	468.5 MW
Puget	758.6 MW
Portland	312.4 MW
Water Power	234.3 MW
Pacific	156.2 MW

(c) Subsection 2(o) is deleted and the following subsection is inserted in lieu thereof:

(o) "Transmission Owners" means Montana, Puget, Water Power, Portland and Pacific and shall include their successors and assigns of an ownership interest in the Transmission System or any part thereof."

(d) Subsection 7(f) is deleted and the following subsection is inserted in lieu thereof:

(f) Transmission Operator shall interrupt, curtail or otherwise restrict schedules through the Broadview Substation 500/230 kV transformers, described in Exhibit "A", to the extent required by Montana to transmit 822.8 MW of its power through said transformers."

(e) The first sentence of Subsection 19 (a) is deleted and the following sentence is inserted in lieu thereof:

"The Operator designated by the Ownership Agreement has established pursuant to Section 11 thereof a separate trust account ("Operation Trust Account") in a bank located in the State of Montana and having qualifications meeting all requirements imposed upon depositories for any of the Transmission Owners."

(f) The second sentence of Subsection 22(a) is deleted and the following sentence is inserted in lieu thereof:

"The Transmission Committee shall be composed of five (5) members."

(g) Section 35 is deleted and replaced by the following:

"This Agreement shall be effective and binding when executed by Montana, Puget, Water Power, Portland, and Pacific. This Agreement shall continue until terminated pursuant to Section 35."

(h) Exhibit A, attached to this Amendment No. 1, is substituted for Exhibit A referenced in Subsection 2(p) of the Transmission Agreement.

(i) Exhibit B, attached to this Amendment No. 1, is substituted for Exhibit B referenced in Subsection 2(p) of the Transmission Agreement.

(j) Exhibit D, attached to this Amendment No. 1, is substituted for Exhibit D referenced in Section 11 of the Transmission Agreement.

The Transmission Agreement, as amended by this Amendment No. 1, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 in several counterparts.

THE MONTANA POWER COMPANY

By *A.H. Van Dyke*

Its *VP Assistant - Secretary*

Approved Date	
FORM	
<i>ME</i>	1-24-90
CONT.	
<i>SK</i>	1-24-90
DESCR.	

Attest:

[Signature]

Asst. Secretary

FUGET SOUND POWER & LIGHT COMPANY

By _____

Its _____

Attest:

Asst. Secretary

THE WASHINGTON WATER POWER COMPANY

By _____

Its _____

Attest:

Asst. Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By _____

Its _____

Attest:

Asst. Secretary

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 in several counterparts.

THE MONTANA POWER COMPANY

By _____

Its _____

Attest:

Asst. Secretary

FUGET SOUND POWER & LIGHT COMPANY

By *R. J. B. [Signature]*
Its *President [Signature]*

Attest:

W. Watson [Signature]
Asst. Secretary

THE WASHINGTON WATER POWER COMPANY

By _____

Its _____

Attest:

Asst. Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By _____

Its _____

Attest:

Asst. Secretary

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 in several counterparts.

THE MONTANA POWER COMPANY

By _____

Its _____

Attest:

Asst. Secretary

PUGET SOUND POWER & LIGHT COMPANY

By _____

Its _____

Attest:

Secretary

THE WASHINGTON WATER POWER COMPANY

By W. J. [Signature]

Its Vice President POWER SUPPLY

APPROVED AS TO FORM MS

Attest:

Donna H. Ashley
Asst. Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By _____

Its _____

Attest:

Asst. Secretary

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 in several counterparts.

THE MONTANA POWER COMPANY

By _____

Its _____

Attest:

Asst. Secretary

PUGET SOUND POWER & LIGHT COMPANY

By _____

Its _____

Attest:

Asst. Secretary

THE WASHINGTON WATER POWER COMPANY

By _____

Its _____

Attest:

Asst. Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By [Signature]

Its Vice President

Attest:

[Signature]
Asst. Secretary
PORTLAND GENERAL CORPORATION

PACIFICORP, doing business as
Pacific Power & Light Company and
Utah Power & Light Company

By *Thomas A. Lockhart*
Thomas A. Lockhart
Its Vice President

Attest:

Sally A. Noffziger
Corporate Secretary

tjw062

AMENDMENT NO. 2
to the
COLSTRIP TRANSMISSION AGREEMENT

This AMENDMENT NO. 2, executed December 30, 1996, by: THE MONTANA POWER COMPANY (Montana), a Montana corporation; PUGET SOUND POWER & LIGHT COMPANY (Puget), a Washington corporation; THE WASHINGTON WATER POWER COMPANY (Water Power), a Washington corporation; PORTLAND GENERAL ELECTRIC COMPANY (Portland), an Oregon corporation; and PACIFICORP (PacifiCorp), formerly known as PACIFIC POWER & LIGHT COMPANY, an Oregon corporation;

WITNESSETH:

WHEREAS the parties hereto previously entered into the Colstrip Transmission Agreement, dated as of May 6, 1981, as amended by Amendment No. 1 thereto (such agreement as so amended is sometimes referred to as the "Agreement"); and

WHEREAS the parties desire to amend and supplement the Agreement as set forth in this Amendment No. 2; and

WHEREAS the Federal Energy Regulatory Commission (FERC) issued its Order No. 888 addressing open-access transmission, specifically stating that certain agreements must be amended to allow certain transmission by FERC jurisdictional utilities for third parties;

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

1. The Agreement is hereby amended as follows:

Section 7(g) of the Amendment is amended by changing "Section 28" in the last sentence to read as follows:

"Section 28; provided that a Transmission Owner's providing to any Person transmission service using such Transmission Owner's rights to use Transmission System Capacity (i) shall not for purposes of this Section 7(g) or Section 28 be deemed to be a sale, transfer or assignment of any right of such Transmission Capacity and (ii) shall not for purposes of Section 28 be deemed to be a transfer or assignment of all or any part of the interest of such Transmission Owner in the Transmission System or any part thereof or a transfer or assignment of all or any part of the rights set forth in the Project Agreements which relate to such interest."

2. The Agreement, which is incorporated herein by this reference, shall continue in full force and effect, as amended by this Amendment No. 2. In the event of any conflict between

any provision of this Amendment No. 2 and any other provision of the Agreement, the provision of this Amendment No. 2 shall control.

3. This Amendment No. 2 may be executed in a number of counterparts and shall be deemed to constitute a single document with the same force and effect as if all the parties hereto having signed a counterpart had signed all other counterparts. This Amendment No. 2 shall become effective when counterparts have been signed by all parties.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 in several counterparts.

THE MONTANA POWER COMPANY

By Wm A Pascoe
Name Wm A Pascoe
(Print/Type)
Title Assistant Vice President, Transmission Services
Date December 24, 1996

PUGET SOUND POWER & LIGHT COMPANY

By _____
Name _____
(Print/Type)
Title _____
Date _____

THE WASHINGTON WATER POWER COMPANY

By _____
Name _____
(Print/Type)
Title _____
Date _____

any provision of this Amendment No. 2 and any other provision of the Agreement, the provision of this Amendment No. 2 shall control.

3. This Amendment No. 2 may be executed in a number of counterparts and shall be deemed to constitute a single document with the same force and effect as if all the parties hereto having signed a counterpart had signed all other counterparts. This Amendment No. 2 shall become effective when counterparts have been signed by all parties.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 in several counterparts.

THE MONTANA POWER COMPANY

By _____
Name _____
(Print/Type)
Title _____
Date _____

PUGET SOUND POWER & LIGHT COMPANY

By _____
Name _____
(Print/Type)
Title _____
Date _____

THE WASHINGTON WATER POWER COMPANY

By W. L. Bryan
Name W. L. Bryan *WLF*
(Print/Type)
Title PRESIDENT AND COO.
Date DECEMBER 30 1996

PORTLAND GENERAL ELECTRIC COMPANY

By [Signature]
 Name R. E. Dwyer
 (Print/Type)
 Title Senior Vice President
 Date 12/20/96

PACIFICORP

By _____
 Name _____
 (Print/Type)
 Title _____
 Date _____

PORTLAND GENERAL ELECTRIC COMPANY

By _____
Name _____
(Print/Type)
Title _____
Date _____

PACIFICORP

By Brian D. Sickels
Name Brian D. Sickels
(Print/Type)
Title Vice President Power Systems
Date December 26, 1996

AMENDMENT NO. 3 TO THE
COLSTRIP PROJECT TRANSMISSION AGREEMENT

This Amendment No. 3, effective as of July 13, 1998 (the date signed by the last signing party), is made to that certain Colstrip Project Transmission Agreement entered into as of May 6, 1981, as amended by Amendment No. 1, entered into February 14, 1990, and Amendment No. 2, executed December 30, 1996, ("Transmission Agreement") by THE MONTANA POWER COMPANY, PUGET SOUND POWER AND LIGHT COMPANY, now PUGET SOUND ENERGY, THE WASHINGTON WATER POWER COMPANY, PORTLAND GENERAL ELECTRIC COMPANY, and PACIFIC POWER & LIGHT COMPANY, now PACIFICORP. Inc.

All terms defined in the Transmission Agreement shall have the same meanings when used in this Amendment No. 3.

WHEREAS, the last paragraph of Section 28 of the current Transmission Agreement provides that certain transfers or assignments of an interest in the Transmission System may not be made unless simultaneously the Transmission Owner's User's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements which relate to the interest being transferred or assigned.

WHEREAS, this "simultaneous transfer" provision essentially requires for certain transfers or assignments that any Transmission Owner selling all or a part of its interest in the Transmission System to simultaneously sell its corresponding interest in Colstrip Units 3&4.

WHEREAS, in order to recognize functional unbundling between generation and transmission as required by Federal Energy Regulatory Commission (FERC) regulations, and to allow a Transmission Owner to sell or transfer all or a part of its interest in the Transmission System without selling or transferring its corresponding interest in Colstrip Units 3&4 as required by this "simultaneous transfer" requirement, the parties agree to amend the last paragraph of Section 28 of the Transmission Agreement by deleting in its entirety the first sentence in that paragraph, as shown by the following:

~~No transfer or assignment of any interest in the Transmission System or any part thereof pursuant to Sections 28(d), (e), (f) or (g) may be made unless simultaneously the Transmission Owner's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements, which relate to the interest being transferred or assigned.~~ Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

NOW, THEREFORE, the parties mutually agree to amend the Transmission Agreement as follows:

1. The last paragraph of Section 28 is deleted and the following paragraph is inserted in lieu thereof:

Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

2. The Transmission Agreement, as amended by Amendment No. 1, Amendment No. 2, and this Amendment No. 3, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 in several counterparts.

THE MONTANA POWER COMPANY

By: Wanda Pascoe
Its: Vice President

ATTEST:
P.K. Merrill
Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY, Inc.

By: [Signature]
Its: VICE PRESIDENT, ENERGY SUPPLY

ATTEST:
[Signature]
Secretary

THE WASHINGTON WATER POWER COMPANY

By: _____
Its: _____

ATTEST:

Secretary

STATE OF WASHINGTON)
) ss.
County of King)

On this 13th day of July, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared William A. Gaines, known to me to be the Vice President Energy Supply of PUGET SOUND POWER & LIGHT COMPANY, now PUGET SOUND ENERGY, and acknowledged to me that he executed the within instrument on behalf of that corporation. Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Gail G. Swilard
Notary Public for the State of Washington
Residing at 3615 Evergreen Pt RD, Medina WA
My Commission expires 10/17/98

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of THE WASHINGTON WATER POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By: *[Signature]*
Its: VICE PRESIDENT

ATTEST:

[Signature]
Secretary

STATE OF MONTANA)
) ss.
County of Butte-Silver Bow)

On this 22nd day of June, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared William A. Harvill, known to me to be the Vice President of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

[Signature]
Notary Public for the State of Montana
Residing at Butte, Montana
My Commission expires 6/1/2000

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared _____, known to me to be the _____ of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

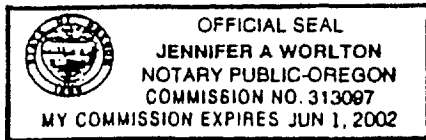
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

STATE OF OREGON)
) ss.
County of Multnomah)

On this 10th day of July, 1998, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared Donald N. Furner, known to me to be the Vice-President of PACIFIC POWER & LIGHT COMPANY, now PACIFICORP and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Jennifer A Worlton

Notary Public for the State of Oregon
Residing at Multnomah County
My Commission expires _____

1. The last paragraph of Section 28 is deleted and the following paragraph is inserted in lieu thereof:

Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

2. The Transmission Agreement, as amended by Amendment No. 1, Amendment No. 2, and this Amendment No. 3, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 in several counterparts.

THE MONTANA POWER COMPANY

By: Wm W Pascoe

Its: Vice President

ATTEST:
P.K. Merrill
Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____

Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY

By: [Signature]

Its: Sr. Vice President & CFO & Treasurer

ATTEST:
[Signature]
Secretary

STATE OF WASHINGTON)
) ss.
County of King)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of PUGET SOUND POWER & LIGHT COMPANY, now PUGET SOUND ENERGY and acknowledged to me that he executed the within instrument on behalf of that corporation.

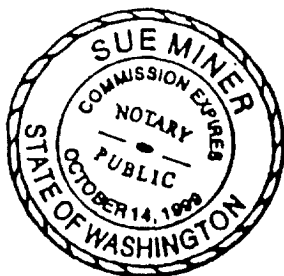
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 29th day of June, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared Jon E. Eliassen, known to me to be the Sr. Vice President, CFO & Treasurer of THE WASHINGTON WATER POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Sue Miner Sue Miner
Notary Public for the State of Washington
Residing at Spokane
My Commission expires 10.14.99

1. The last paragraph of Section 28 is deleted and the following paragraph is inserted in lieu thereof:

Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

2. The Transmission Agreement, as amended by Amendment No. 1, Amendment No. 2, and this Amendment No. 3, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 in several counterparts.

THE MONTANA POWER COMPANY

By: W. A. Pasche
Its: Vice President

ATTEST:
P. K. Merrill
Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____
Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY

By: _____
Its: _____

ATTEST:

Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By: _____

Its: _____

ATTEST:

Secretary

STATE OF MONTANA)
) ss.
County of Butte-Silver Bow)

On this 22nd day of June, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared Val W. A. Pascoe, known to me to be the Vice President of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

James A. [Signature]

Notary Public for the State of Montana
Residing at Butte, Montana
My Commission expires 6/1/2002

PORTLAND GENERAL ELECTRIC COMPANY

By:

Walter Pallas ✓

Its:

Senior Vice President

ATTEST:

[Signature]
Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By:

Its:

ATTEST:

Secretary

STATE OF MONTANA)
County of Butte-Silver Bow) ss.

On this 22nd day of June, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared Wm A. Pallas, known to me to be the Vice President of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

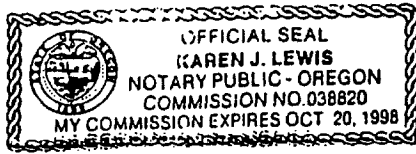
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

[Signature]
Notary Public for the State of Montana
Residing at Butte, Montana
My Commission expires 6/1/2000

STATE OF OREGON)
) ss.
County of Multnomah)

On this 30 day of June, 1998, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared Walter E. Pollock, known to me to be the Senior Vice President of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Karen J. Lewis
Notary Public for the State of Oregon
Residing at Portland Oregon
My Commission expires 10/20/98

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared _____, known to me to be the _____ of PACIFIC POWER & LIGHT COMPANY, now PACIFICORP and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

AMENDMENT NO. 3 TO THE
COLSTRIP PROJECT TRANSMISSION AGREEMENT

This Amendment No. 3, effective as of _____, 1998 (the date signed by the last signing party), is made to that certain Colstrip Project Transmission Agreement entered into as of May 6, 1981, as amended by Amendment No. 1, entered into February 14, 1990, and Amendment No. 2, executed December 30, 1996, ("Transmission Agreement") by THE MONTANA POWER COMPANY, PUGET SOUND POWER AND LIGHT COMPANY, now PUGET SOUND ENERGY, THE WASHINGTON WATER POWER COMPANY, PORTLAND GENERAL ELECTRIC COMPANY, and PACIFIC POWER & LIGHT COMPANY, now PACIFICORP.

All terms defined in the Transmission Agreement shall have the same meanings when used in this Amendment No. 3.

WHEREAS, the last paragraph of Section 28 of the current Transmission Agreement provides that certain transfers or assignments of an interest in the Transmission System may not be made unless simultaneously the Transmission Owner's User's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements which relate to the interest being transferred or assigned.

WHEREAS, this "simultaneous transfer" provision essentially requires for certain transfers or assignments that any Transmission Owner selling all or a part of its interest in the Transmission System to simultaneously sell its corresponding interest in Colstrip Units 3&4.

WHEREAS, in order to recognize functional unbundling between generation and transmission as required by Federal Energy Regulatory Commission (FERC) regulations, and to allow a Transmission Owner to sell or transfer all or a part of its interest in the Transmission System without selling or transferring its corresponding interest in Colstrip Units 3&4 as required by this "simultaneous transfer" requirement, the parties agree to amend the last paragraph of Section 28 of the Transmission Agreement by deleting in its entirety the first sentence in that paragraph, as shown by the following:

~~No transfer or assignment of any interest in the Transmission System or any part thereof pursuant to Sections 28(d), (e), (f) or (g) may be made unless simultaneously the Transmission Owner's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements, which relate to the interest being transferred or assigned. Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.~~

NOW, THEREFORE, the parties mutually agree to amend the Transmission Agreement as follows:

1. The last paragraph of Section 28 is deleted and the following paragraph is inserted in lieu thereof:

Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

2. The Transmission Agreement, as amended by Amendment No. 1, Amendment No. 2, and this Amendment No. 3, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 in several counterparts.

THE MONTANA POWER COMPANY

By: W. A. Proctor
Its: Vice President

ATTEST:
PK Merrill
Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____
Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY

By: _____
Its: _____

ATTEST:

Secretary

STATE OF WASHINGTON)
) ss.
County of King)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of PUGET SOUND POWER & LIGHT COMPANY, now PUGET SOUND ENERGY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of THE WASHINGTON WATER POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared _____, known to me to be the _____ of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared _____, known to me to be the _____ of PACIFIC POWER & LIGHT COMPANY, now PACIFICORP and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

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AMENDMENT NO. 3 TO THE
COLSTRIP PROJECT TRANSMISSION AGREEMENT

This Amendment No. 3, effective as of 6-29, 1998 (the date signed by the last signing party), is made to that certain Colstrip Project Transmission Agreement entered into as of May 6, 1981, as amended by Amendment No. 1, entered into February 14, 1990, and Amendment No. 2, executed December 30, 1996, ("Transmission Agreement") by THE MONTANA POWER COMPANY, PUGET SOUND POWER AND LIGHT COMPANY, now PUGET SOUND ENERGY, THE WASHINGTON WATER POWER COMPANY, PORTLAND GENERAL ELECTRIC COMPANY, and PACIFIC POWER & LIGHT COMPANY, now PACIFICORP.

All terms defined in the Transmission Agreement shall have the same meanings when used in this Amendment No. 3.

WHEREAS, the last paragraph of Section 28 of the current Transmission Agreement provides that certain transfers or assignments of an interest in the Transmission System may not be made unless simultaneously the Transmission Owner's User's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements which relate to the interest being transferred or assigned.

WHEREAS, this "simultaneous transfer" provision essentially requires for certain transfers or assignments that any Transmission Owner selling all or a part of its interest in the Transmission System to simultaneously sell its corresponding interest in Colstrip Units 3&4.

WHEREAS, in order to recognize functional unbundling between generation and transmission as required by Federal Energy Regulatory Commission (FERC) regulations, and to allow a Transmission Owner to sell or transfer all or a part of its interest in the Transmission System without selling or transferring its corresponding interest in Colstrip Units 3&4 as required by this "simultaneous transfer" requirement, the parties agree to amend the last paragraph of Section 28 of the Transmission Agreement by deleting in its entirety the first sentence in that paragraph, as shown by the following:

~~No transfer or assignment of any interest in the Transmission System or any part thereof pursuant to Sections 28(d), (e), (f) or (g) may be made unless simultaneously the Transmission Owner's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements, which relate to the interest being transferred or assigned.~~ Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

NOW, THEREFORE, the parties mutually agree to amend the Transmission Agreement as follows:

1. The last paragraph of Section 28 is deleted and the following paragraph is inserted in lieu thereof:

Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

2. The Transmission Agreement, as amended by Amendment No. 1, Amendment No. 2, and this Amendment No. 3, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 in several counterparts.

THE MONTANA POWER COMPANY

By: Mr W Pascoe

Its: Vice President

ATTEST:
P. K. Merrill
Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____

Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY

By: [Signature] ^{with}

Its: Senior Vice President & CFO & Treasurer

ATTEST:
[Signature]
Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By: _____

Its: _____

ATTEST:

Secretary

STATE OF MONTANA)
) ss.
County of Butte-Silver Bow)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared _____, known to me to be the _____ of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Montana
Residing at Butte, Montana
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of King)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of PUGET SOUND POWER & LIGHT COMPANY, now PUGET SOUND ENERGY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 29th day of June, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared Jon E. Eliassen, known to me to be the Sr. Vice President, CFO & Treasurer of THE WASHINGTON WATER POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Sue Miner Sue Miner
Notary Public for the State of Washington
Residing at Spokane
My Commission expires 10.14.99

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared _____, known to me to be the _____ of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared _____, known to me to be the _____ of PACIFIC POWER & LIGHT COMPANY, now PACIFICORP and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

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AMENDMENT NO. 3 TO THE
COLSTRIP PROJECT TRANSMISSION AGREEMENT

This Amendment No. 3, effective as of July 13, 1998 (the date signed by the last signing party), is made to that certain Colstrip Project Transmission Agreement entered into as of May 6, 1981, as amended by Amendment No. 1, entered into February 14, 1990, and Amendment No. 2, executed December 30, 1996, ("Transmission Agreement") by THE MONTANA POWER COMPANY, PUGET SOUND POWER AND LIGHT COMPANY, now PUGET SOUND ENERGY, THE WASHINGTON WATER POWER COMPANY, PORTLAND GENERAL ELECTRIC COMPANY, and PACIFIC POWER & LIGHT COMPANY, now PACIFICORP. Inc.

All terms defined in the Transmission Agreement shall have the same meanings when used in this Amendment No. 3.

WHEREAS, the last paragraph of Section 28 of the current Transmission Agreement provides that certain transfers or assignments of an interest in the Transmission System may not be made unless simultaneously the Transmission Owner's User's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements which relate to the interest being transferred or assigned.

WHEREAS, this "simultaneous transfer" provision essentially requires for certain transfers or assignments that any Transmission Owner selling all or a part of its interest in the Transmission System to simultaneously sell its corresponding interest in Colstrip Units 3&4.

WHEREAS, in order to recognize functional unbundling between generation and transmission as required by Federal Energy Regulatory Commission (FERC) regulations, and to allow a Transmission Owner to sell or transfer all or a part of its interest in the Transmission System without selling or transferring its corresponding interest in Colstrip Units 3&4 as required by this "simultaneous transfer" requirement, the parties agree to amend the last paragraph of Section 28 of the Transmission Agreement by deleting in its entirety the first sentence in that paragraph, as shown by the following:

~~No transfer or assignment of any interest in the Transmission System or any part thereof pursuant to Sections 28(d), (e), (f) or (g) may be made unless simultaneously the Transmission Owner's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements, which relate to the interest being transferred or assigned.~~ Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

NOW, THEREFORE, the parties mutually agree to amend the Transmission Agreement as follows:

1. The last paragraph of Section 28 is deleted and the following paragraph is inserted in lieu thereof:

Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

2. The Transmission Agreement, as amended by Amendment No. 1, Amendment No. 2, and this Amendment No. 3, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 in several counterparts.

THE MONTANA POWER COMPANY

By: W. A. Pascoe
Its: Vice President

ATTEST:
F. K. Merrill
Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY, Inc.

By: [Signature]
Its: VICE PRESIDENT ENERGY SUPPLY

ATTEST:
[Signature]
Secretary

THE WASHINGTON WATER POWER COMPANY

By: _____
Its: _____

ATTEST:

Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By: _____

Its: _____

ATTEST:

Secretary

STATE OF MONTANA)
) ss.
County of Butte-Silver Bow)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared _____, known to me to be the _____ of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Montana
Residing at Butte, Montana
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of King)

On this 13th day of July, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared William A. Gaiser, known to me to be the Vice President Energy Supply of PUGET SOUND POWER & LIGHT COMPANY, now PUGET SOUND ENERGY, and acknowledged to me that he executed the within instrument on behalf of that corporation. Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Gail G. Swilard

Notary Public for the State of Washington
Residing at 3615 Emery Pt RD Medina WA
My Commission expires 10/17/98

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of THE WASHINGTON WATER POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____

AMENDMENT NO. 3 TO THE
COLSTRIP PROJECT TRANSMISSION AGREEMENT

This Amendment No. 3, effective as of _____, 1998 (the date signed by the last signing party), is made to that certain Colstrip Project Transmission Agreement entered into as of May 6, 1981, as amended by Amendment No. 1, entered into February 14, 1990, and Amendment No. 2, executed December 30, 1996, ("Transmission Agreement") by THE MONTANA POWER COMPANY, PUGET SOUND POWER AND LIGHT COMPANY, now PUGET SOUND ENERGY, THE WASHINGTON WATER POWER COMPANY, PORTLAND GENERAL ELECTRIC COMPANY, and PACIFIC POWER & LIGHT COMPANY, now PACIFICORP.

All terms defined in the Transmission Agreement shall have the same meanings when used in this Amendment No. 3.

WHEREAS, the last paragraph of Section 28 of the current Transmission Agreement provides that certain transfers or assignments of an interest in the Transmission System may not be made unless simultaneously the Transmission Owner's User's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements which relate to the interest being transferred or assigned.

WHEREAS, this "simultaneous transfer" provision essentially requires for certain transfers or assignments that any Transmission Owner selling all or a part of its interest in the Transmission System to simultaneously sell its corresponding interest in Colstrip Units 3&4.

WHEREAS, in order to recognize functional unbundling between generation and transmission as required by Federal Energy Regulatory Commission (FERC) regulations, and to allow a Transmission Owner to sell or transfer all or a part of its interest in the Transmission System without selling or transferring its corresponding interest in Colstrip Units 3&4 as required by this "simultaneous transfer" requirement, the parties agree to amend the last paragraph of Section 28 of the Transmission Agreement by deleting in its entirety the first sentence in that paragraph, as shown by the following:

~~No transfer or assignment of any interest in the Transmission System or any part thereof pursuant to Sections 28(d), (e), (f) or (g) may be made unless simultaneously the Transmission Owner's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements, which relate to the interest being transferred or assigned. Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.~~

NOW, THEREFORE, the parties mutually agree to amend the Transmission Agreement as follows:

1. The last paragraph of Section 28 is deleted and the following paragraph is inserted in lieu thereof:

Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

2. The Transmission Agreement, as amended by Amendment No. 1, Amendment No. 2, and this Amendment No. 3, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 in several counterparts.

THE MONTANA POWER COMPANY

By: Walter Pascoe
Its: Vice President

ATTEST:
P. K. Herrell
Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____
Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY

By: _____
Its: _____

ATTEST:

Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By:
Its: VICE PRESIDENT

ATTEST:

Secretary

STATE OF MONTANA)
) ss.
County of Butte-Silver Bow)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared _____, known to me to be the _____ of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Montana
Residing at Butte, Montana
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of King)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of PUGET SOUND POWER & LIGHT COMPANY, now PUGET SOUND ENERGY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

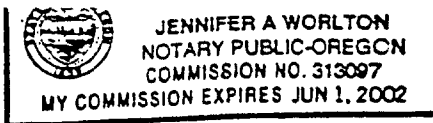
Notary Public for the State of Washington
Residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of THE WASHINGTON WATER POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____



STATE OF OREGON)
) ss.
County of Multnomah)

On this 11th day of July, 1998, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared Donald A. Furman, known to me to be the Vice President of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Jennifer A. Worlton
Notary Public for the State of Oregon
Residing at Multnomah County
My Commission expires 1

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana. personally appeared _____, known to me to be the _____ of PACIFIC POWER & LIGHT COMPANY, now PACIFICORP and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

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AMENDMENT NO. 3 TO THE
COLSTRIP PROJECT TRANSMISSION AGREEMENT

This Amendment No. 3, effective as of _____, 1998 (the date signed by the last signing party), is made to that certain Colstrip Project Transmission Agreement entered into as of May 6, 1981, as amended by Amendment No. 1, entered into February 14, 1990, and Amendment No. 2, executed December 30, 1996, ("Transmission Agreement") by THE MONTANA POWER COMPANY, PUGET SOUND POWER AND LIGHT COMPANY, now PUGET SOUND ENERGY, THE WASHINGTON WATER POWER COMPANY, PORTLAND GENERAL ELECTRIC COMPANY, and PACIFIC POWER & LIGHT COMPANY, now PACIFICORP.

All terms defined in the Transmission Agreement shall have the same meanings when used in this Amendment No. 3.

WHEREAS, the last paragraph of Section 28 of the current Transmission Agreement provides that certain transfers or assignments of an interest in the Transmission System may not be made unless simultaneously the Transmission Owner's User's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements which relate to the interest being transferred or assigned.

WHEREAS, this "simultaneous transfer" provision essentially requires for certain transfers or assignments that any Transmission Owner selling all or a part of its interest in the Transmission System to simultaneously sell its corresponding interest in Colstrip Units 3&4.

WHEREAS, in order to recognize functional unbundling between generation and transmission as required by Federal Energy Regulatory Commission (FERC) regulations, and to allow a Transmission Owner to sell or transfer all or a part of its interest in the Transmission System without selling or transferring its corresponding interest in Colstrip Units 3&4 as required by this "simultaneous transfer" requirement, the parties agree to amend the last paragraph of Section 28 of the Transmission Agreement by deleting in its entirety the first sentence in that paragraph, as shown by the following:

~~No transfer or assignment of any interest in the Transmission System or any part thereof pursuant to Sections 28(d), (e), (f) or (g) may be made unless simultaneously the Transmission Owner's rights under the Project Agreements which relate to such interest are similarly transferred or assigned to the same Person or Persons, and such Person or Persons have assumed in writing all the duties and obligations of the Transmission Owner making such transfer or assignment under the Project Agreements, which relate to the interest being transferred or assigned. Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.~~

NOW, THEREFORE, the parties mutually agree to amend the Transmission Agreement as follows:

1. The last paragraph of Section 28 is deleted and the following paragraph is inserted in lieu thereof:

Transfers or assignments shall not relieve any Transmission Owner of any obligation hereunder, except to the extent agreed in writing by all other Transmission Owners. Any attempted or purported transfer made other than in accordance with this Section 28 either voluntarily or by operation of law shall be void and of no effect.

2. The Transmission Agreement, as amended by Amendment No. 1, Amendment No. 2, and this Amendment No. 3, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 in several counterparts.

THE MONTANA POWER COMPANY

By: W. H. Pascoe
Its: Vice President

ATTEST:
P. K. Merrill
Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____
Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY

By: _____
Its: _____

ATTEST:

Secretary

STATE OF WASHINGTON)
) ss.
County of King)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of PUGET SOUND POWER & LIGHT COMPANY, now PUGET SOUND ENERGY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared _____, known to me to be the _____ of THE WASHINGTON WATER POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Washington
Residing at _____
My Commission expires _____

PORTLAND GENERAL ELECTRIC COMPANY

By:

[Signature]

DRN
LX
JMH

Its:

Senior Vice President

ATTEST:

[Signature]
Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By:

Its:

ATTEST:

Secretary

STATE OF MONTANA)
) ss.
County of Butte-Silver Bow)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared _____, known to me to be the _____ of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

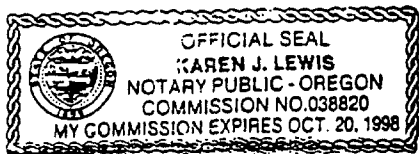
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Montana
Residing at Butte, Montana
My Commission expires _____

STATE OF OREGON)
) ss.
County of Multnomah)

On this 30 day of June, 1998, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared Walter E. Pollock, known to me to be the Senior Vice President of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Karen J. Lewis
Notary Public for the State of Oregon
Residing at Portland Oregon
My Commission expires 10/20/98

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared _____, known to me to be the _____ of PACIFIC POWER & LIGHT COMPANY, now PACIFICORP and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

AMENDMENT NO. 4 TO THE
COLSTRIP PROJECT TRANSMISSION AGREEMENT

This Amendment No. 4, effective as of April 27, ²⁰⁰⁰~~1999~~ (the date signed by the last signing party), is made to that certain Colstrip Project Transmission Agreement entered into as of May 6, 1981, as amended by Amendment No. 1, entered into February 14, 1990, Amendment No. 2, executed December 30, 1996, and Amendment No. 3, effective as of July 13, 1998, ("Transmission Agreement") by THE MONTANA POWER COMPANY ("Montana"), PUGET SOUND POWER AND LIGHT COMPANY, now PUGET SOUND ENERGY INC. ("Puget"), THE WASHINGTON WATER POWER COMPANY, now AVISTA CORP. ("Avista"), PORTLAND GENERAL ELECTRIC COMPANY ("Portland"), and PACIFIC POWER & LIGHT COMPANY, now PACIFICORP ("PacifiCorp").

All terms defined in the Transmission Agreement shall have the same meanings when used in this Amendment No. 4. Any defined terms using the singular or plural number also include the plural or singular number, respectively.

WHEREAS, the term "Allocation Computer" as used herein refers to the equipment and computer software primarily located at Montana Power Company's Systems Operations Control Center in Butte, Montana, which is used to measure the output of each owners' share of electrical generation from Colstrip Units 1& 2 and Colstrip Units 3&4 and allocates to each owner the associated transmission losses for their share of the generation output.

WHEREAS, the term "ATRs" as used herein refers to the acceleration trend relays, which include equipment and computer systems used to detect acceleration in the generation shafts of Colstrip Units 1&2 and Colstrip Units 3&4, and selectively trips the appropriate Colstrip unit(s) and the generation at the Montana One project, so that the electrically connected system meets the stability requirements of WSCC.

WHEREAS, the term "SSR Protection Systems" as used herein refers to the plant protection relay equipment that protects Colstrip Units 1&2 and Colstrip Units 3&4 against subsynchronous resonance.

WHEREAS, the term "1&2 Owners" as used herein has the same meaning as the defined term "Owners" in the Colstrip Units 1&2 Construction and Ownership Agreement dated July 30, 1971, between Montana and Puget, as amended.

WHEREAS, the term "Colstrip 3&4 Owners/Project Users" as used herein has the same meaning as the defined terms "Owners." and "Project Users" in the Colstrip Units 3&4 Ownership and Operation Agreement dated May 6, 1981, between Montana, Puget, Avista, Portland and PacifiCorp, as amended.

WHEREAS, this Amendment No. 4 is being entered into for two purposes. The first is to provide that the Allocation Computer and ATRs will be included in the Transmission System, consistent with the parties' agreement that ownership of the Allocation Computer and ATRs will be transferred at no cost from the Colstrip 1&2 Owners and the Colstrip 3&4 Owners/Project Users to the Transmission Owners. Under this Amendment No. 4, the Allocation Computer and ATRs shall be added to the description of the Transmission System in Exhibit A to the Transmission Agreement. The second purpose of this Amendment No. 4 is to clearly establish that the SSR Protection Systems are not part of the Transmission System, consistent with the

parties' agreement that the SSR Protection System for Colstrip Units 1&2 shall be owned, operated, and maintained by the Colstrip 1&2 Owners, and that the SSR Protection System for Colstrip Units 3&4 shall be owned, operated, and maintained by the Colstrip 3&4 Owners/Project Users. Under this Amendment No. 4, Section 6 of the Transmission Agreement, titled "Subsynchronous Resonance", shall be amended, and language shall be added to Exhibit A to the Transmission Agreement clearly stating that the SSR Protection Systems is not part of the Transmission System.

NOW, THEREFORE, the parties mutually agree to amend the Transmission Agreement as follows:

1. Section 6 is amended by deleting it in its entirety and replacing it with the following:

6. Subsynchronous Resonance

(a) Montana/Puget shall bear all costs of planning, engineering, acquisition, construction, operation and maintenance of any relay protection against SSR that is installed on Colstrip Units #1 and #2. Each Owner or Project User (as defined in the Ownership Agreement) shall bear its Project Share of all costs of planning, engineering, acquisition, construction, operation and maintenance of any relay protection against SSR that is installed on the Project.

(b) The Transmission Operator shall take all or some portion of Transmission System series capacitors out of service, reduce available Transmission System Capacity or take other reasonable action to avoid SSR on Colstrip Units #1 and #2 or the Project.

2. Exhibit A, attached to this Amendment No. 4, is substituted for the Exhibit A attached to Amendment No. 1 to the Transmission Agreement.

3. The Transmission Agreement as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3, and this Amendment No. 4, remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 4 in several counterparts.

THE MONTANA POWER COMPANY

By: W. J. Peterson

Its: Vice President,

Transmission Services

ATTEST:

Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: *[Signature]*
Its: Vice President, Energy Supply

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY
now Avista Corp

By: _____
Its: _____

ATTEST:

Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By: _____
Its: _____

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By: _____
Its: _____

ATTEST:

Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____

Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY
now Avista Corp

By: George Perka

Its: Sgt. Thermal Ops

ATTEST:

Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By: _____

Its: _____

ATTEST:

Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____

Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY
now Avista Corp

By: _____

Its: _____

ATTEST:

Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By: Walter Pallen *WRN*

Its: SR. Vice President
Power Supply

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFIC CORP

By: Alumman

Its: Vice Pres Generation

ATTEST:

Secretary

PUGET SOUND POWER & LIGHT COMPANY,
now PUGET SOUND ENERGY

By: _____

Its: _____

ATTEST:

Secretary

THE WASHINGTON WATER POWER COMPANY
now Avista Corp

By: _____

Its: _____

ATTEST:

Secretary

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

Its: _____

ATTEST:

Secretary

PACIFIC POWER & LIGHT COMPANY,
now PACIFICORP

By: *[Signature]*
Its: VICE PRES. GENERATIONS

ATTEST:

Secretary

STATE OF MONTANA)
) ss.
County of Butte-Silver Bow)

On this 27 day of APRIL, ²⁰⁰⁰1998, before me, the undersigned Notary Public in and for the State of Montana, personally appeared WILLIAM A. PASCOE, known to me to be the VICE PRESIDENT TRANSMISSION SERVICE of THE MONTANA POWER COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Henry Hunt
Notary Public for the State of Montana
Residing at Butte, Montana
My Commission expires JANUARY 15 2003

STATE OF WASHINGTON)
) ss.
County of King)

On this 13 day of December, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared William A. Grines, known to me to be the Vice President, Energy Supply of PUGET SOUND POWER & LIGHT COMPANY, now PUGET SOUND ENERGY, INC. and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

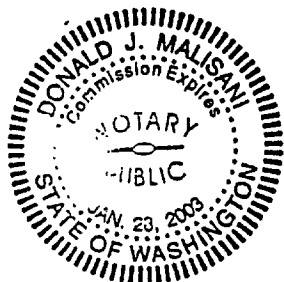


Carol A. Nelson
Notary Public for the State of Washington
Residing at 17408 NE 34 St Redmond WA 98052
My Commission expires 7-20-01

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 29th day of October, 1998, before me, the undersigned Notary Public in and for the State of Washington, personally appeared George Perks, known to me to be the Supt of Thermal Operations of THE WASHINGTON WATER POWER COMPANY, now AVISTA CORP. and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Donald J. Malisani
Notary Public for the State of Washington
Residing at Cheney, WA
My Commission expires January 23, 2003

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____, 1998, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared _____, known to me to be the _____ of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

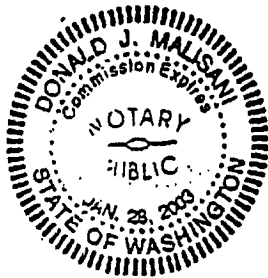
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Oregon
Residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 29th day of October, 1998⁹, before me, the undersigned Notary Public in and for the State of Washington, personally appeared George Perks, known to me to be the Supt of Thermal Operations of THE WASHINGTON WATER POWER COMPANY, now AVISTA CORP, and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Donald J. Malisan
Notary Public for the State of Washington
Residing at Clancy, WA
My Commission expires January 28, 2003

STATE OF OREGON)
) ss.
County of Multnomah)

On this 5th day of April, 2000, before me, the undersigned Notary Public in and for the State of Oregon, personally appeared Walter E. Pollock, known to me to be the Senior Vice President of PORTLAND GENERAL ELECTRIC COMPANY and acknowledged to me that he executed the within instrument on behalf of that corporation.

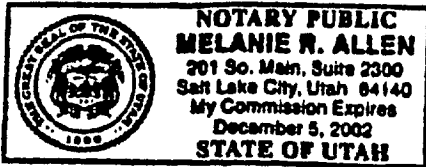
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Karen L. Lewis
Notary Public for the State of Oregon
Residing at Multnomah County Or.
My Commission expires Oct. 20, 2000

STATE OF OREGON ^{Utah})
County of Multnomah ^{Salt Lake}) ss.

On this ^{8th} day of ^{September}, 1998, before me, the undersigned Notary Public in and for the State of ~~Montana~~, personally appeared ^{Utah} Barry G. Cunningham known to me to be the Vice President of PACIFIC POWER & LIGHT COMPANY, now PACIFICORP and acknowledged to me that he executed the within instrument on behalf of that corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Melanie R. Allen
Notary Public for the State of ~~Oregon~~ ^{Utah}
Residing at Salt Lake City, Utah
My Commission expires 12-5-02

Page 1 of 5
Exhibit A
Colstrip Project
Transmission Agreement
Amendment No. 4 Version

DESCRIPTION OF TRANSMISSION SYSTEM

The Colstrip Transmission System under this Agreement consists of the following listed facilities constructed and/or reconstructed for transmitting the output of Colstrip Generating Units #1, #2, #3 and #4 from the general vicinity of Colstrip, Montana to the interconnection with Bonneville Power Administration near Townsend, Montana and includes specifically enumerated facilities at various interconnection points with Montana's Transmission System at Colstrip and Broadview, and with the Generating Units at Colstrip.

The transmission line sections listed below are construed to include all poles, towers, tower functions, counterpoise, fixtures, conductors, insulators, overhead ground (shield) wires, fences, roads, trails, real property and property rights, and other appurtenances necessary to construct, operate, and maintain the given transmission line section.

The subsection and switchyards listed below are construed to include all electrical switchgear, transformers, reactors, capacitors, poles, towers, bus structures, bus conductors and insulators, foundations, control houses, relays, batteries, meters and metering equipment, local control devices, ground mats, raceways, wireways, conduits, potential devices, railroad spurs, real property and property rights, and other appurtenances necessary to construct, operate and maintain the given substation or switchyard as that operation pertains to the 500 kV line sections and their intended operation.

The real property and property rights associated with the specific facilities are listed separately in Exhibit "B."

All voltages listed are nominal.

COLSTRIP-BROADVIEW SEGMENT

500 kV Transmission Line Sections

1. One overhead 500 kV line, approximately 116 miles long, extending from the Colstrip 500 kV switchyard to the Broadview 500 kV switchyard NW of Billings, Montana.
2. One existing overhead 500 kV line, that was previously operated as a double circuit 230 kV line and which was converted to a single circuit 500 kV line, extending approximately 113 miles from the Colstrip 500 kV switchyard to the Broadview 500 kV switchyard NW of Billings, Montana.

Page 2 of 5
 Exhibit A
 Colstrip Project
 Transmission Agreement
 Amendment No. 4 Version

500 kV Switchyards and Substations

3. The Colstrip 500 kV switchyard immediately east of Montana's existing Colstrip 230 kV switchyard and substation, including the following major equipment and associated structures and facilities:
- 7 – 500 kV Power Circuit Breakers
 - 2 Banks – 500 kV Shunt Line Reactors (approx. 100 Mvar. each)
 - 2 Banks – 500/230/34.5 kV, Autotransformers (approx. 300/400/500 Mva. each)
 - 2 – 230 kV 3 Ø Disconnect Switches to Interconnect with Montana's Existing 230 kV Bus
 - 2 Banks – 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 45 Mvar. each)
 - 34.5 kV Station Power Transformers
 - Ground Mat, Excluding Underground Ties to the Plant Ground Mat
 - Conduits to Montana's 230 kV Switchyard Control House and to the Generating Units #1, #2, #3 and #4 Extending Only to the First Manhole Outside the Switchyard Fence
 - Control Cables to Montana's 230 kV Switchyard Control House, but Excluding Such Cables to the Generating Units #1, #2, #3, and #4.
 - Fencing, Except Immediately Adjacent to Montana's Existing 230 kV Switchyard
 - 1 – Control House, including Supervisory Control, Telemetry, Relaying and Other Equipment and Devices therein
 - 1 – Emergency Internal Combustion Generator Set
4. A portion of the Broadview 500 kV switchyard immediately north of Montana's existing Broadview 230 kV switchyard and substation, including the following major equipment and associated structures and facilities related to the Colstrip-Broadview 500 kV lines and the Broadview 500/230/34.5 kV Autotransformers:
- All 500 kV Transmission Line Relays
 - 2 Banks – 500 kV Shunt Line Reactor (approx. 100 Mvar. each), including relays
 - 2 Banks – 500 kV Series Capacitors, including relays
 - 1 Bank – 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 90 Mvar.), including relays
 - 1/3 of 2 Banks – 500/230/34.5 kV Autotransformers (approx. 360/480/600 Mva. each), including relays
 - 7/18 of the following Common Facilities:
 - 7 – 500 kV Power Circuit Breakers and 500 kV Buswork
 - 230 kV Buswork to Interconnect at Two Existing Disconnect Switches in Montana's 230 kV bus
 - 2 – 34.5 kV Station Power Transformers
 - Fencing, Except Immediately Adjacent to Montana's Existing 230 kV Switchyard
 - 1 – Switchyard Control House
 - 1 – Warehouse

Page 3 of 5
 Exhibit A
 Colstrip Project
 Transmission Agreement
 Amendment No. 4 Version

1 – Emergency Internal Combustion Generation Set
 Supervisory Control, Telemetering, Relaying and Other Equipment and
 Devices in the Control House which are Directly Related to the
 Common Facilities Listed Herein

- * Not including 2/3 owned exclusively by Montana
- ** Not Including 2/9 owned exclusively by Montana
- *** Allocations of Common Facilities are based on the following:

1st level – between line positions and transformer positions:
 2/6 to transformers and 4/6 to lines
 2nd level – between Transmission System and Montana:
 Transformers: 1/3 to Transmission System and 2/3 to Montana
 Lines: 100% to Transmission System and 0% to Montana
 3rd level – between Segments:
 Transmission System: ½ to Colstrip-Broadview Segment and
 ½ to Broadview-Townsend Segment
 Allocation to Colstrip-Broadview Segment of Transmission System is therefore:

$$\frac{1}{2} (1 \times \frac{4}{6} + \frac{1}{3} \times \frac{2}{6}) = \frac{7}{18}$$

Allocation Computer and ATRs

5. One-half (½) of the Allocation Computer and ATRs.

The term "Allocation Computer" as used herein refers to the equipment and computer software primarily located at Montana Power Company's Systems Operations Control Center in Butte, Montana, which is used to measure the output of each owners' share of electrical generation from Colstrip Units 1& 2 and Colstrip Units 3&4 and allocates to each owner the associated transmission losses for their share of the generation output.

The term "ATRs" as used herein refers to the acceleration trend relays, which include equipment and computer systems used to detect acceleration in the generation shafts of Colstrip Units 1&2 and Colstrip Units 3&4, and selectively trips the appropriate Colstrip unit(s) and the generation at the Montana One project, so that the electrically connected system meets the stability requirements of WSCC.

BROADVIEW-TOWNSEND SEGMENT

500 Kv Transmission Line Sections

1. Two overhead 500 kV lines. each approximately 133 miles long, extending from the Broadview 500 kV switchyard to the interconnection point with Bonneville Power Administration's 500 kV double-circuit line near Townsend, Montana.

Page 4 of 5
 Exhibit A
 Colstrip Project
 Transmission Agreement
 Amendment No. 4 Version

500 kV Switchyards and Substations

2. A portion of the Broadview 500 kV switchyard immediately north of Montana's existing Broadview 230 kV switchyard and substation including the following major equipment and associated structures and facilities related to the Broadview-Townsend 500 kV lines:

All 500 kV Transmission Line Relays

2 Banks - 500 kV Shunt Line Reactors (approx. 225 Mvar. each) including relays

2 - Neutral Reactors for Single Pole Switching, including relays

1 Bank - 34.5 kV Switchable Shunt Reactors for System Voltage Control (approx. 90 Mvar.), including relays

** 7/18 of the following Common Facilities:

- ****
- 7 - 500 kV Power Circuit Breakers and 500 kV Buswork
 - 230 kV Buswork to Interconnect at Two Existing Disconnect Switches in Montana's 230 kV Bus
 - 2 - 34.5 kV Station Power Transformers
 - Fencing, Except Immediately Adjacent to Montana's Existing 230 kV Switchyard
 - 1 - Switchyard Control House
 - 1 - Warehouse
 - 1 - Emergency Internal Combustion Generation Set
 - Supervisory Control, Telemetry, Relaying and Other Equipment and Devices in the Control House which are Directly Related to the Common Facilities Listed Herein

** Not including 2/9 owned exclusively by Montana

**** Allocations of Common Facilities are based on the followings:

1st level - between line positions and transformer positions:

2/6 to transformers and 4/6 to lines

2nd level - between Transmission System and Montana:

Transformers: 1/3 to Transmission System and 2/3 to Montana

Lines: 100% to Transmission System and 0% to Montana

3rd level - between Segments:

Transmission System: 1/2 to Colstrip-Broadview Segment and

1/2 to Broadview-Townsend Segment

Allocation to Broadview-Townsend Segment of Transmission System is therefore:

$$\frac{1}{2} (1 \times \frac{4}{6} + \frac{1}{3} \times \frac{2}{6}) = \frac{7}{18}$$

Page 5 of 5
Exhibit A
Colstrip Project
Transmission Agreement
Amendment No. 4 Version

Allocation Computer and ATRs

3. One-half ($\frac{1}{2}$) of the Allocation Computer and ATRs.

The term "Allocation Computer" as used herein refers to the equipment and computer software primarily located at Montana Power Company's Systems Operations Control Center in Butte, Montana, which is used to measure the output of each owners' share of electrical generation from Colstrip Units 1& 2 and Colstrip Units 3&4 and allocates to each owner the associated transmission losses for their share of the generation output.

The term "ATRs" as used herein refers to the acceleration trend relays, which include equipment and computer systems used to detect acceleration in the generation shafts of Colstrip Units 1&2 and Colstrip Units 3&4, and selectively trips the appropriate Colstrip unit(s) and the generation at the Montana One project, so that the electrically connected system meets the stability requirements of WSCC.

OTHER

The SSR Protection Systems are not included in the Transmission System.

The term "SSR Protection Systems" as used herein refers to the plant protection relay equipment that protects Colstrip Units 1&2 and Colstrip Units 3&4 against subsynchronous resonance.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2301

ER Name: Contractual Required Project: Tribal Permits

Pro Forma Amount: \$519,000

Expended to date: 33,254.50 (Project Task Summary Attached)

2010 Transfer to Plant Date: Quarterly during 2010

Project Description:

Contractual Required Projects: Tribal Permits: The Company has approximately 300 right-of-way permits on tribal reservations that need to be renewed. The costs include labor, appraisals, field work, legal review, GIS information, negotiations, survey (as needed), and the actual fee for the permit. This work is required to maintain right of ways, therefore there are no additional offsets or savings that will be achieved.

This is an ongoing project which requires individual negotiations on each parcel and ultimate approval by the Bureau of Indian Affairs. The amount included above is for 2010 only and will be updated for each succeeding year depending upon progress in the budget year. The Company estimates spending the following amounts as listed in attached CPRs:

Project	Description	Amount
02805430	Colville Tribe DE Permits	50,000
02805431	Spokane Tribe DE Permits	40,000
03805113	Nez Perce Distribution	150,000
03805207	Coeur d'Alene Tribe DE Permits	20,000
29905074	Spokane Tribe TE Permits	10,000
34505000	Coeur d'Alene Tribe 230kV Permits	50,000
39905017	Nez Perce Easements	44,610
39905043	Coeur d'Alene Tribe Permits	30,000
-	Other misc. projects	124,390
Total		519,000

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Timeline:

The timeline is completely dependent on the speed at which negotiations are completed. While there is not specific timeline, it is in the best interest of Avista to complete this work as soon as possible to avoid potentially increasing costs.

Additional Information:

- Project Task Summary pg. 3-4
- Capital Project Request (CPR) Forms, including all attachments. pg. 6-13
- Memo from Teri Patton to Debbie Deubel indicating \$600,000 budget. pg. 14-15
Budget was later reduced to \$519,000.
- Labor costs for Pole inventories on all Reservations pg. 16
(based on similar 2007 inventories)

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

ACCOUN (All)

REPOR` SUMI PR PROJE(TASK_ NUI VENDOR_ TRANSAC EMPLOYEE_ NAME	Amount
CAP	
Labor	
02805430	
Colville Tribe DE Permits	
107110	
(blank)	
(blank)	
Brodrick, Nicola R	678
02805431	
Spokane Tribe DE Permits	
107110	
(blank)	
(blank)	
Brodrick, Nicola R	565
03805113	
Nez Perce Distribution	
107110	
(blank)	
(blank)	
Brodrick, Nicola R	339
03805207	
CDA Tribe DE Permits	
107110	
(blank)	
(blank)	
Brodrick, Nicola R	113
Filler, Bill S	1489.8
Humlicek, David J	540
29905074	
Spokane Tribe TE Permits	
107300	
(blank)	
(blank)	
Brodrick, Nicola R	113
34505000	
CDA Tribe 230kv Permits	
107300	
(blank)	
(blank)	
Brodrick, Nicola R	339
39905017	
Lolo Nez Perce Easements	
107300	
(blank)	
(blank)	
Brodrick, Nicola R	1243
Daniels, Randy J	3183.06
Malisani, Donald J.	215.85
39905043	
Couer d Alene Tribe Permits	
107300	
(blank)	

Labor 399 Couer d 107300	(blank)	(blank)	
		Brodrick, Nicola R	226
Non-Labor			
02805430			
Colville Tribe DE Permits			
107110			
	PAINE HAMBLLEN LLP		
	COLVILLE RESERVATION RIGHTS		
	(blank)		384.7
	LEGAL SVC		
	(blank)		3443.21
	(blank)		
	(blank)		
	(blank)		1273.65
02805431			
Spokane Tribe DE Permits			
107110			
	PAINE HAMBLLEN LLP		
	LEGAL SVC		
	(blank)		390.41
	SPOKANE RESERVATION RIGHTS		
	(blank)		448.25
	(blank)		
	(blank)		
	(blank)		738.09
03805113			
Nez Perce Distribution			
107110			
	PAINE HAMBLLEN LLP		
	LEGAL SVC		
	(blank)		1447.72
	NEZ PERCE ALLOTMENT RIGHTS		
	(blank)		50.96
	(blank)		
	(blank)		
	(blank)		579.73
107200			
	PAINE HAMBLLEN LLP		
	NEZ PERCE ALLOTMENT RIGHTS		
	(blank)		719.24
	(blank)		
	(blank)		
	(blank)		98.89
03805207			
CDA Tribe DE Permits			
107110			
	(blank)		
	(blank)		
	(blank)		3632.28
29905074			
Spokane Tribe TE Permits			
107300			
	PAINE HAMBLLEN LLP		
	LEGAL SVC		
	(blank)		390

299 Spokane 107300	PAINE HAM SPOKANE RESERVATION RIGHTS	
	(blank)	448.25
	(blank)	
	(blank)	
	(blank)	368.91
34505000		
	CDA Tribe 230kv Permits	
	107300	
	(blank)	
	(blank)	
	(blank)	455.82
39905017		
	Lolo Nez Perce Easements	
	107300	
	PAINE HAMBLELLP	
	LEGAL SVC	
	(blank)	1447.72
	NEZ PERCE ALLOTMENT RIGHTS	
	(blank)	770.19
	(blank)	
	(blank)	
	(blank)	6817.91
39905043		
	Couer d Alene Tribe Permits	
	107300	
	(blank)	
	(blank)	
	(blank)	303.87
Grand Total		33254.5



CAPITAL PROJECT REQUEST FORM

Request Type		Project(s)	
Select		02865430	
ER 2301	Budget Category 3 Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Colville Tribe DE Permits
Long Project Name (100 Characters) Colville Tribe Distribution Permits & Settlements			'Parent' Code
Approved Budget	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 49	ER Sponsor V08
		Revenue Type NA- Not Applicable	BI Number WD 906
Billing		Billing Contact	WMS Job #
			Rate Jurisdiction WA-Washington
			Location 028-Washington
			Project Start Date 10/01/2009

Project Description (Include Purpose and Necessity - 240 Characters)
 Project involves costs and labor associated with renewing distribution permits for existing Avista facilities that cross the Colville Indian Reservation which have expired or will be expiring in the near future

Long-Name Count
210

CONSTRUCTION				Budget Authorized: \$50,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	
Task	3XXXXX	By FERC Number	By FERC Number	Date	
107110	360400	(for 2010; 2011 and 2012 yet to be determined)	\$50,000	Project Set Up By	10/14/09
				Approved By	

APPROVALS			
SIGNATURE		DATE	
GROSS ADDITIONS	\$50,000	Signature	Marian Durkin 9/17/09
Cost of Removal By FERC (3XXXXX)		Print Name	MARIAN DURKIN
		Signature	
		Print Name	
Total Removal		Signature	
Salvage By FERC (3XXXXX)		Print Name	
		Signature	
Total Salvage		Print Name	
Total Removal Less Salvage		Signature	
		Print Name	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task

Project Contact & Extension Teri Patton, x 4663 *tlp*

APPROVAL SIGNATURE(S) REQUIRED	
Sub Task	To \$99,999 - Director
	\$100,000-\$499,999 - VP or GM Utility
	\$500,000-\$2,999,999 - Sr Vice President/CFO
	\$3,000,000-\$9,999,999 - President/CEO/COO
	Over \$10,000,000 - Board Chair
	Out-of-Budget - Capital Budget Committee

Date Prepared: 09/17/09

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT \$50,000

Date Work Completed

Foreman/ Supervisor

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)



CAPITAL PROJECT REQUEST FORM

ER 2301	Budget Category 3 Maintenance	Use Tab Key Service Code ED-Electric Direct	(CPR) Project Title (30 Characters) Spokane Tribe DE Permits	Request Type Select	Project(s) 02805431
Long Project Name (100 Characters) Spokane Tribe Distribution Permits & Settlements				Project Title Count 24	'Parent' Code
Approved Budget	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 48	ER Sponsor V08	BI Number SD 902	WMS Job # Rate Jurisdiction WA-Washington
Billing		Revenue Type NA- Not Applicable	Billing Contact		Location 028-Washington Project Start Date 10/01/2009

Project Description (Include Purpose and Necessity - 240 Characters)
 Project involves costs and labor associated with renewing distribution permits for existing Avista facilities that cross the Spokane Indian Reservation which have expired or will be expiring in the near future

Long Name Count
209

CONSTRUCTION				Budget Authorized: \$40,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	
Task	3XXXXX	By FERC Number	By FERC Number	Date	
107110	30400	\$40,000		Project Set Up By	
		(for 2010; 2011 and 2012 yet to be determined)		Approved By	10/14/09

APPROVALS			
		SIGNATURE	DATE
GROSS ADDITIONS		\$40,000	
Cost of Removal By FERC (3XXXXX)			
Total Removal			
Salvage By FERC (3XXXXX)			
Total Salvage			
Total Removal Less Salvage			

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task	Project Contact & Extension	Teri Patton, x 4663
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APPROVAL SIGNATURE(S) REQUIRED	
Sub Task	To \$99,999 - Director
	\$100,000-\$499,999 - VP or GM Utility
	\$500,000-\$2,999,999 - Sr Vice President/CFO
	\$3,000,000-\$9,999,999 - President/CEO/COO
	Over \$10,000,000 - Board Chair
	Out-of-Budget - Capital Budget Committee

Date Prepared: 09/17/09

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT	\$40,000
Date Work Completed	
Foreman/Supervisor	

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)



Approved
10/5/07
2/8
Corp.

CAPITAL PROJECT REQUEST FORM

(CPR)

Exhibit No. (SJK-4), Schedule 11

Request Type

PROJECT

Select

03905113

ER 2301	Budget Cat 3	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Nez Perce Distribution	Project Chars 22	LOCATION 038
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PROJECT DESCRIPTION (250 CHARS)

APPROVED BUDGET

Description Chars Count

ORGANIZATION

V08-408

B/I NUMBER

LD 703

WMS (Y OR N)

N

RATE JURISDICTION

Idaho

BILLING

Don Malisani

BILLING CONTACT

PROJECT START DATE

09/01/2007

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

Nez Perce Distribution: Purpose is to account for costs associated in the conversion of expired permits covering distribution lines over tribal allotments on Nez Perce Reservation to easements. Tribe threatened lawsuit for trespass; claims are being settled through mediation.

Long Name Count

277

CONSTRUCTION

	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
107116	302000	150,000	
	364000		
GROSS ADDITIONS			
N SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared: 10/03/2007			
TOTAL COST OF PROJECT			

Total Construction Cost 100,000 \$150,000

NOT REQUIRED
BUDGET AUTHORIZATION
PREVIOUSLY APPROVED
THIS AFE
TOTAL TO DATE
BALANCE NOT APPROVED

APPROVALS

SIGNATURE	DATE
	10/4/2007

Project Contact Terry Patton

APPROVAL SIGNATURE(S) REQUIRED

- To \$99,999 - Director
- \$100,000-\$499,999 - VP or GM Utility
- \$500,000-\$1,999,999 - Sr Vice President
- \$2,000,000-\$2,999,999 - CFO
- \$3,000,000-\$4,999,999 - President/COO
- \$5,000,000-\$9,999,999 - CEO
- Over \$10,000,000 - Board Chair
- Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed

Foreman/ Supervisor

Tribal Permits



CAPITAL PROJECT REQUEST FORM

Request Type Select		Project(s) 03805207	
ER 2301	Budget Category 3 Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Coeur d'Alene Tribe DE Permits
Long Project Name (100 Characters) Coeur d'Alene Tribe Distribution Permits & Settlements			'Parent' Code
Approved Budget	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 54	ER Sponsor V08
		Revenue Type NA- Not Applicable	BI Number CD 903
Billing		Billing Contact	WMS Job # Rate Jurisdiction 038-Idaho
			Location 038-Idaho
			Project Start Date 10/01/2009

Project Description (Include Purpose and Necessity - 240 Characters)
Project involves costs and labor associated with renewing distribution permits for existing Avista facilities that cross the Coeur d'Alene Indian Reservation which have expired or will be expiring in the near future

Long Name Count
215

CONSTRUCTION			Budget Authorized:	\$20,000
Office Use only	FERC	Estimated Amount	As Built Amount	
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only
107110	107110	\$20,000		Date
	360400	(for 2010; 2011 and 2012 yet to be determined)		Project Set Up By
				Approved By
				10/14/09

APPROVALS	
SIGNATURE	DATE
GROSS ADDITIONS \$20,000	Signature <i>Marie Durkin</i>
Cost of Removal By FERC (3XXXXX)	Print Name <i>MARIAN DURKIN</i>
	Signature
	Print Name
	Signature
Total Removal	Signature
Salvage By FERC (3XXXXX)	Print Name
	Signature
	Print Name
Total Salvage	Signature
Total Removal Less Salvage	Print Name

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task	Project Contact & Extension Teri Patton, x 4663
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APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM. COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

Date Prepared: 09/17/09

TOTAL COST OF PROJECT	\$20,000
Date Work Completed	
Foreman/Supervisor	

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)



CAPITAL PROJECT REQUEST FORM
(CPR)

ER 2301	Budget Category Maintenance	Use Tab Key Service Code ED-Electric Direct	Project Title (30 Characters) Spokane Tribe TE Permits		Request Type Select 24	Project(s) 29905074
Long Project Name (100 Characters) Spokane Tribe 115kV Transmission Permits & Settlements						'Parent' Code
Approved Budget	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 54	ER Sponsor V08	BI Number ST 904	WMS Job #	Rate Jurisdiction AN-Allocated North
Billing	Billing Contact				Location 299-115kv line WA	Project Start Date 10/01/2009

Project Description (Include Purpose and Necessity - 240 Characters)
Project involves costs and labor associated with renewing 115kV transmission permits for existing Avista facilities that cross the Spokane Indian Reservation which have expired or will be expiring in the near future

Long Name Count
215

CONSTRUCTION				Budget Authorized: \$10,000	
Office Use only Task	FERC 3XXXXX	Estimated Amount By FERC Number	As Built Amount By FERC Number	Office Use Only	Date
107300	352400	\$10,000 (for 2010; 2011 and 2012 yet to be determined)		Project Set Up By	
				Approved By	10/14/09

APPROVALS			
		SIGNATURE	DATE
GROSS ADDITIONS		\$10,000	
Cost of Removal By FERC (3XXXXX)			
Total Removal			
Salvage By FERC (3XXXXX)			
Total Salvage			
Total Removal Less Salvage			

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task

Project Contact & Extension Teri Patton, x 4663 *tlp*

APPROVAL SIGNATURE(S) REQUIRED	
Sub Task	To \$99,999 - Director
	\$100,000-\$499,999 - VP or GM Utility
	\$500,000-\$2,999,999 - Sr Vice President/CFO
	\$3,000,000-\$9,999,999 - President/CEO/COO
	Over \$10,000,000 - Board Chair
	Out-of-Budget - Capital Budget Committee

Date Prepared: 09/17/09

TOTAL COST OF PROJECT \$10,000

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM. COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

Questions: contact Project and Fixed Asset Accounting
(Sue ext-4472 or Howard ext-2936)

Date Work Completed

Foreman/
Supervisor



CAPITAL PROJECT REQUEST FORM

Request Type Select		Project(s) 34505010	
ER 2301	Budget Category Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Coeur d'Alene Tribe 230kV Permits -
Long Project Name (100 Characters) Coeur d'Alene Tribe - Benewah-PineCreek230kV Transmission Permits & Settlements			'Parent' Code
Approved Budget	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 79	ER Sponsor V08
		Revenue Type NA- Not Applicable	BI Number CT 902
Billing		Billing Contact	WMS Job # 345-Benewah-Pine Cr 230 Project Start Date 10/01/2009

Project Description (Include Purpose and Necessity - 240 Characters)
 Project involves costs and labor associated with renewing permits for existing Avista Benewah-Pine Creek 230kV transmission line that cross the Coeur d'Alene Indian Reservation which have expired or will be expiring in the near future

Long Name Count
234

CONSTRUCTION		Budget Authorized:	
Office Use only	FERC	Estimated Amount	As Built Amount
Task	3XXXXX	By FERC Number	By FERC Number
	107300	\$50,000	
(10)300	350 400	(for 2010; 2011 and 2012 yet to be determined)	
		Project Set Up By	
		Approved By	
		Date	

APPROVALS		SIGNATURE	DATE
GROSS ADDITIONS	\$50,000	Signature <i>Marian Durkin</i>	9/17/09
Cost of Removal By FERC (3XXXXX)		Print Name MARIAN DURKIN	
		Signature	
		Print Name	
		Signature	
Total Removal		Signature	
Salvage By FERC (3XXXXX)		Print Name	
		Signature	
		Print Name	
Total Salvage		Signature	
Total Removal Less Salvage		Print Name	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task

Project Contact & Extension Teri Patton, x 4663 *tp*

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

Date Prepared: 09/17/09

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT \$50,000

Date Work Completed

Foreman/
Supervisor

Questions: contact Project and Fixed Asset Accounting
(Sue ext-4472 or Howard ext-2936)



Approved
1/3/07
[Signature]

CAPITAL PROJECT REQUEST FORM (CPR)

Exhibit No. (SJK-4), Schedule 11

Request Type	PROJECT
Select	39905017

ER 2361	Budget Cat 3	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Lolo - Nez Perce Easements 115kV	Project Chars 19	LOCATION 299399
---------	--------------	-----------------	---	------------------	-----------------

PROJECT DESCRIPTION (250 CHARS)

Lolo-Nez Perce 115kV line: Convert expired permits to easements

APPROVED BUDGET
<input checked="" type="checkbox"/>

Description Chars Count	ORGANIZATION
65	V08

B/I NUMBER	WMS (Y OR N)
L0702	n

RATE JURISDICTION
AN

BILLING

BILLING CONTACT

PROJECT START DATE
Aug-06

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

Lolo-Nez Perce 115kV Transmission Line: purpose is to account for dollars expended in converting expired permits to easements on tribal allotments on Nez Pece Reservation. Tribe threatened lawsuit for trespass; claims are settled through mediation

Long Name Count
249

	FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT
	3XXXXX	BY FERC NUMBER	BY FERC NUMBER
107300	000350	44,610	
GROSS ADDITIONS			
NET SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			

Total Construction Cost	\$44,610
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Bandy Stewart	1/2/07

Project Contact	Teri Patton, x 4663
-----------------	---------------------

APPROVAL SIGNATURE(S) REQUIRED
To \$99,999 - Director
\$100,000-\$499,999 - VP or GM Utility
\$500,000-\$1,999,999 - Sr Vice President
\$2,000,000-\$2,999,999 - CFO
\$3,000,000-\$4,999,999 - President/COO
\$5,000,000-\$9,999,999 - CEO
Over \$10,000,000 - Board Chair
Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Prepared:	01/02/2007
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Date Work Completed	
Foreman/Supervisor	

TOTAL COST OF PROJECT	
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Approved 12/15/08
 Corp.

CAPITAL PROJECT REQUEST FORM (CPR)

Exhibit No. (SJK-4), Schedule 11

Request Type Select	PROJECT 39905043
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ER 2301	Budget Cat 53	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Coeur d'Alene Tribe Permits	Project Chars 27	LOCATION 399
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PROJECT DESCRIPTION (250 CHARS)

Convert Coeur d'Alene tribal permits to easements TRANSMISSION

APPROVED BUDGET
 X

Description Chars Count 219	ORGANIZATION V08 L08	B/I NUMBER CT700	WMS (Y OR N) N	RATE JURISDICTION AN
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BILLING

BILLING CONTACT	PROJECT START DATE Jan-09
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LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

In conjunction with the relicensing of the Spokane River project, the Coeur d'Alene tribe requested that expired or nearly expired tribal permits regarding Avista facilities be renewed by converting them to easements.

Long Name Count

CONSTRUCTION			
	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$30,000	land prep
	350400		rights
	350400		
	107300		
GROSS ADDITIONS		\$30,000	
N	SALVAGE BY FERC (3XXXXX)		
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared:			
TOTAL COST OF PROJECT		\$30,000	

Total Construction Cost	\$30,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
<i>Don Malison</i>	12/15/2008
<i>Dennis L. Honey</i>	

Project Contact | Teri Patton, ext. 4663

APPROVAL SIGNATURE(S) REQUIRED
To \$99,999 - Director
\$100,000-\$499,999 - VP or GM Utility
\$500,000-\$1,999,999 - Sr Vice President
\$2,000,000-\$2,999,999 - CFO
\$3,000,000-\$4,999,999 - President/COO
\$5,000,000-\$9,999,999 - CEO
Over \$10,000,000 - Board Chair
Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/ Supervisor	

Transmission.

Patton, Teri

From: Patton, Teri
Sent: Saturday, October 17, 2009 6:07 PM
To: Deubel, Debbie; Lee, Julie
Subject: FW: Capital Budget

Importance: High

Well, wouldn't you know it. The moment I think I've got it figured out I realized I did something wrong. I put in 100% of Nicola's labor, when it was supposed to be 80%. I recalculated everything – please note changes below. I just went into the system (at 4:30 Saturday) and made the changes. The corrections are in Blue.

Teri

From: Patton, Teri
Sent: Friday, October 16, 2009 3:03 PM
To: Deubel, Debbie; Lee, Julie
Subject: Capital Budget

Well ladies, I think I have the capital budget submitted for ER 2301

It should be as follows:

903	\$17,114 – Other	\$18,461
	\$ 2,886 – Labor	\$ 1,539
	\$ 0 - Legal	
	\$20,000 – TOTAL	
CT 700	\$26,077 – Other	\$25,691
	\$ 1,923 – Labor	\$ 2,309
	\$ 2,000 - Legal	
	\$30,000 – TOTAL	
CT 902	\$42,188 – Other	\$43,151
	\$ 4,812 – Labor	\$ 3,849
	\$ 3,000 - Legal	
	\$50,000 – TOTAL	
LD 703	\$ 85,189 – Other	\$86,152
	\$ 4,811 – Labor	\$ 3,848
	\$ 10,000 – Legal	
	\$100,000 – TOTAL	
LT 731	\$245,569 – Other	\$248,455
	\$ 14,431 – Labor	\$ 11,545
	\$ 40,000 – Legal	
	\$300,000 – TOTAL	
SD 902	\$27,304 – Other	\$28,842

	\$ 7,696 – Labor	\$ 6,158
	\$ 5,000 – Legal	
	\$40,000 – TOTAL	
ST 904	\$ 8,075 – Other	\$8,461
	\$ 1,925 – Labor	\$1,539
	\$ 0 – Legal	
	\$10,000 – TOTAL	
WD 906	\$35,379 – Other	\$37,303
	\$ 9,621 – Labor	\$ 7,697
	\$ 5,000 – Legal	
	\$50,000 – TOTAL	

Total = \$602k

I used Non-construction General for Nicola's labor as the facilities are already constructed. She's doing basically the necessary paperwork (organizing and filing) as well computer data entry.

Toni has not gone in and approved the labor at this point, but I think we'll be okay.

Expense Summary - Nez Perce Pole Inventory 7/6/06 - 2/7/07			
	Labor	Expenses	Total
Engineering Technical Services - C08	30,437.79	13,288.33	43,726.12
Drafting - N08	40,212.24		40,212.24
IS/IT - P09		20,229.26	20,229.26
Totals	70,650.03	33,517.59	104,167.62
% of Total	67.82%	32.18%	100.00%

Total Number of Poles Inventoried	6,352
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Overall Cost per Pole - 2007	16.40
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Assumed Inflation at 3% per Year 2006 - 2010:

Overall Cost per Pole - 2010	18.46
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Tribal Reservation Pole Inventory 2010 - Project Estimate						
	Transmission	Distribution	Total	Adjusted Total = Total + 30%*	Cost per Pole (2010)	Total Inventory Cost
CDA Reservation	728	2037	2765	3595	\$ 18.46	\$ 66,354.47
Colville Reservation	0	1663	1663	2162	\$ 18.46	\$ 39,908.67
Spokane Reservation	32	1510	1542	2005	\$ 18.46	\$ 37,004.92
Project Totals	760	5210	5970	7761		\$ 143,268.06

* Assumed 30% poles not currently in AFM

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2307

ER Name: Idaho Road Sub - Boulder Rathdrum 115kV Transmission Line (Phase 2)

Pro Forma Amount: \$1,500,000

Expended to date: \$138,544

2010 Transfer to Plant Date: December 31, 2010

ER Description:

Growth has brought the need to construction the Idaho Road 1 15kV/13kV distribution substation, located at the northeast corner of Idaho Road and Prairie Avenue near Rathdrum, Idaho. Idaho Road Substation is located approximately five (5) miles southwest of Avista's existing Rathdrum 230kV/115kV/13kV station. The Boulder to Rathdrum (BLD-RAT) 115kV transmission line runs in an east/west path approximately one-half (1/2) mile south of the Idaho Road Substation location.

Phase 2 of the Substation Integration Project will connect the Idaho Road Substation directly to the Rathdrum Substation with a new transmission line, providing a four (4) mile loop (increased reliability) feed, and allowing the removal of approximately three and one-half (3-1/2) difficult access transmission line. Presently the substation is fed off the twenty (20) mile long BLD-RAT line via a ½ mile tap. An outage anywhere along the BLD-RAT will interrupt service to the Idaho Road Substation.

Additionally, approximately two (2) miles of double circuit transmission line will be reframed to single circuit, improving the structural integrity of the line. Phase 2 is scheduled to construct in FY2010. The route is designed to be constructed on private easements adjacent to the Union Pacific Railroad property running SW/NE.

The transmission line estimating process uses a baseline per mile costs derived from industry averages (see attached Feasibility Cost Chart for further detail). This number is increased based on consideration of project variables including, but not limited to, project location, soil conditions, construction timing, commodity prices, overhead rates, etc. A parallel estimate is also developed based on the engineer's/designer's best judgment of what it will take to complete the project using the line items established in the Engineer Design Scoping Document (DSD: see attached for further details). These two approaches are reconciled with review of the department manager. An additional estimate check is made when the project uses the TL-Pro design software package. This program contains an estimating function based on variables provided by the user. Steel poles and crossarms are specified for their life-cycle cost advantages.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. In addition, using 2009 actual loads, the new conductor will

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

reduce line losses by 100 MWh on an annual basis, establishing a yearly offset savings of \$10,000 (based on a \$100/MWh avoided energy cost), which was pro formed in the case.

Timeline:	Start Date	End Date
BI CT906: Boulder Rathdrum 115kV Transmission	January 5, 2009	November 9, 2010

See attached timeline for further detail.

Attachment Index:

- Cost pg. 3
- Capital Project Request (CPR) Forms, including all attachments pg. 4-6
- Design Scoping Document pg. 7-8
- Timeline of Project (detailed) pg. 9

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2307
COSTS THROUGH MARCH 15, 2010

Er	Project	Project Desc	Expenditure Category	2008	2009	2010	Costs	Total Costs
				Transaction Amt	Transaction Amt	Transaction Amt	Through 3.15.2010	
2307	39905031	Idaho Rd sub integration RW	Employee Expenses	819.86	239.80	47.00		
			Labor	4,369.56	6,821.92	724.02		
			Overhead	3,922.48	20,443.34	977.30		
			Voucher	75.00	65,912.00	-		
		Sum		<u>9,186.90</u>	<u>93,417.06</u>	<u>1,748.32</u>	104,352.28	140,000.00
39905051	Idaho rd sub integration ph2	AFUDC		-	743.24	362.41		
		Labor		-	8,109.11	2,175.10		
		Material		-	1,282.66	-		
		Overhead		-	9,694.69	1,893.42		
		Transportation		-	337.50	-		
		Voucher		-	5,171.58	-		
		Sum			<u>25,338.78</u>	<u>4,430.93</u>	29,769.71	1,300,000.00
39905066	Idaho Rd sub int Legal	Contractor		-	-	3,512.50		
		Overhead		-	-	909.04		
		Sum				<u>4,421.54</u>	4,421.54	75,000.00
Sum				<u>9,186.90</u>	<u>118,755.84</u>	<u>10,600.79</u>	<u>138,543.53</u>	<u>1,515,000.00</u>

WVISTA CAPITAL PROJECT REQUEST FORM

Corp.

Request Type Exhibit No. Revised	PROJECT Schedule 12 37705851
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ER 2307	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) IDAHO RD SUB INTEGRATION	Project Chars 24	LOCATION 399
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PROJECT DESCRIPTION (250 CHARS)
Phase 2: Construct loop from the Idaho Rd. Substation to the Boulder-Rathdrum 115kV transmission line located on Meyer Rd. E/P/C Phase

APPROVED BUDGET X	Description Chars Count 136	ORGANIZATION M08	B/I NUMBER CT906	WMS (Y OR N) N	RATE JURISDICTION AN
BILLING	BILLING CONTACT			PROJECT START DATE 2/1/2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
Idaho Rd Substation Integration: Phase 2 (Boulder-Rathdrum 115kV Line Loop). This phase of the project proposes to construct an approximate four (4) mile loop from the Idaho Rd. Substation along a northeast route adjacent to the UP Railroad, connecting to the existing BLD-RAT 115kV line at Meyer Rd. E/P/C is scheduled to complete Phase 2 portion of the integration by June 1, 2010.
This CPR is E/P/C phase for Phase 2 portion of project.

CONSTRUCTION			
	FERC	ESTIMATED AMOUNT	AS BUILT AMOUNT
	3XXXXX	BY FERC NUMBER	BY FERC NUMBER
	300100	\$75,000	
	107300	\$875,000	
	107300	\$350,000	
GROSS ADDITIONS		\$1,300,000	
NET SALVAGE BY FERC (3XXXXX)			
	108000		
	355000		
	356000		
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared:		1/9/2009	
TOTAL COST OF PROJECT		\$1,300,000	

Total Construction Cost	\$1,300,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Dave James	4-8-09
Rick Vermeers	4-9-09
Don Kopczynski	
Scott Morris	
Project Contact Ken Sweigart (4417)	

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER.

IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/ Supervisor	

ER 2307	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) IDAHO RD SUB INTEGRATION: R/W	Project Chars 29	LOCATION 399
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PROJECT DESCRIPTION (250 CHARS)
 Construct Tap and Loop from the Boulder-Rathdrum 115kV transmission line to integrate the new Idaho Rd Substation.

APPROVED BUDGET X	Description Chars Count 114	ORGANIZATION L08	B/I NUMBER CT906	WMS (Y OR N) N	RATE JURISDICTION AN
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BILLING	BILLING CONTACT	PROJECT START DATE 2/1/2008
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LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
 Boulder-Rathdrum 115kV Line Tap and Loop: Idaho Rd Substation Integration. This project proposes to construct a tap from the BLD-RAT 115kV line to the Idaho Rd Substation (located approximately one mile north of the line) and subsequent loop adjacent to UP Railroad property. This Capital Project Request is for R/W Acquisition along Idaho Rd and adjacent to railroad property.
 Note: See separate Capital Project Request 39905028R for Phase 1. Phase 2 number to be assigned.

CONSTRUCTION			
	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
107300	350400	\$140,000	
GROSS ADDITIONS		\$140,000	
NET SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			

Total Construction Cost	\$140,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Dave James <i>[Signature]</i>	4-8-09
Rick Vermeers <i>[Signature]</i>	4-9-09
Don Kopczynski <i>[Signature]</i>	
Scott Morris	
Project Contact Ken Sweigart (4417)	

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/Supervisor	

Date Prepared:	4/8/2009
L COST OF PROJECT	\$140,000



CAPITAL PROJECT REQUEST FORM

Exhibit No. (SJK 4), Schedule 12

Request Type PROJECT
39905066

ER 2307	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) IDAHO RD SUB INT: LEGAL	Project Chars 23	LOCATION 399
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PROJECT DESCRIPTION (250 CHARS)
Construct Tap and Loop from the Boulder-Rathdrum 115kV transmission line to integrate the new Idaho Rd Substation.

APPROVED BUDGET X	Description Chars Count 114	ORGANIZATION L08	B/I NUMBER CT906	WMS (Y OR N) N	RATE JURISDICTION AN
BILLING	BILLING CONTACT		PROJECT START DATE 02-01-2008		

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
Boulder-Rathdrum 115kV Line Tap and Loop: Phase 2 Idaho Rd Substation Integration. This portion of the project proposes to construct a loop feed to the Idaho Rd. Substation traveling adjacent to UP Railroad property. This Capital Project Request is for Legal Services (as needed) for acquiring easements adjacent to the railroad property.
Note: See separate Capital Project Request 39905051 for Phase 2 design/procurement/construction.

CONSTRUCTION			
	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
107300	350400	\$75,000	
GROSS ADDITIONS		\$75,000	
T SALVAGE BY FERC (3XXXXX)			
NET SALVAGE			
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared:		02-16-2010	
TOTAL COST OF PROJECT		\$75,000	

Total Construction Cost	\$75,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Ken Sweigart	2/16/2010
Rick Vermeers	2/16/2010
Don Kopczynski	
Scott Morris	
Project Contact	Ken Sweigart (4417)

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed

Foreman/Supervisor

DESIGN SCOPING DOCUMENT

BOULDER TO RATHDRUM 115KV TRANSMISSION LINE IDAHO ROAD SUBSTATION INTEGRATION PROJECT PHASE 2

PROJECT DESCRIPTION:

Growth has brought the need to construction the Idaho Road 115kV/13kV distribution substation, located at the northeast corner of Idaho Road and Prairie Avenue near Rathdrum, Idaho. Idaho Road Substation is located approximately five (5) miles southwest of Avista's existing Rathdrum 230kV/115kV/13kV station. The Boulder to Rathdrum (BLD-RAT) 115kV transmission line runs in an east/west path approximately one-half (1/2) mile south of the Idaho Road Substation location.

~~Phase 1 of the Substation Integration Project calls for constructing a one half (1/2) mile 115kV tap from the BLD-RAT 115kV line to the new Idaho Road Substation using 795 AAC "Arbutus" conductor. The line will be placed in an existing 15' utility easement corridor established by the City of Rathdrum along the east side of Idaho Road. The new line will cross over a Kootenai Electric Company (KEC) 13kV distribution line at Prairie Avenue. The new line, in conjunction with associated projects, will incorporate two circuits of distribution underbuild, along with an operations fiber communication link.~~

Phase 2 of the Substation Integration Project will connect the Idaho Road Substation directly to the Rathdrum Substation with a new transmission line, providing a four (4) mile additional loop feed, and allowing the removal of approximately three and one-half (3-1/2) difficult access transmission line. Additionally, approximately two (2) miles of double circuit transmission line will be reframed to single circuit, improving the structural integrity of the line. Phase 2 is scheduled to construct in FY2010. The route is designed to be constructed on private easements adjacent to the Union Pacific Railroad property running SW/NE.

SYSTEM CONFIGURATION:

115kV @ Boulder (RAT Bay):	Power Circuit Breaker A720 and Line Side Switch Open Jumpers @ 3-Way Deadend Structure 22/5 (Phase 1 Tap)
115kV @ Rathdrum (BLD Bay):	Power Circuit Breaker A501 and Line Side Switch

GENERAL RESPONSIBILITIES:

ER:	2307
BI:	CT906
Project Number:	????????? UPDATE
Engineering Task Number:	300100
Construction Installation Number:	107300
Project Coordinator:	Ken Sweigart
Line/Structural Designer:	Ken Sweigart
System Planning:	Jim Farby
System Operations:	Rich Hydzyk/Garth Brandon
Right-of-Way (Customer Contacts):	Ron McGregor/Dave Paden
Environmental Permitting:	Robin Bekkedahl
Line Construction:	CDA Operations (Scott Weber)
Inspection:	CDA Operations

DSD BLD-RAT Idaho Rd Sub Phase 2.doc
Created: 4/07/2009
Last Modified: 4/07/2009

PROJECT SCHEDULE (Phase 2):

Line Design	April, 2009 to December, 2009
Issue Job Package	January 15, 2010
Procure Line Materials	November, 2009 to February, 2010
Receive Line Materials	February 15, 2010
Line Construction	March to May, 2010
Scheduled In-Service Date	June 1, 2010

PROJECT COST ESTIMATE (Engineering Estimate based on Specific Scope #'s):**BLD-RAT 115kV (Phase 2)**

1. Materials: (4) Specialty Structures:	\$125,000
(52) Standard Structures:	\$300,000
Conductor:	\$130,000
Line Material:	\$ 90,000
2. Construction: Site Preparation:	\$ 20,000
Relocates:	\$ 10,000
Construction Facilities & Material:	\$ 25,000
Traffic Control:	\$ 15,000
Restoration:	\$ 15,000
3. Construction Labor: Foundations, (35) days @ \$5k per:	\$175,000
Structures, (15) days @ \$5k per:	\$ 75,000
Stringing, (20) days @ \$5k per:	<u>\$100,000</u>
(subtotal)	\$1,080,000

TOTAL (Material and Construction): \$1,080,000

TOTAL (Engineering): \$ 50,000

TOTAL (Taxes, A&G, and PM): @ 15% \$170,000

TOTAL COST OF PROJECT (Phase 2 Engineering Estimate): \$1,300,000 *

* Procurement and Construction costs include overheads and taxes

Transmission Design Master Schedule Print Date: Tue 02-09-10

ID	Area	Task Name	Duration	Start	Finish	Predecessors	Resource Names	2010											
								Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
227	CDA	ER 2307, BI CT906: Idaho Road 115 Int Ph 2 (CDA) KS	475 days	Mon 01-05-09	Tue 11-09-10														
228		R/W Acquisition	12.5 mons	Mon 01-05-09	Tue 12-22-09		McGregor Ron												
229		Engineer	4 mons	Mon 01-04-10	Fri 04-23-10		Sweigart Ken												
230		Procure	4 mons	Mon 03-29-10	Mon 07-19-10	229SS+75%	Gilica Patricia												
231		Request Outage	0 days	Fri 04-23-10	Fri 04-23-10	229	Sweigart Ken												
232		Permit Acquisition	3 mons	Mon 04-26-10	Mon 07-19-10	229	Isaak Laura												
233		Notice to Construct/Issue Job Package	0 days	Mon 07-19-10	Mon 07-19-10	230,232	Sweigart Ken												
234		Construct Idaho-Meyer (CDA)	3 mons	Tue 07-20-10	Tue 10-12-10	230	Weber Scott												
235		Remove Bypassed Section Boulder-Rathdrum (CDA)	1 mon	Wed 10-13-10	Tue 11-09-10	234	Weber Scott												
236		Construction Complete	0 days	Tue 11-09-10	Tue 11-09-10	235													
237	SPO	ER 2310, BI ST805: AIR-FBN 115 Reconstruct (SPO) LM	203 days	Tue 12-01-09	Mon 09-13-10														
238		Engineer	2 mons	Tue 12-01-09	Wed 01-27-10		Miles Lamont												
239		Procure	2 mons	Wed 12-30-09	Wed 02-24-10	238SS+50%	Gilica Patricia												
240		Request Outage	0 days	Wed 01-27-10	Wed 01-27-10	238	Miles Lamont												
241		Notice to Construct/Issue Job Package	0 days	Fri 02-26-10	Fri 02-26-10	239FS+2 days	Miles Lamont												
242		Constuct (Spokane)	10 wks	Mon 07-05-10	Mon 09-13-10		Rosentrater Eric												
243		Construction Complete	0 days	Mon 09-13-10	Mon 09-13-10	242													
244	PUL	ER 2318, BI LT806: Nezperce Sub Int (GRA) PC (Potentially 2 Phases)	131 days	Mon 01-04-10	Mon 07-05-10														
245		Engineer	3 mons	Mon 01-04-10	Fri 03-26-10		Clevenger Patrick												
246		Procure	3 mons	Mon 02-15-10	Fri 05-07-10	245SS+50%	Gilica Patricia												
247		Request Outage (Grangeville/Jeff Scott)	0 days	Fri 03-26-10	Fri 03-26-10	245	Olson Tim												
248		Notice to Construct/Issue Job Package	0 days	Thu 04-15-10	Thu 04-15-10		Clevenger Patrick												
249		Construct (Grangeville/Jeff Scott)	2 mons	Mon 05-10-10	Mon 07-05-10	246	Olson Tim												
250		Construction Complete	0 days	Mon 07-05-10	Mon 07-05-10	249													
251	SPO	ER 2321, BI ST860: Downtown East 115 Sub Int (SPO) NA No Date	0 days	Mon 10-01-07	Mon 10-01-07														
253	SPO	ER 2322, BI ST961: Downtown West 115 Sub Int (SPO) NA 2013	303 days	Mon 10-04-10	Wed 11-30-11														
255	SPO	ER 2325, BI FT106: Bruce Siding 115 Sub Int (OTH) NA 2013	300 days	Mon 10-03-11	Fri 11-23-12														
257	SPO	ER 2341, ST801: 9CE 115 Sub Reblid Int (SPO) DG	136 days	Fri 10-01-10	Fri 04-08-11														
258		Engineer	3 mons	Fri 10-01-10	Tue 12-28-10		Gregovich Dan												
259		Procure	3 mons	Fri 12-03-10	Fri 02-25-11	258SS+75%	Gilica Patricia												
260		Request Outage	0 days	Tue 12-28-10	Tue 12-28-10	258	Gregovich Dan												
261		Notice to Construct/Issue Job Package	0 days	Fri 02-25-11	Fri 02-25-11	259	Gregovich Dan												
262		Construct (SPO)	4 wks	Mon 03-14-11	Fri 04-08-11	261SS+10 days	Rosentrater Eric												

Project: Transmission Master Project S
Date: Tue 02-09-10

Task Progress Summary External Tasks Deadline

Split Milestone Project Summary External Milestone

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2051

ER Name: Noxon - Pine Creek 230 kV Ready Fiber Optic

Amount: \$500,000

Expended to date: \$166,519

2010 Transfer to Plant Date: \$42,000 monthly

Project Description:

These projects include minor transmission rebuilds as a result of age or damage caused by storms, wind, fire, and the public. These smaller projects are required to operate the transmission system safely and reliably. Facilities will need to be replaced when damaged in order to maintain customer load service. In 2009 the Company spent \$2.206 million on these minor rebuild projects as a result of damage caused by weather or the public. Due to the cyclical nature of these projects, and the lack of conductor capacity increases, there are no offsets or savings associated with these minor rebuild efforts.

The current spend through March 16, 2010 is \$166,519. The Company has spent an average of approximately \$922,000 per year on these minor transmission rebuilds.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

This project will begin in January and end in December 2010.

Additional Information:

- ER Historical Cost Detail

pg. 2-3

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
 ER 2051
 HISTORY OF COSTS
 2005 THROUGH MARCH 15, 2010

Er	Expenditure Category	Expenditure Type	2005	2006	2007	2008	2009	2010
			Transaction Amt	Transaction Amt	Transaction Amt	Transaction Amt	Transaction Amt	Transaction Amt
2051	AFUDC	535 AFUDC - Debt	-	-	-	-	-	-
		540 AFUDC - Equity	-	-	-	-	-	-
	Contractor	010 General Services	25.00	-	-	-	12,085.61	-
		015 Construction Services	5,617.80	82,359.43	55,512.41	72,348.95	135,592.22	6,677.55
		025 Temporary Labor	292.50	-	-	-	-	-
		035 Workforce - Contract	10,488.80	56,711.56	230,825.88	63,134.48	59,649.18	7,758.57
	Contributions	105 CIAC Consumer	-	(46,464.71)	(55,991.48)	-	(2,014.65)	-
		115 Misc Bills	(91,457.66)	(10,095.00)	(2,774.01)	(6,407.85)	(13,068.28)	-
		116 Misc Bills - Damage Claims	(8,859.65)	(19,327.75)	(37,508.84)	(187,217.34)	-	-
	Employee Expenses	210 Employee Auto Mileage	357.86	615.03	748.31	1,290.51	609.58	137.25
		215 Employee Business Meals	2,111.62	2,754.49	5,301.03	5,105.35	3,572.31	395.98
		225 Conference Fees	-	-	60.28	-	-	-
		230 Employee Lodging	225.00	526.96	2,965.26	1,763.36	2,413.62	-
		235 Employee Misc Expenses	196.26	134.08	311.54	217.95	103.55	-
	Labor	305 Incentive/Bonus Pay	-	4,200.00	2,000.00	-	-	-
		310 Non Benefit Labor - NU	1,013.83	-	126.50	-	-	-
		315 Non Benefit Labor - Union	95.52	2,710.52	-	-	-	-
		320 Overtime Pay - NU	-	-	148.28	-	-	-
		325 Overtime Pay - Union	72,777.61	166,119.26	104,326.22	163,924.26	159,643.84	4,019.77
		340 Regular Payroll - NU	6,382.30	8,428.97	13,902.73	16,698.24	19,011.98	4,319.31
		345 Regular Payroll - Union	90,239.06	122,397.48	138,353.33	128,823.54	137,893.60	12,397.71
	Material	405 Inventory Returns	(22,372.09)	(50,488.70)	(52,442.42)	(73,278.79)	(131,275.68)	(5,236.32)
		415 Material Issues	95,853.49	291,979.95	246,974.28	222,385.09	374,025.80	82,896.46
		420 Salvage	(6,117.42)	(6,581.19)	(15,342.56)	(15,107.43)	(5,927.31)	(499.74)
	Overhead	505 Capital Overhead - A & G	724.02	1,813.00	2,223.01	2,795.99	6,764.66	807.26
		506 Cap Overhead - Functional	17,980.14	94,187.67	9,891.11	86,759.18	221,226.20	26,894.29
		508 Cap Overhd - Safety Clthng	-	-	-	-	405.62	29.48
		510 Payroll Benefits loading	43,836.28	55,204.84	60,336.29	61,750.83	91,673.18	10,030.22
		515 Payroll Tax loading	16,173.86	26,471.65	22,121.99	26,901.24	27,698.49	1,814.53
		520 Payroll Time Off loading	17,392.10	23,199.48	25,491.68	24,576.94	27,020.92	2,981.09
		525 Small Tools loading	3,482.69	4,816.40	7,356.37	5,990.90	9,124.28	929.90
		530 Stores/Material Loading	6,870.42	26,357.13	19,405.38	15,787.82	21,681.99	3,327.46
		532 Materials Tax/Fght Loading	2,137.49	3,622.35	2,801.34	1,807.52	3,387.17	614.87
	Transportation	560 Road Vehicles	9,785.60	20,365.40	15,090.00	29,597.20	39,994.45	2,020.50
		565 Small Vehicles	749.91	2,378.20	1,469.25	630.00	3,112.15	161.40
		570 Work Vehicles	57,209.35	79,287.70	67,378.80	150,680.00	102,050.50	8,853.00
	Vehicle	705 Lease Expense - Vehicle	-	-	962.46	-	-	-
		710 Rental Expense - Vehicle	36.90	277.14	4,053.80	8,892.29	20,881.72	555.02
		712 Vehicle Aircraft Expense	-	-	-	-	6,664.00	-
		720 Vehicle Fuel Gasoline	-	329.05	2,073.61	437.18	195.36	116.52
		721 Vehicle Fuel Diesel	97.72	115.35	243.58	476.45	-	-
		725 Vehicle Parts & Supplies	-	-	-	25.42	-	-
	Voucher	810 Advertising Expenses	-	-	-	50.00	-	-

AVISTA UTILITIES
ER 2051
HISTORY OF COSTS
2005 THROUGH MARCH 15, 2010

Er	Expenditure Category	Expenditure Type	2005	2006	2007	2008	2009	2010
			Transaction Amt	Transaction Amt	Transaction Amt	Transaction Amt	Transaction Amt	Transaction Amt
		834 Inventory Adjustment	(222.88)	(1,649.44)	(3,345.28)	299.36	1,472.76	(35.86)
		835 Non Vehicle Equip Repair	-	269.50	-	-	-	-
		840 Freight Costs	-	-	1,133.85	-	-	-
		855 Land and Land Rights	-	-	-	2,500.00	775.00	-
		865 Lease Expense - Equipment	-	-	-	1,992.37	-	-
		880 Materials & Equipment	4,753.43	77,854.15	66,816.20	44,980.38	39,284.20	(6,626.90)
		885 Miscellaneous	707.09	336.47	(72,072.90)	75,939.37	5,497.93	790.91
		915 Printing	-	39.84	-	25.74	-	-
		920 Rental Expense - Equipment	1,404.73	4,027.68	7,922.22	13,313.23	2,267.20	-
		926 Retention - Contractors	-	-	-	-	19,954.54	389.17
		930 Right-of-Way Easements	-	-	-	10,000.00	-	-
		933 Small Tools	662.48	-	-	-	813.23	-
Sum			340,651.16	1,025,283.94	878,849.50	961,301.35	1,404,260.92	166,519.40

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2057
ER Name: Transmission Minor Rebuild
Pro Forma Amount: \$750,000
Expended to Date: \$509,570
2010 Transfer to Plant Date: December 31, 2010

Project Description:

These projects include minor transmission rebuilds resulting from age or damage caused by storms, wind, fire and the public. To a significant degree, they are planned projects resulting from inspection information (aerial patrols and groundline test & treat projects) conducted the prior year. These projects are necessary to operate the transmission system safely and reliably. In 2009, the Company spent \$2.206 million on these minor rebuild projects. Due to the cyclical nature of these projects, and the lack of conductor capacity increases, there are no offsets or savings associated with these minor rebuild efforts.

The Minor Rebuild projects scheduled for 2010 include:

- Dry Creek – Talbot 230kV Minor Rebuild
- Hatwai – Moscow 230kV Minor Rebuild
- Lind – Shawnee 115kV Minor Rebuild

The transmission line estimating process uses a baseline per mile cost derived from industry averages (see attached Feasibility Cost Chart for further detail). This number is increased based on consideration of project variables including, but not limited to, project location, soil conditions, construction timing, commodity prices, overhead rates, etc. A parallel estimate is also developed based on the engineer's/designer's best judgment of what it will take to complete the project using the line items established in the Engineer Design Scoping Document (DSD: see attached for further details). These two approaches are reconciled with review of the department manager. An additional estimate check is made when the project uses the TL-Pro design software package. This program contains an estimating function based on variables provided by the user.

Steel poles and crossarms are specified for their life-cycle cost advantages.

The total cost of these three projects is \$1,393,600. The actual amount incurred to date is \$509,570. The pro forma adjustment includes on \$750,000, due to an inadvertent error that was identified after the revenue requirement was finalized.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:	Start Date	End Date
BI AMT13: Dry Creek - Talbot 230kV Rebuild	November 1, 2009	April 30, 2010
BI AMT13: Hatwai – Moscow 230kV Rebuild	March 1, 2010	September 30, 2010
BI AMT13: Lind - Shawnee 115kV Minor Rebuild	July 1, 2009	March 30, 2010

See attached timeline for further detail.

Attachment Index:

- Historical Cost Detail pg. 3
- Capital Project Request (CPR) Forms, including all attachments pg. 4-6
- Design Scoping Documents pg. 7-12

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
 ER 2057
 COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	2009	2010	Project Total	Project Cost
				Transaction Amt	Transaction Amt		
2057	25905001	Dry Creek Talbot Minor Rebuild	AFUDC	9.50	326.87	216,957.81	516,600.00
			Contractor	1,430.44	-		
			Employee Expenses	49.50	567.88		
			Labor	500.18	2,561.87		
			Material	-	185,994.37		
			Overhead	791.60	21,597.07		
			Transportation	-	2,307.10		
			Voucher	-	821.43		
			Sum	2,781.22	214,176.59		
			29905060	Lind Shawnee Minor rebuild	AFUDC		
Contractor	14,762.00	-					
Labor	18,693.86	11,740.37					
Material	76,737.90	9,912.88					
Overhead	70,800.85	14,660.64					
Transportation	4,099.00	3,254.00					
Vehicle	300.63	-					
Voucher	60,084.99	137.47					
Sum	248,255.64	43,435.66					
35005006	Hatwai Moscow Minor rebuild	AFUDC	153.09	-	921.17	375,000.00	
Labor	612.54	-					
Material	(9,593.45)	-					
Overhead	422.53	-					
Voucher	9,326.46	-					
Sum	921.17		921.17	375,000.00			
Sum			251,958.03	257,612.25		1,393,600.00	
				509,570.28			



CAPITAL PROJECT REQUEST FORM

Exhibit No. (SJK 4), Schedule 14
Request Type PROJECT
Revised 25905001R

ER 2057	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) DRY CREEK-TALBOT: Mnr Rebuild	Project Chars 29	LOCATION 259
PROJECT DESCRIPTION (250 CHARS) DRY CREEK-TALBOT 230kV: Minor Rebuild					
APPROVED BUDGET X	Description Chars Count 37	ORGANIZATION D53	B/I NUMBER AMT 13	WMS (Y OR N) No	RATE JURISDICTION AN
BILLING	BILLING CONTACT			PROJECT START DATE	3/1/2010

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
 Replace (15) "H" structures, (1) "M" structure w/downguys and reinforce (2) poles. The access on this line is difficult and will require reopening some roads and the possible use of a crane. This CPR is being revised for construction.

Note: The previous CPR approved was for \$280,000 on 1/11/2010. This revision reflects updated Scope and overheads.

Long Name Count
234

CONSTRUCTION			
	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$24,500	
	107300	\$340,500	
	107300	\$135,600	
GROSS ADDITIONS		\$500,600	
NET SALVAGE BY FERC (3XXXXX)			
	108000	\$11,500	
	108000	\$4,500	
NET SALVAGE		\$16,000	
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared:	2/1/2010		
TOTAL COST OF PROJECT	\$516,600		

Total Construction Cost	\$516,600
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Ken Sweigart	
Rick Vermeers	
Don Kopczynski	
Dennis Vermillion	

Project Contact | Dan Gregovich

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/ Supervisor	



CAPITAL PROJECT REQUEST FORM

Exhibit No. (SJK 4), Schedule 14
Request Type
Revised
PROJECT 35005006R

ER 2057	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) HATWAI-MOSCOW: Mnr Rebuild	Project Chars 26	LOCATION 350
PROJECT DESCRIPTION (250 CHARS) HATWAI-MOSCOW 230kV: Minor Rebuild					
APPROVED BUDGET X	Description Chars Count 34	ORGANIZATION B53	B/I NUMBER AMT 13	WMS (Y OR N) No	RATE JURISDICTION AN
BILLING	BILLING CONTACT			PROJECT START DATE 8/17/2010	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
 This CPR is for preliminary Engineering and will be revised when the scope of work is determined. The scope of work will be determined by reviewing Test and Treat notes with some follow-up field work.

This CPR is being revised for construction. We will be replacing (12) "H" structures, (7) 40' crossarms and installing (26) steel stubs. Long Name Count
200

CONSTRUCTION			
	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$21,500	
	107300	\$262,500	
	107300	\$75,000	
GROSS ADDITIONS		\$359,000	
NET SALVAGE BY FERC (3XXXXX)			
	108000	\$12,000	
	108000	\$4,000	
NET SALVAGE		\$16,000	
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared:		2/1/2010	
TOTAL COST OF PROJECT		\$375,000	

Total Construction Cost	\$375,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Ken Sweigart	
Rick Vermeers	
Don Kopczynski	
Dennis Vermillion	

Project Contact | Dan Gregovich

APPROVAL SIGNATURE(S) REQUIRED	
To \$99,999 - Director	
\$100,000-\$499,999 - VP or GM Utility	
\$500,000-\$1,999,999 - Sr Vice President	
\$2,000,000-\$9,999,999 - CEO	
Over \$10,000,000 - Board Chair	
Out-of-Budget - Capital Budget Committee	

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/ Supervisor	

DESIGN SCOPING DOCUMENT**DRY-CREEK-TALBOT 230kV: Minor Rebuild****PROJECT DESCRIPTION:**

In accordance with Avista's Reliability Compliance Program, replace structures and structure components identified by ground inspections and aerial patrols. This job will include the following work;

Install (15) steel 2-pole "H" structures
 Install (1) steel 3-pole "M" structure with (3) angle guys
 Remove (15) wood 2-pole "H" structures
 Remove (1) 3-pole "M" structure and (3) downguys

GENERAL RESPONSIBILITIES:

ER:	2057
BI:	AMT 13
Project Number:	25905001
Engineering Task Number:	300100
Construction Installation Number:	107300
Project Designer:	Dan Gregovich
System Operations:	Garth Brandon
Right-of-Way (Customer Contacts):	Randy Daniels
Operations Construction:	Tim Olson

PROJECT SCHEDULE:

Scope of work (Design)	November, 2009
Request Right of Way Notification.....	December, 2009
Procure Line Materials.....	December, 2009
Issue Job Package.....	January, 2010
Receive Line Materials	February, 2010
Line Construction.....	March, 2010
Scheduled In-Service Date.....	April, 2010

PROJECT COST ESTIMATE:

Materials: (33) Direct Embed Steel pole and Line Hardware @ \$4,500 each:	\$148,500
(15) 40' steel crossarms @ \$1,600 each :	\$ 24,000
(48) Polymer insulators and clamps @ \$300 each:	\$ 14,400
Construction: Site Preparation:	\$ 20,000
Removal @ \$1,000 per structure:	\$ 16,000
Construction Labor: (15) days @ \$10,000 each:	\$150,000

TOTAL (Material and Construction):	\$372,900
TOTAL (Engineering & R/W):	\$ 24,500
TOTAL (Taxes, A&G, and PM): @ 30%	\$119,220
TOTAL COST:	<u>\$516,600</u>

DESIGN SCOPING DOCUMENT

HATWAI-MOSCOW 230kV: Minor Rebuild

PROJECT DESCRIPTION:

In accordance with Avista's Reliability Compliance Program, replace structures and structure components identified by ground inspections and aerial patrols. This job will include the following work;

Install (9) steel 2-pole "H" structures
 Install (3) steel 2-pole "HS" structures
 Install (7) 40' steel crossarms
 Install (26) steel stubs
 Remove (9) wood 2-pole "H" structures
 Remove (3) -pole "HS" structure
 Remove (7) 40' wood crossarms

GENERAL RESPONSIBILITIES:

ER:	2057
BI:	AMT 13
Project Number:	35005006
Engineering Task Number:	300100
Construction Installation Number:	107300
Project Designer:	Dan Gregovich
System Operations:	Garth Brandon
Right-of-Way (Customer Contacts):	Randy Daniels
Operations Construction:	Tim Olson

PROJECT SCHEDULE:

Scope of work (Design)	March, 2010
Request Right of Way Notification.....	April, 2010
Procure Line Materials.....	April, 2010
Issue Job Package.....	June, 2010
Receive Line Materials	July, 2010
Line Construction.....	August, 2010
Scheduled In-Service Date.....	September, 2010

PROJECT COST ESTIMATE:

Materials: (24) Direct Embed Steel pole and Line Hardware @ \$4,500 each:	\$108,000
(19) 40' steel crossarms @ \$1,600 each :	\$ 30,400
(40) Insulators stringsand clamps @ 300 each:	\$ 12,000
(26) Steel stubs @ \$600 each	\$ 15,600

Construction:	Site Preparation:	\$ 10,000
	Removal @ \$1,000 per structure:	\$ 16,000
Construction Labor:	(15) days @ \$5,000 each:	\$ 75,000
TOTAL (Material and Construction):		\$267,000
TOTAL (Engineering & R/W):		\$ 21,500
TOTAL (Taxes, A&G, and PM): @ 30%		\$ 86,550
TOTAL COST:		<u>\$375,050</u>

DESIGN SCOPING DOCUMENT

**LIND-SHAWNEE 115kV: Minor Rebuild (Phase 1)
(Lind, Wash. to Ewan, Wash.)**

PROJECT DESCRIPTION:

In accordance with Avista’s Reliability Compliance Program, replace structures and structure components identified by ground inspections and aerial patrols. This job will include the following work;

- Install (9) 2-pole wood structures
- Install (47) single pole wood structures
- Install (20) 7/16” downguys
- Install (21) steel stubs
- Remove (9) wood 2-pole structures
- Remove (47) –single pole wood structures
- Remove (7) 40’ wood crossarms
- Remove (30) downguys
- Remove (4.5) miles of Overhead Ground Wire

GENERAL RESPONSIBILITIES:

ER:	2057
BI:	AMT 13
Project Number:	29905060
Engineering Task Number:	300100
Construction Installation Number:	107300
Project Designer:	Dan Gregovich
System Operations:	Garth Brandon
Right-of-Way (Customer Contacts):	Dave Chambers
Contracts Construction:	Bob Weisbeck
Inspector	Tom Zimmerer
Operations Support	Bill Picket, Tim Olson

PROJECT SCHEDULE:

Scope of work (Design)	July/August, 2009
Request Right of Way Notification.....	August, 2009
Procure Line Materials.....	August, 2009
Issue Job Package.....	October 2009
Receive Line Materials	November, 2009
Line Construction.....	January/February, 2010
Scheduled In-Service Date.....	March, 2010

PROJECT COST ESTIMATE:

Materials: (65) Wood pole and Line Hardware @ \$1,500 each:	\$ 97,500
(13) 21' Steel crossarms @ \$700 each	\$ 9,100
(21) Steel stubs @ \$600 each	\$ 12,600
(20) Downguys @ \$300 each :	\$ 6,000
(33) Polymer Insulators and clamps @ \$250 each	\$ 8,250
(145) Post insulators and clamps @ \$200 each	\$ 29,000
Construction: Site Preparation:	\$ 25,000
Removal (56) @ \$700 per structure:	\$ 39,200
Removal of 4.5 miles of Overhead Ground wire	\$ 12,000
Construction Labor: Structures (28) days @ \$4,500 each:	\$126,000
 TOTAL (Material and Construction):	 \$364,650
TOTAL (Engineering & R/W):	\$ 21,500
TOTAL (Taxes, A&G, and PM): @ 30%	\$115,845
TOTAL COST:	<u>\$501,995</u>

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2001

ER Name: Power Circuit Breaker – Otis Orchards

Pro Forma Amount: \$260,000

Expended to date: \$129

2010 Transfer to Plant Date: May - \$120,000 and September - \$140,000

Project Description:

The Company transfers all circuit breakers to plant upon receiving them. This is an annual System ER specifically for the purchase of Power Circuit Breakers for replacements and new installations throughout our System and does not include any installation costs. Breakers purchased in 2010 will be replacing the breakers at Otis Orchards (WA) Switching Station under ER 2390.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline: These devices are capitalized upon receipt.

Project Start Date	Various dates throughout 2010
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Project End Date	Various dates throughout 2010
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Attachment Index:

- Listing of Equipment Ordered at 03/15/2010

Pg. 2

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

CONFIDENTIAL per WAC 480-07-160
LISTING OF EQUIPMENT ORDERED AT 3/15/2010

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2215

ER Name: Power Circuit Breakers

Pro Forma Amount: \$225,000

Expended to date: \$797,928

2010 Transfer to Plant Date: April 2010 (\$100,000) and November 2010 (\$125,000)

Project Description:

Power Circuit Breakers are transferred to plant upon receipt under ER 2001.

The replacement of the three 115 kV Circuit Breakers at Benawah 230 kV Substation was officially completed in Q1 2010 and just recently placed into service and transferred to plant. Engineering for this project began in 2008 and total costs incurred through 2009 construction total \$674,000; these costs were inadvertently omitted from the pro forma plant adjustment.

Breakers purchased in 2010 will be installed at Otis Orchards (WA) Switching Station. Other planned replacements in 2010 include a 115 kV breaker at Stratford (WA) Switching Station and a 230 kV breaker at Noxon Rapids Switchyard. Avista performs breaker maintenance on a 15-year cycle. Neither of these breakers was scheduled for maintenance in the pro forma period, nor during the test period, so there are no cost savings associated with these replacements.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

The Stratford (WA) 115 kV Breaker is presently being replaced and expected to be in service by April 2010. The Noxon 230 kV Breaker is planned for fall replacement. Any other breaker replacements to be charged to this ER would be unplanned.

Additional Information:

- Cost pg. 3-4
- Capital Project Request (CPR) Forms pg. 5-7
- Copies of Purchase Orders (Confidential) pg. 8-14
- Benawah 115 kV Breaker Work Pictures pg. 15-20

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

				2008	2009	2010			
				Transaction Amt	SUM	Transaction Amt	SUM	Transaction Amt	SUM
2215	Er	Project Number	Project Desc	Expenditure Category					
		02805399	Stratford Replace OCB A48	AFUDC	-	293.96	-	674.69	-
				Contractor	-	16,784.99	-	800.00	-
				Employee Expenses	-	-	-	5,879.35	-
				Labor	-	1,407.04	-	41,343.20	-
				Material	-	-	-	12,720.73	-
				Overhead	-	1,212.02	-	58,791.04	-
				Transportation	-	-	-	2,562.60	-
				Vehicle	-	-	-	58.73	-
				Voucher	-	-	-	15,536.03	-
			Sum			19,698.01		138,366.37	
		03805127	BEN Replace 115kv Breakers	AFUDC	2,324.99	18,659.55	-	8,131.04	-
				Contractor	-	4,476.00	-	-	-
				Contributions	-	(1,544.80)	-	-	-
				Employee Expenses	-	960.35	-	244.52	-
				Labor	61,026.65	151,567.95	-	9,991.15	-
				Material	4,074.69	12,076.07	-	-	-
				Overhead	56,426.12	201,662.32	-	16,650.91	-
				Transportation	-	11,696.80	-	628.80	-
				Vehicle	-	247.30	-	-	-
				Voucher	7,713.48	18,537.01	-	9,109.82	-
			Sum		131,565.93	418,338.55		44,756.24	
		03805189	Ramsey 115kv RepA-666 GCB	AFUDC	-	199.69	-	-	-
				Employee Expenses	-	517.63	-	-	-
				Labor	-	8,551.23	-	-	-
				Overhead	-	9,760.35	-	-	-
				Transportation	-	1,141.80	-	-	-
				Voucher	-	381.39	-	-	-
			Sum			20,552.09		-	-
		03805191	PIN add comm aided tripping	AFUDC	-	177.71	-	175.58	-
				Employee Expenses	-	11.17	-	-	-
				Labor	-	6,434.55	-	-	-
				Overhead	-	5,834.64	-	-	-
				Transportation	-	312.00	-	-	-
			Sum			12,770.07		175.58	
		04805006	Noxon Replace OCB R336	AFUDC	-	-	-	30.68	-

		Contractor	-	-	2,974.73
	Sum				<u>3,005.41</u>
09805243	LAT add comm aided trip com	AFUDC	-	26.21	22.92
		Labor	-	331.81	-
		Material	-	204.00	-
		Overhead	-	377.52	-
		Transportation	-	72.75	-
		Voucher	-	653.60	-
	Sum			<u>1,665.89</u>	<u>22.92</u>
09805244	PIN Add comm aided tripping co	AFUDC	-	26.62	23.74
		Labor	-	685.87	-
		Material	-	102.00	-
		Overhead	-	663.97	-
		Transportation	-	151.50	-
		Voucher	-	96.71	-
	Sum			<u>1,726.67</u>	<u>23.74</u>
09805248	BEN Repl 115kv Brkers comm	AFUDC	-	69.83	62.07
		Contractor	-	2,219.54	573.27
		Labor	-	737.24	119.71
		Material	-	204.00	-
		Overhead	-	710.36	107.38
		Transportation	-	209.25	-
		Vehicle	-	-	52.49
		Voucher	-	197.23	-
	Sum			<u>4,347.45</u>	<u>914.92</u>
			<u>131,565.93</u>	<u>479,098.73</u>	<u>187,265.18</u>

03/16/2010 10:01 -8

UTIL ACCTG

PAGE 01/01



CAPITAL PROJECT REQUEST FORM

Request Type: Revised
 PROJECT: BEN08A

ER: 2215 Budget Cat: 5 SERVICE CODE: ED PROJECT TITLE (30 CHARS): BEN - Replace 115 kV Breakers LOCATION: 038

PROJECT DESCRIPTION (250 CHARS)

Benewah 230 kV Substation - Replace and commission three 115 kV breakers

APPROVED BUDGET: X ORGANIZATION: M08 B/I NUMBER: AMS32 WMS (Y OR N): N RATE JURISDICTION: AN
 BILLING: BILLING CONTACT: PROJECT START DATE: 02-19-2008

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

Replace, integrate control and indication, and commission three new 115 kV breakers. This CPR has been revised to accurately reflect construction costs; construction has now finished and only trailing and cleanup costs are expected.

CONSTRUCTION			
FERC 3XXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER	
300100	\$20,000		
353000	\$655,000	03805127 038/AN	
397000	\$15,000	09805248 098/AN	
GROSS ADDITIONS		\$690,000	
NET SALVAGE BY FERC (3XXXX)			
353000	\$20,000		
NET SALVAGE		\$20,000	
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared: 02-06-2008			
REVISED ON 06-16-2009			
TOTAL COST OF PROJECT		\$710,000	

Total Construction Cost: \$710,000

NOT REQUIRED

BUDGET AUTHORIZATION PREVIOUSLY APPROVED THIS YEAR

TOTAL TO DATE

BALANCE NOT APPROVED

APPROVALS	
SIGNATURE	DATE
Mike Magruder	12-21-09
Rick Vermeers	12-22-09
Don Kopczynski	
Dennis Vermillion	12/29/09

Project Contact: Brian Chain x2148

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE BUDGET SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed

Foreman/Supervisor



CAPITAL PROJECT REQUEST FORM

Request Type New		Project(s) 04845016	
ER 2215	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Noxon - Replace OCB R-336
Long Project Name (100 Characters) Noxon 230 kV Switchyard - Replace OCB R-336			'Parent' Code NRS10A
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	ER Sponsor M08	BI Number AMS32
Billing	Revenue Type NA-Not Applicable	WMS Job # No	Location 048-Montana
Billing Contact		Project Start Date 01-25-2010	

Project Description (Include Purpose and Necessity - 240 Characters)
 This CPR is for the replacement of OCB R-336 at the Noxon 230 kV Switchyard. The existing OCB was installed in 1959 and has reached the end of its expected service life. A new gas circuit breaker will be installed.

CONSTRUCTION			Budget Authorized:
Office Use Only	FERC	Estimated Amount	As Built Amount
Task	3XXXXX	By FERC Number	By FERC Number
9010	300100	\$25,000	
10720	353000	\$40,000	
GROSS ADDITIONS			\$65,000
Cost of Removal By FERC (3XXXXX)			
	353000	\$10,000	
Total Removal			\$10,000
Salvage By FERC (3XXXXX)			
Total Salvage			
Total Removal Less Salvage			\$10,000

APPROVALS	
SIGNATURE	DATE
Signature: William J. Choma	01-25-2010
Signature: Michael A. Magruder	1-25-10
Signature: Richard L. Vermeers	1-26-10

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task	Project Contact & Extension	Bill Choma	x4444
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APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr. Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

Date Prepared:

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT	\$75,000	Date Work Completed	
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor	



CAPITAL PROJECT REQUEST FORM
(CPR)

Request Type New		Project(s) 02805399	
ER 2215	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Stratford - Replace OCB A-48
Long Project Name (100 Characters) Stratford 115kV Switching Station - Replace OCB A-48			Parent Code STR09B
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	ER Sponsor M08	BI Number AMS32
Billing	Billing Contact		WMS Job # No
		Rate Jurisdiction AN-Allocated North	
		Location 028-Washington	
		Project Start Date 9/2/2009	

Project Description (Include Purpose and Necessity - 240 Characters)
This work is part of a system item to replace obsolete high voltage circuit breakers. OCB A-48 at Stratford is 52 years old.

CONSTRUCTION			Budget Authorized:	\$83,200
Office Use only	FERC	Estimated Amount	As Built Amount	
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only
				Date
300100	300100	\$21,000		Project Set Up By
107300	353000	\$59,100		Approved By

GROSS ADDITIONS			\$80,100	Signature	<i>William J. Choma</i>	DATE	9/2/2009
Cost of Removal By FERC (3XXXXX)				Signature	<i>Michael A. Magruder</i>		9-2-09
	353000	\$3,600		Signature	<i>Richard L. Vermeers</i>		7-3-09
	Total Removal	\$3,600					
Salvage By FERC (3XXXXX)				Signature			
	353000	(\$500)		Print Name			
	Total Salvage	(\$500)		Signature			
	Total Removal Less Salvage	\$3,100		Print Name			

Non Standard Work Breakdown Structure Needed (Optional)

Person Task		Project Contact & Extension	Shirley Grant Ext. 4057
Sub Task		APPROVAL SIGNATURE(S) REQUIRED	
		To: \$99,999 - Director	
		\$100,000 - \$499,999 - VP or GM Utility	
		\$500,000 - \$2,999,999 - Sr Vice President/CEO	
		\$3,000,000 - \$9,999,999 - President/CEO/COO	
		Over \$10,000,000 - Board Chair	
		Out of Budget - Capital Budget Committee	
Date Prepared:	09/02/09	THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.	

TOTAL COST OF PROJECT	\$83,200	Date Work Completed	
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor	

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Exhibit No. ___(SJK-4), Schedule 16



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Exhibit No. (SJK-4), Schedule 16







Exhibit No. ___(SJK-4), Schedule 16



**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2342

ER Name: Pine Creek 230 Substation Replacement Circuit Switch & Relays

Pro Forma Amount: \$570,000

Expended to date: \$320,467

2010 Transfer to Plant Date: October 2010

Project Description:

The project scope and preliminary engineering design work for this project was started in 2008 and included replacing the circuit switcher and one 13 kV recloser due to equipment age. After further investigation the project was expanded to replace the other two 13 kV reclosers, the cap bank, deteriorated station control wiring, and removal of the small panel house including the obsolete RTU. A total of \$0.57 million directly related to Transmission (115 kV circuit switcher, Capacitor Bank, control wiring, Remote Terminal Unit) will be transferred to plant in 2010. No specific maintenance associated with the replaced equipment was performed in the test period. Therefore, no additional offsets are available for this replacement work.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

The original scope of this project increased from 2008. Engineering design is 90% complete and the project will be transmitted for fall construction to coordinate with a Mobile Substation installation in order to eliminate necessary outages.

Attachment Index:

- | | |
|---|----------|
| • Costs | pg. 3 |
| • Capital Project Request (CPR) Forms | pg. 4-5 |
| • Detail of projected costs/Budget report | pg. 6-8 |
| • Work Authorization Forms | pg. 9-16 |

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2390

ER Name: Otis Orchards - 115 kV Breaker and Line Relay Replacements

Pro Forma Amount: \$650,000

Expended to date: \$3,217

2010 Transfer to Plant Date: November 2010

Project Description:

This project will replace the 115 kV breakers and associated 115 kV line relays at the existing Otis Orchards substation. Four of the breakers are over 50 years old and have reached the end of their useful lives. The line relaying must be replaced with new microprocessor relays to provide the high speed tripping required for mandatory reliability standards. The relay replacements are part of the Spokane/Coeur d'Alene area relay upgrade project previously discussed. The breakers that are being replaced were not scheduled for maintenance during the test period. Therefore, no offsets or savings are available for this project in the near term.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Engineering for this project is underway presently. Construction transmittal is expected by early summer 2010. Construction will begin in summer and last through fall 2010 in coordination with outage scheduling. Project will be staged into plant over the fall as new breakers and relaying are commissioned into service.

Attachment Index:

- ER Cost Detail pg. 3
- Capital Project Request (CPR) Forms pg. 4
- Scope of work and other notes-email pg. 5-6
- Work authorization pg. 7
- HDR Cost Estimate pg. 8-10
- Projected Schedule – email pg. 11
- Reference Drawings pg. 12-14

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
 ER 2390
 COSTS THROUGH MARCH 15, 2010

					2010
					Transaction Amt SUM
Er	Project Number	Project Desc	Expenditure Category	Expenditure Type	
2390	02805490	Otis Orch 115 replace PCBs	AFUDC	535 AFUDC - Debt	18.42
				540 AFUDC - Equity	23.56
			Contractor	020 Professional Services	22,437.28
			Labor	340 Regular Payroll - NU	1,460.80
			Overhead	505 Capital Overhead - A & G	0.49
				506 Cap Overhead - Functional	0.24
				510 Payroll Benefits loading	836.29
				515 Payroll Tax loading	127.36
				520 Payroll Time Off loading	259.58
			Transportation	560 Road Vehicles	244.50
		Sum			<u>25,408.52</u>
	02805491	Otis Orch 115 repl PCBs comm	AFUDC	535 AFUDC - Debt	7.23
				540 AFUDC - Equity	9.25
			Labor	340 Regular Payroll - NU	2,559.43
			Overhead	510 Payroll Benefits loading	1,535.66
				515 Payroll Tax loading	223.95
				520 Payroll Time Off loading	473.49
		Sum			<u>4,809.01</u>
Sum					<u><u>30,217.53</u></u>

Approved 1/10/14
Approved 1/14/10



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type		Project(s)	
New		02805490	
02805491		OT110A	
ER 2390	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) OTIS ORCHARDS 115-Replace PCBs
Long Project Name (100 Characters) Replace obsolete 115 kV circuit breakers and line relays at this substation.			
Approved Budget Yes	Will This Project Include Retirement of Materials or Equipment? Yes	ER Sponsor M08	BI Number SS604
Billing	Billing Contact		WMS Job # 028 Washington Location 028 Washington Project Start Date 1/11/2010

Project Description (Include Purpose and Necessity - 240 Characters)
 This project is for the replacement of the 115 kV circuit breakers and line relaying at Otis Orchards substation. The existing breakers are at the end of their life.

CONSTRUCTION				Budget Authorized: \$700,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	
Task	3XXXXX	By FERC Number	By FERC Number	Date	
300100	300100	\$150,000		Project Set Up By	
107300	353000	\$485,000		Approved By	
109000	397000	\$15,000			
GROSS ADDITIONS			\$650,000		
Cost of Removal By FERC (3XXXXX)					
108000	353000	\$50,000			
Total Removal			\$50,000		
Salvage By FERC (3XXXXX)					
Total Salvage					
Total Removal Less Salvage			\$50,000		

APPROVALS		SIGNATURE	DATE
Signature		<i>Robert C. DeJong</i>	1-7-10
Signature		<i>Michael A. Magruder</i>	1-7-10
Signature		<i>Rick Vermeers</i>	1-11-10
Signature		<i>Don Kopczynski</i>	1/12/10
Signature		<i>Dennis Vermillion</i>	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		Project Contact & Extension Shirley Grant X. 4057
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APPROVAL SIGNATURE(S) REQUIRED	
To \$99,999 - Director	
\$100,000-\$499,999 - VP or GM Utility	
\$500,000-\$2,999,999 - Sr Vice President/CFO	
\$3,000,000-\$9,999,999 - President/CEO/COO	
Over \$10,000,000 - Board Chair	
Out of Budget - Capital Budget Committee	
THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO TRUHY ACCOUNTING.	
TOTAL COST OF PROJECT	\$700,000

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed
 Foreman/
 Supervisor

Selby, Rob

From: Selby, Rob
Sent: Thursday, December 03, 2009 10:03 AM
To: 'James.Anderson@hdrinc.com'
Cc: Magruder, Mike
Subject: Otis Orchards GCB, Line Relay & SCADA Upgrades

Hi Jim,

I understand you've graciously volunteered to design the upgrades at Otis Orchards substation for us.

I'll need an estimate so we can get the contract set up.

Here is a copy of the general plan and one lines for the station:



E-29199s007r04.tif E-29199s001r04.tif e-29199s002r07.TI
 F

Scope

The scope of work of the project is:

- Remove OCB's A-640, A-641, A-642, A-645, and A-646. OCB A-646 is being removed for the future transformer addition.
- Replace four 115 kV OCB's with new Mitsubishi GCB's. Remove old oil containment liner, and replace foundations. (Use E-10000, Sht 46, Det 178 for new GCB foundations.)
- Replace A-640, A-641, A-642, and A-645 with new Mitsubishi GCB's. (GCB A-646 will be added during the transformer addition, which is not in the scope of your project). Base drawings for these breakers are available. Use Nez Perce or Appleway substation drawings.
- Add four new 115 kV PT's for hot line sensing including associated foundations, steel, secondary cabinet, and control wiring. (Use E-10000, Sht. 41, Det. 166 for foundation)
- Replace existing duplex relay and control panels for four line positions

We're ahead of any of the protection team so I do not have a relay or integration design. The relay and integration design is scheduled to be completed by January, 26, 2010.

Rack Wiring & Prints

The 115 kV line panels will be similar recent jobs using a SEL-421 / SEL-311L combination.

The SCADA rack will be similar to Northeast, which is still under design. (E-36195 Series) It will be a DNP protocol based and use a Cybectec / SEL-2440 combination.

Existing drawings are mainly AutoCAD conversions from CADAM.

Physical Notes:

The station has an MTC and Trenwa which will ease any cabling requirements.

Brian Chain will be replacing the battery bank next year. He will be responsible for the drawings, so you will need to coordinate design with each other.

Construction Outages:

I'm expecting that each line position will be out of service, one at a time. We have not scheduled any outages for the 115 kV lines. Let me know if there is a preferred sequence as a result of the design.

I'm sure there will be more details once we get into the job further. Please email or call if you have some questions regarding the scope for developing an estimate.

Thanks!

Rob Selby
Substation Design
Avista Utilities
(509) 495 2560

Avista Contract No. R-14160

WORK AUTHORIZATION No. 24

EFFECTIVE DATE: December 9, 2009

Project/Task: Otis Orchard Substation Engineering Services
Requestor/Department: Rob Selby /Substation Design
Consultant: HDR Engineering, Inc.

Requestor ORG: M08

Description of Requested Work/Schedule/Deliverables:

Provide Design Engineering Services for the Otis Orchards Substation Project as outlined in Consultant's Letter Proposal dated December 7, 2009.

Work schedule will be at the direction of Rob Selby.

Attachments: Consultant's Proposal dated December 7, 2009.

Compensation for This Work Shall Be:

- For a lump sum price of \$ _____
- For actual time and expenses outlined in Consultant's Proposal not to exceed \$97,478 without the express written consent of Avista.

The above-described work is authorized herewith:

AUTHORIZED BY AVISTA:

ACCEPTED BY HDR ENGINEERING, INC.

Richard L. Verneers

William E. Barnhart II

Signature
Richard L. Verneers

Signature
William E. Barnhart II

Printed Name
Director, Electrical Engineering

Printed Name
Vice President

Title _____ Date _____

Title _____ Date _____

Note: A fully executed copy of this Work Authorization must be filed by Requestor with Avista Contract Services. A copy of this Work Authorization must accompany all invoices submitted for this work.

ONE COMPANY | *Many Solutions*

December 7, 2009

Mr. Mike Magruder
 Avista Utilities
 P.O. Box 3727
 Spokane, WA 99220-3727

Re: Otis Orchards Substation – Replace four 115 kV OCB breakers A-640, A-641, A-642 and A-645 with 115 kV GCB breakers, remove 115 kV OCB breaker A-646, replace 115 kV Line relaying on breakers A-640, A-641, A-642 and A-645, replace the 115 kV bus panel with new bus meter, 86B lockout and 87B bus relay and install new station integration system SCADA rack.

Dear Mike:

HDR is pleased to provide the following engineering cost estimate for replacing four 115 kV OCB breakers A-640, A-641, A-642 and A-645 with new Mitsubishi 115 kV GCB breakers, remove 115 kV OCB breaker A-646, replace 115 kV line relaying panels for breakers A-640, A-641, A-642 and A-645, replace the existing 115 kV bus panel to provide new bus metering, 86B lockout and 87B bus differential relay and install new Avista standard station integration system (SCADA) rack. HDR will provide engineering services for this project from our Spokane office. The estimate includes providing the drafting work required for these drawings. HDR will collect pertinent data from Avista's files. Our design is based upon using similar station equipment drawings as a base from the previous projects I have recently designed for you.

The design will include modifications to the physical drawings, develop the associated control, schematic and wiring diagrams for the new additions, convert and update the existing paper copy material and cable lists to electronic format, as well as preparation of material requirements for the project. HDR will review the drafted copies and assemble a complete set of preliminary construction drawings for review by Rob Selby.

The cost of providing engineering services for this project will include HDR's labor and direct project expenses. Engineering labor is estimated to be approximately \$85,070 with expenses of approximately \$3,546 and a 10% contingency of \$8,862 for a total of \$97,478. Expenses include a \$3.70 per hour technology charge. We anticipate that Jim Anderson, Dan Scholz, Lacey Browne and Frankie Kipp will be the individuals comprising the design team for this project.

HDR Engineering, Inc.

1401 E. Trent Suite 101
 Spokane, WA 99202

Main 509-343-8500
 FAX 509-343-8501



ONE COMPANY *Many Solutions*

We have estimated the following number of hours for the following employees:

Jim	452 hours @ \$120 / hour
Dan	304 hours @ \$ 71 / hour
Lacy Browne	70 hours @ \$ 63 / hour
Frankie Kipp	12 hours @ \$ 63 / hour

We look forward to working with you on this project. Please call if you have any questions.

Sincerely,

William E. Barnhart II, P.E.
Vice President

James N. Anderson
Project Engineer

AVISTA UTILITIES
REPLACE 4 OCB 115 KV BREAKERS WITH GCB UNITS AND LINE RELAYING ON BREAKERS
OTIS ORCHARDS 115 KV SUBSTATION STATION ENGINEERING COST ESTIMATE

TASK DESCRIPTION	PROJ MGR	JIM ENG	SEN CIVIL	CIVIL ENG	CAD DFT	SEC	TOTAL
A ELECTRICAL LAYOUT DESIGN							
General Plan Updates	1.0	8.0			8.0		17.0
Section View updates	2.0	20.0			20.0		42.0
Ground Plan updates	1.0	8.0			8.0		17.0
Grounding Plan updates	1.0	6.0			6.0		13.0
Cable Location Plan updates	1.0	8.0			8.0		17.0
Panel House Detail Updates	1.0	6.0			6.0		13.0
Material List Conversion & Updates		30.0				40.0	70.0
TOTAL HOURS ELECTRICAL LAYOUT DESIGN	7.0	86.0	0.0	0.0	56.0	40.0	189.0
B ELECTRICAL CONTROL DESIGN							
Breaker Wiring Diagrams	4.0	40.0			32.0		76.0
CT-PT Schematic Diagrams	4.0	32.0			24.0		60.0
Breaker Control Schematics	4.0	48.0			40.0		92.0
Bus Differential and Lockout Schematic Updates	2.0	32.0			32.0		66.0
Panel Wiring Diagrams	5.0	50.0			40.0		95.0
Panel Front View Layouts	2.0	30.0			24.0		56.0
Cable List Conversion & Updates	2.0	30.0				30.0	62.0
Station Integration Schematics and Wiring Diagrams	4.0	60.0			40.0		104.0
TOTAL HOURS ELECTRICAL CONTROL DESIGN	27.0	322.0	0.0	0.0	232.0	30.0	611.0
C PROJECT MANAGEMENT							
Invoice Preparation		6.0				12.0	18.0
QA/QC Review		18.0			16.0		32.0
Review/ Client Meetings		16.0					16.0
TOTAL HOURS PROJECT MANAGEMENT	0.0	38.0	0.0	0.0	16.0	12.0	66.0
C FIELD TRIP							
Substation Scoping Trip		6.0					6.0
TOTAL HOURS	34.0	452.0	0.0	0.0	304.0	82.0	872.0
ESTIMATED MANHOUR COST							\$85,070

DIRECT EXPENSE ESTIMATE

D. TRAVEL EXPENSES							
MILEAGE						\$20.00	
						\$20	\$20
E. COMPUTER SERVICES							
1 TECH CHARGES					\$/HR		
					\$3.70	\$3,226	
							\$3,226
F. Prints and Plots							
1 Prints						300.00	
						\$300	\$300
ESTIMATED DIRECT EXPENSES							\$3,546

PROJECT SUMMARY

Estimated Manhour Cost	\$85,070
Estimated Direct Expenses	\$3,546
Engineering Contingencies @ 10%	\$8,862
TOTAL ESTIMATED SUBSTATION ENGINEERING COST	\$97,478

Selby, Rob

From: Selby, Rob
Sent: Friday, December 04, 2009 10:03 AM
To: 'James.Anderson@hdrinc.com'
Subject: Otis Orchards Schedule

Hi Jim,

The schedule for the line relay upgrades centers around the outage windows. System operations would prefer the outages take place during Fall or Winter.

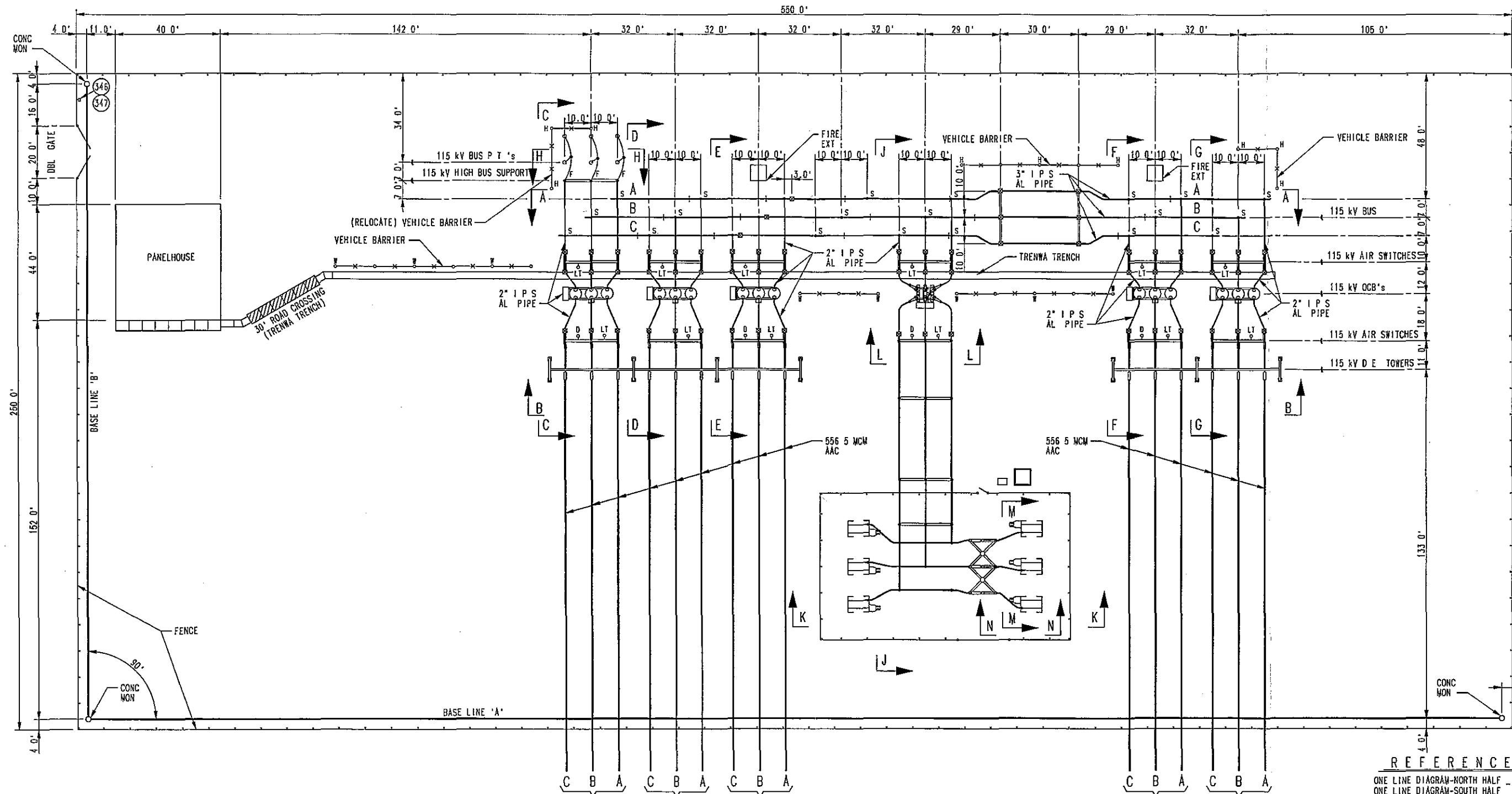
The design should be available for relay rack construction over summer. Outages would start Fall 2010.

Projected Schedule:

Design	June 2010
Rack Construction	July, Aug, Sept 2010
Line Outages	Oct 2010
Construction Complete	Jan 2011

Rob Selby
Substation Design
Avista Utilities
(509) 495 2560

66167-3



REFERENCE DRAWINGS

ONE LINE DIAGRAM-NORTH HALF	SHT 01
ONE LINE DIAGRAM-SOUTH HALF	SHT 02
STATION WIRING DIAGRAM-NORTH HALF	SHT 03
STATION WIRING DIAGRAM-SOUTH HALF	SHT 04
GROUND PLAN	SHT 08
GROUNDING PLAN	SHT 09
CABLE LOCATION PLAN	SHT 10
115 kV ELEVATIONS A-A, B-B, J-J	SHT 11
115 kV ELEVATIONS C-C, D-D, E-E, F-F, G-G, H-H	SHT 12
115 kV MISC DETAILS	SHT 13
GRADING PLAN	SHT 97
PROPERTY PLAN	C-32174
CABLE LIST	L-33482
MATERIAL LIST	L-33483

NOTES:

- 1 DRILL 1/4" DIA HOLE IN LOW POINT OF EACH PIPE SECTION
- 2 INSTALL A 556 5 MCM AAC CONDUCTOR IN ALL 2" & 3" HORIZONTAL BUSES AS A VIBRATION DAMPER

LEGEND

- SLIP BUS SUPPORT
- FIXED BUS SUPPORT
- EXPANSION FITTING
- LIGHT (AC)
- LIGHT (DC)
- BUS COUPLER
- BOUNDARY MARKER w/"DANGER HIGH VOLTAGE" DECAL
- BOUNDARY MARKER w/"WARNING CABLE TRENCH" DECAL
- BOUNDARY MARKER WITHOUT DECAL

115 kV BOULDER NO.2 LINE
 115 kV NINTH & CENTRAL LINE (VIA LIBERTY LAKE)
 115 kV POST FALLS LINE
 115 kV BOULDER NO.1 LINE (SPARE) (VIA BARKER ROAD)



E-29199, 4, 07, 01, S, OTS, 115, 1

4	12-8-05	CORRECTED PER R & T PRINTS	WSM/AA	1"=20'	6-7-89	APPROVED
3	12-28-94	ADDED 115 kV L A 'S	RP/W/T	SCALE	DATE	<i>Michael J. Dudley</i>
2	9-9-91	ADDED 115 kV CAPACITOR BANK	JZ	DESIGN	CHECKED	12-4-89
1	10-22-91	CORRECTED PER R & T 'AS-BUILTS'	JZ/TLD	DRAWN	NOTED	DATE
NO	DATE	REVISION	BY	CHECKED	NOTED	SHT 07 OF 14

E-29199-E

DEVICE FUNCTION LEGEND

- 21 DIRECTIONAL DISTANCE RELAY
- 25 SYNCHRONISM CHECK RELAY
- 27L HOT LINE INDICATION RELAY
- 50 INSTANTANEOUS OVERCURRENT RELAY
- 50BF BREAKER FAILURE FAULT DETECTOR (INST)
- 51 TIME OVERCURRENT RELAY
- 51BF BREAKER FAILURE FAULT DETECTOR (TIME)
- 62BF BREAKER FAILURE TIME DELAY RELAY
- 67N DIRECTIONAL OVERCURRENT RELAY
- 79 RECLOSING RELAY
- 81-2 UNDERFREQUENCY RELAY
- 81X-2 AUXILIARY RELAY, UNDERFREQUENCY TRIP & BLOCK
- 81Y-2 115 kV BUS LOCKOUT RELAY
- 86B 115 kV BUS DIFFERENTIAL RELAY
- 87B 115 kV BUS DIFFERENTIAL RELAY
- 201 SUPERVISORY CONTROL
- 201C SUPERVISORY CONTROL CLOSING
- 201T SUPERVISORY CONTROL TRIPPING

LEGEND

- AM ANMETER
- COVM CURVE DRAWING VOLTMETER
- MR MULTI-RATIO
- WM WATT METER
- VM VAR METER
- VS VOLTMETER
- XD TRANSDUCE

CIRCUIT LEGEND

- A 115 kV BUS DIFFERENTIAL CIRCUIT
- B BREAKER FAILURE TRIP OF 86B
- C UNDERFREQUENCY TRIP CIRCUIT (81-2)
- D 86B TRIP CIRCUIT
- E 115 kV MAIN BUS
- F 115 kV METER & RELAY POTENTIAL CIRCUIT
- G 115 kV POLARIZING/SYNCHRONISM POTENTIAL CIRCUIT

NOTE:


1 50/51 BF CONNECTED A₀, C₀, AND GROUND

REFERENCE DRAWINGS

ONE LINE DIAGRAM SOUTH HALF	SHT 02
STATION WIRING SOUTH HALF	SHT 04
GENERAL PLAN	SHT 07
GROUNDING PLAN	SHT 09
GROUND PLAN	SHT 08
115 kV ELEVATIONS A-A, B-B	SHT 11
115 kV ELEVATIONS C-C, D-D, E-E, F-F, G-G	SHT 12
115 kV MISC BUS DETAILS	SHT 11
GRADING PLAN	SHT 97
CABLE LIST	L-31482
MATERIAL LIST	L-31483

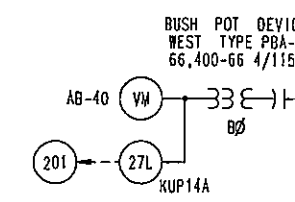
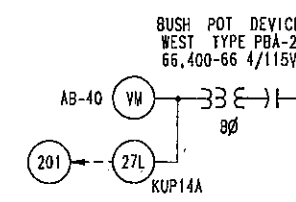
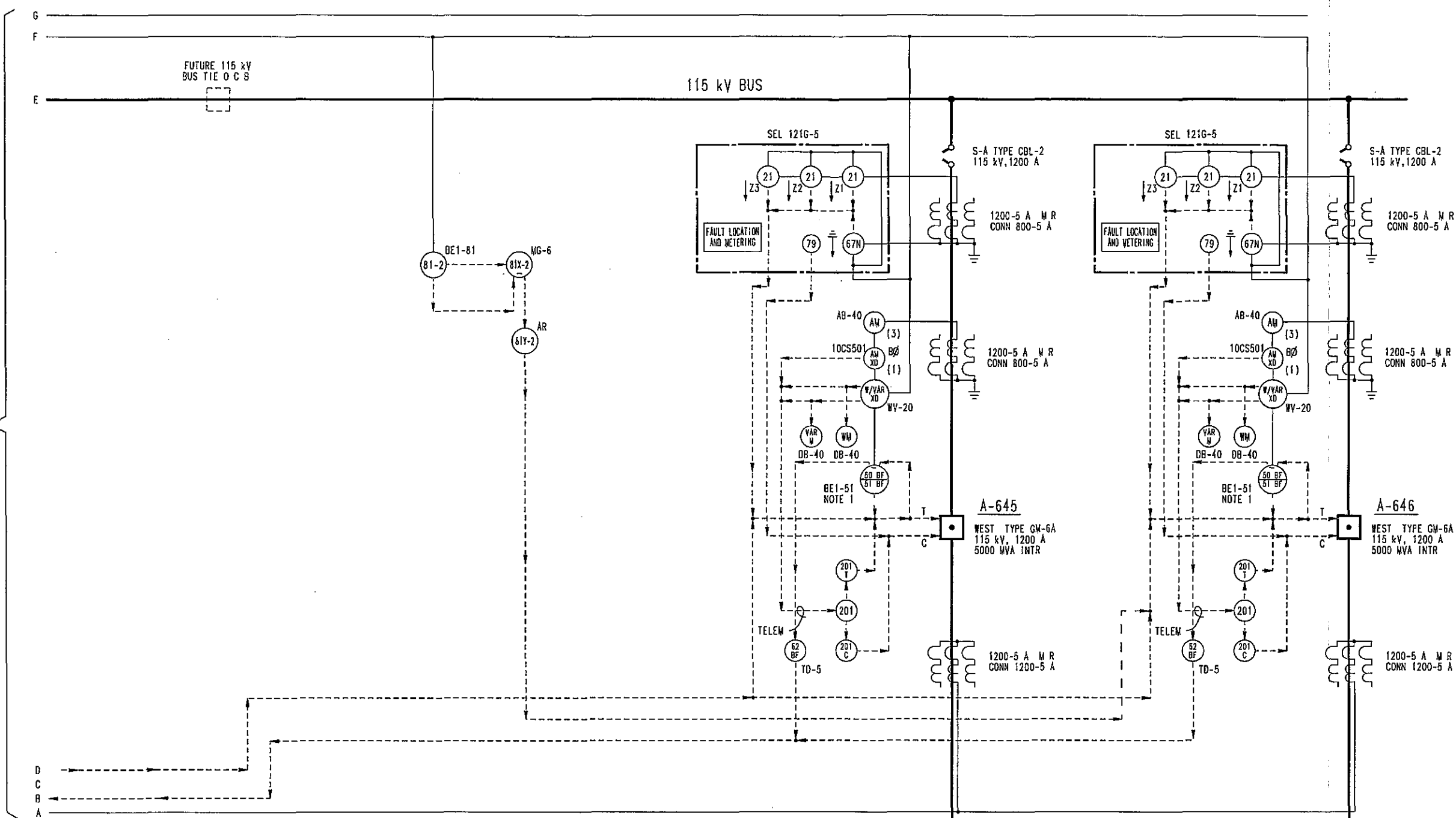
115 kV SWITCHING STATION
OTIS ORCHARDS, WASHINGTON
ONE LINE DIAGRAM-NORTH HALF

AVISTA CORP
SPOKANE, WASHINGTON

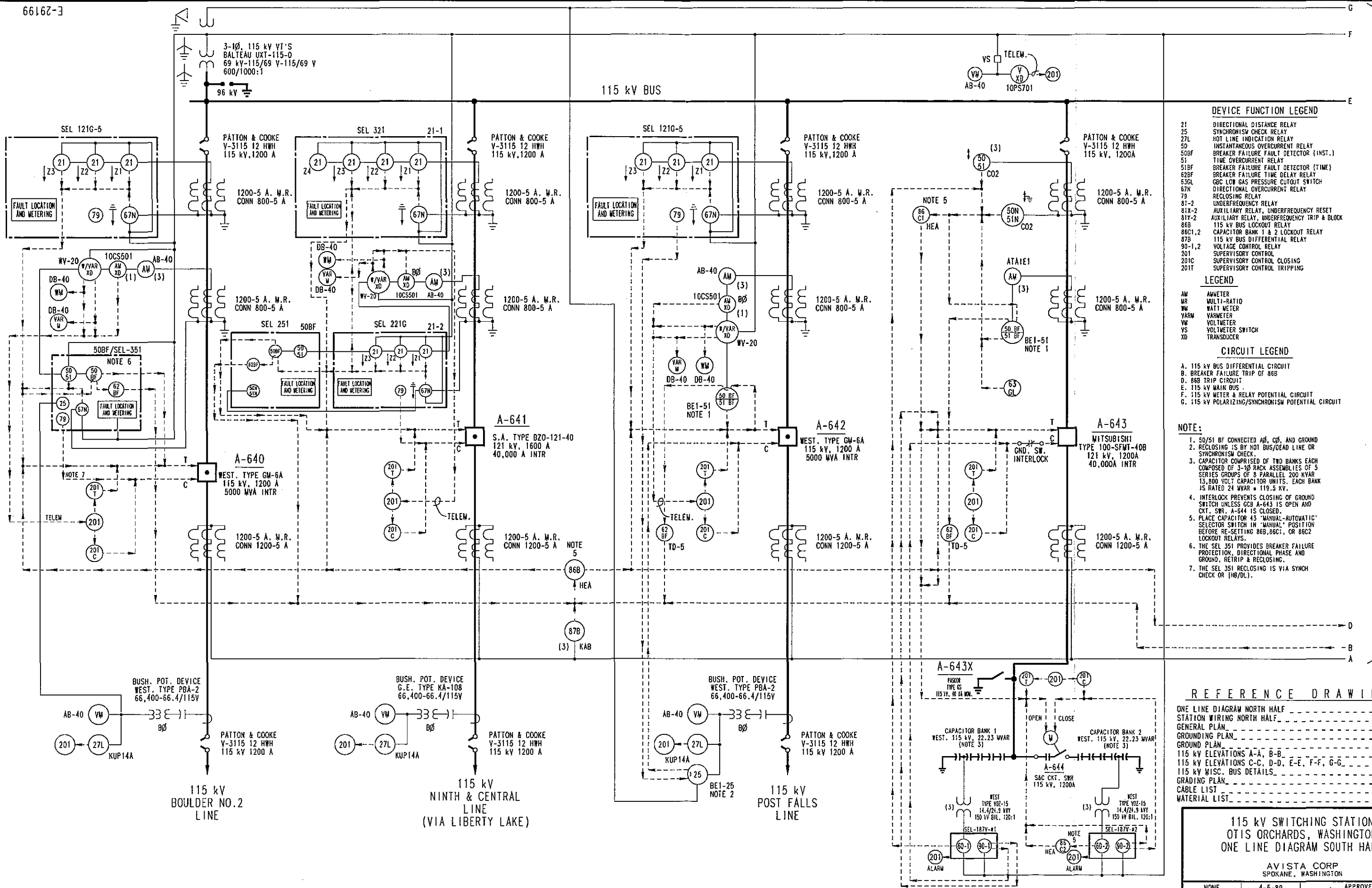
4	11-17-05	CORRECTED PER R & T PRINTS	WSM	DATE	4-5-89	APPROVED	 DATE 9-28-90
3	10-3-01	ADD SYNC CHECK RELAY A-640	CL	DATE			
2	7-21-92	ADDED 115 kV CAPACITOR BANK	TD	CHECKED	TD		
1	9-10-91	CORRECTED PER 'R & T' PRINT	TD	NOTED			
NO	DATE	REVISION	BY	CHECKED	NOTED		SHT 01 of 1

SEE E-29199 SHT. 2 FOR CONTINUATION

E-29199-4, 01, 01, S, OTS, 115, 1



6616Z-3



- DEVICE FUNCTION LEGEND**
- 21 DIRECTIONAL DISTANCE RELAY
 - 25 SYNCHRONISM CHECK RELAY
 - 27L HOT LINE INDICATION RELAY
 - 50 INSTANTANEOUS OVERCURRENT RELAY
 - 50BF BREAKER FAILURE FAULT DETECTOR (INST.)
 - 51 TIME OVERCURRENT RELAY
 - 51BF BREAKER FAILURE FAULT DETECTOR (TIME)
 - 62BF BREAKER FAILURE TIME DELAY RELAY
 - 63GL GBC LOW GAS PRESSURE CUTOFF SWITCH
 - 67N DIRECTIONAL OVERCURRENT RELAY
 - 79 RECLOSE RELAY
 - 81-2 UNDERFREQUENCY RELAY
 - 81X-2 AUXILIARY RELAY, UNDERFREQUENCY RESET
 - 81Y-2 AUXILIARY RELAY, UNDERFREQUENCY TRIP & BLOCK
 - 86B 115 kV BUS LOCKOUT RELAY
 - 86C1,2 CAPACITOR BANK 1 & 2 LOCKOUT RELAY
 - 87B 115 kV BUS DIFFERENTIAL RELAY
 - 90-1,2 VOLTAGE CONTROL RELAY
 - 201 SUPERVISORY CONTROL
 - 201C SUPERVISORY CONTROL CLOSING
 - 201T SUPERVISORY CONTROL TRIPPING

- LEGEND**
- AM AMMETER
 - MR MULTI-RATIO
 - WM WATT METER
 - VARM VAR METER
 - VM VOLTMETER
 - VS VOLT METER SWITCH
 - XD TRANSDUCER

- CIRCUIT LEGEND**
- A. 115 kV BUS DIFFERENTIAL CIRCUIT
 - B. BREAKER FAILURE TRIP OF 86B
 - D. 86B TRIP CIRCUIT
 - E. 115 kV MAIN BUS
 - F. 115 kV METER & RELAY POTENTIAL CIRCUIT
 - G. 115 kV POLARIZING/SYNCHRONISM POTENTIAL CIRCUIT

- NOTE:**
1. 50/51 BF CONNECTED AG, CG, AND GROUND
 2. RECLOSE IS BY HOT BUS/DEAD LINE OR SYNCHRONISM CHECK.
 3. CAPACITOR COMPRISED OF TWO BANKS EACH COMPRISED OF 3-10 RACK ASSEMBLIES OF 5 SERIES GROUPS OF 8 PARALLEL 200 KYAR 13,300 VOLT CAPACITOR UNITS. EACH BANK IS RATED 24 MVAR @ 119.5 KV.
 4. INTERLOCK PREVENTS CLOSING OF GROUND SWITCH UNLESS GCB A-643 IS OPEN AND CKT. SWR. A-644 IS CLOSED.
 5. PLACE CAPACITOR 43 'MANUAL-AUTOMATIC' SELECTOR SWITCH IN 'MANUAL' POSITION BEFORE RE-SETTING 86B, 86C1, OR 86C2 LOCKOUT RELAYS.
 6. THE SEL 351 PROVIDES BREAKER FAILURE PROTECTION, DIRECTIONAL PHASE AND GROUND, RETRIP & RECLOSE.
 7. THE SEL 351 RECLOSE IS VIA SYNCH CHECK OR (H/DL).

REFERENCE DRAWINGS

ONE LINE DIAGRAM NORTH HALF	SHT. 01
STATION WIRING NORTH HALF	SHT. 03
GENERAL PLAN	SHT. 07
GROUNDING PLAN	SHT. 09
GROUND PLAN	SHT. 08
115 kV ELEVATIONS A-A, B-B	SHT. 11
115 kV ELEVATIONS C-C, D-D, E-E, F-F, G-G	SHT. 12
115 kV MISC. BUS DETAILS	SHT. 11
GRADING PLAN	SHT. 97
CABLE LIST	L-33482
MATERIAL LIST	L-33483

**115 kV SWITCHING STATION
OTIS ORCHARDS, WASHINGTON
ONE LINE DIAGRAM SOUTH HALF**

AVISTA CORP
SPOKANE, WASHINGTON

E-29199, 7.02.01, S. OTS, 115.1

NO	DATE	REVISION	BY	CKD	NO	DATE	REVISION	BY	CKD	NO	DATE	REVISION	BY	CKD
6	12-7-05	CORRECTED PER R & T PRINTS	WSW	AA	3	12-29-01	ADDED 115 kV L.A.'S	RP	WT					
5	7-22-02	REPLACE OCB A-641 RELAYING	WSW	PM	2	7-21-02	ADDED 115 kV CAPACITOR BANK							
4	10-3-01	ADD SYNC CHECK RELAY A-640	CL	PM	1	9-10-01	CORRECTED PER 'R & T PRINT'							
7	8-15-05	CORRECTED TO DATE	DLW	MM	4	10-3-01								

SEE E-29199 SHT. 1 FOR CONTINUATION

APPROVED
Michael J. Newby
DATE 9-28-90
DRAWN *TLD*
NOTED *JW*
SHT 02 OF 14
E-29199
Page 14 of 14

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2254

ER Name: Replacement Programs – Air Switch Upgrade

Pro Forma Amount: \$165,000

Expended to Date: \$111,306

2010 Transfer to Plant Date: December 2010

Project Description:

Replacement Programs (\$2.044 million - Total):

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include **transmission and substation air switch upgrades**, arrester upgrades, restoration of substation rock and fencing, recloser replacements, replacement of obsolete circuit switchers, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs are usually not maintained on a set schedule. The equipment is replaced when useful life has been exceeded. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment.

ER 2254 funds the Transmission Line Air Switch Upgrade Program (TLASUP).

The projects associated with the TLASUP replace aging and malfunctioning air switches. Air switches are utilized to sectionalize the 115kV Transmission System. They are also used to isolate a fault and restore power to customers or to isolate a portion of line when performing maintenance. This program is designed to insure that the air switches operate in a safe and reliable manner.

The specific projects TLASUP projects scheduled for 2010 include:

Project Name	CPR Amount	Spent Prior to 2010	To be Spent in 2010
Switch A295 on the St. Maries Tap @ Ogara (Benewah – Pine Creek 115kV Line)	\$99,500		\$99,500
Switch A23 on the Spirit Lake Tap (Pine Street – Rathdrum 115kV Line)	\$38,600		\$38,600
Switch A334 on the Cottonwood Tap (Grangeville – Nez Perce #1 115kV Line)	\$98,000	\$107,006	(\$9,006)
Switch A328 on the Colbert Tap (fed from BPA system)	\$38,600		\$38,600
Totals	\$274,700	\$107,006	\$167,694

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

As noted above, the company has 4 projects that are to be completed during 2010. The requested pro forma amount is the amount to be spent in 2010, amounting to approximately \$165,000, although the total estimated amount to be put into service during 2010 may exceed \$274,700.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:	Start Date	End Date
BI AMT10: Switch A295 on the St. Maries Tap	Fall, 2010	Fall, 2010
BI AMT10: A23 on the Spirit Lake Tap	Fall, 2010	Fall, 2010
BI AMT10: Switch A334 on the Cottonwood Tap	Fall, 2010	Fall, 2010
BI AMT10: Switch A328 on the Colbert Tap	Spring, 2010	Spring, 2010

See attached timeline for further detail.

Attachment Index:

- ER Costs pg. 3
- Capital Project Request (CPR) Forms, including all attachments pg. 4-7
- Design Scope Document pg. 8-9

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2254
COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	2008 Transaction Amt	2009 Transaction Amt	2010 Transaction Amt
2254	39905022	Cottonwood Tap Repl Swtchs	AFUDC	2,252.66	6,365.48	1,499.51
			Contractor	-	969.73	1,100.00
			Contributions	(12,299.72)	-	-
			Labor	2,166.45	14,050.23	62.52
			Material	10,586.34	929.26	-
			Overhead	8,351.87	19,534.24	606.31
			Transportation	360.00	7,220.05	1,032.00
			Vehicle	91.22	-	-
			Voucher	57,872.82	(11,444.82)	-
		Sum		<u>69,381.64</u>	<u>37,624.17</u>	<u>4,300.34</u>
					Total costs	<u>111,306.15</u>



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type		Project(s)	
Revised		3990 5060	
ER 2254	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) BEN-PC 115: Inst Scada on A-11
Long Project Name (100 Characters) Benewah-Pine Creek 115kV: Install Scada on air switch A-11 at Ogara A 295			'Parent' Code
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	ER Sponsor	BI Number AMT10
Billing	Revenue Type NA- Not Applicable	Billing Contact	WMS Job #
			Rate Jurisdiction ID-Idaho
			Location 399-115kv line-ID
			Project Start Date 9/12/2010

Project Description (Include Purpose and Necessity - 240 Characters)
 BENEWAH-PINE CREEK 115KV - Install Scada controls on air switch A-11 at the Ogara Substation. This will allow remote switching which will minimize the outage time on the St. Maries Tap.

CONSTRUCTION				Budget Authorized: \$99,500	
Office Use only	FERC	Estimated Amount	As Built Amount		
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only	Date
	300100	\$10,000		Project Set Up By	
	355000	\$1,000		Approved By	
	356000	\$87,500			

				APPROVALS	
GROSS ADDITIONS		\$98,500	SIGNATURE		
Cost of Removal By FERC (3XXXXX)			DATE		
	355000	\$500	Signature	Ken Sweigart	2/3/2010
	356000	\$500	Signature	Rick Vermeers	
	Total Removal	\$1,000	Signature	Don Kopczynski	
	Salvage By FERC (3XXXXX)		Signature		
	Total Salvage		Signature		
	Total Removal Less Salvage	\$1,000			

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task	Project Contact & Extension	Dan Gregovich
-----------	-----------------------------	---------------

APPROVAL SIGNATURE(S) REQUIRED	
Sub Task	To \$99,999 - Director
	\$100,000-\$499,999 - VP or GM Utility
	\$500,000-\$2,999,999 - Sr Vice President/CFO
	\$3,000,000-\$9,999,999 - President/CEO/COO
	Over \$10,000,000 - Board Chair
	Out-of-Budget - Capital Budget Committee

Date Prepared: 02/02/10

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM COMPLETE AS BUILT AND FORWARD TO UTILITY ACCOUNTING

TOTAL COST OF PROJECT	\$99,500	Date Work Completed
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/ Supervisor



CAPITAL PROJECT REQUEST FORM (CPR)

ER 2254	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Install A-23 at Spirit Lk Tap		Request Type Revised	Project(s) 3990365
Long Project Name (100 Characters) PINE STREET-RATHDRUM 115kV: Install air switch A-23 at the Spirit Lake Tap						'Parent' Code
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA- Not Applicable	ER Sponsor	BI Number AMT10	WMS Job #	Rate Jurisdiction ID-Idaho
Billing	Billing Contact			Location 399-115kv line-ID Project Start Date 9/12/2010		

Project Description (Include Purpose and Necessity - 240 Characters)
 PINE STREET-RATHDRUM 115kV: Install air switch A-23 south of the Spirit Lake Tap. This will eliminate the need to open jumpers when isolating the line between the Spirit Lake Tap and Athol Tap.

CONSTRUCTION				Budget Authorized: \$38,600	
Office Use only	FERC	Estimated Amount	As Built Amount		
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only	Date
	300100	\$3,500		Project Set Up By	
	355000	\$12,900		Approved By	
	356000	\$21,000			

				APPROVALS	
GROSS ADDITIONS		Estimated Amount		SIGNATURE	DATE
		\$37,400		Signature	
Cost of Removal By FERC (3XXXXX)					
	355000	\$1,000		Ken Sweigart	2/3/2010
	356000	\$200		Signature	
				Rick Vermeers	
				Signature	
Total Removal		\$1,200		Don Kopczynski	
Salvage By FERC (3XXXXX)					
				Signature	
Total Salvage				Signature	
Total Removal Less Salvage		\$1,200		Signature	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task			Project Contact & Extension	Dan Gregovich
Sub Task			APPROVAL SIGNATURE(S) REQUIRED To \$99,999 - Director \$100,000-\$499,999 - VP or GM Utility \$500,000-\$2,999,999 - Sr Vice President/CFO \$3,000,000-\$9,999,999 - President/CEO/COO Over \$10,000,000 - Board Chair Out-of-Budget - Capital Budget Committee	

Date Prepared: 02/02/10

TOTAL COST OF PROJECT	\$38,600	Date Work Completed	Foreman/ Supervisor
-----------------------	----------	---------------------	------------------------

Questions: contact Project and Fixed Asset Accounting
(Sue ext-4472 or Howard ext-2936)



CAPITAL PROJECT REQUEST FORM (CPR)

ER 2254	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Replace A-328 on Colbert Tap	Request Type Revised	Project(s) 2990 5093
Long Project Name (100 Characters) 115kV Milan Tap: Replace air switch A-528				'Parent' Code	
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA- Not Applicable	ER Sponsor	BI Number AMT10	WMS Job #
Billing	Billing Contact			Rate Jurisdiction WA-Washington	
				Location 299-115kv line WA	
				Project Start Date 4/5/2010	

Project Description (Include Purpose and Necessity - 240 Characters)
 115kV ~~Colbert~~ Tap - Replace air switch A-328. This is a KPF 600 Amp air switch with a broken operating rod, replacing it with a 1200 amp USCO switch will make for safer and more reliable switching.

CONSTRUCTION				Budget Authorized: \$38,600	
Office Use only Task	FERC 3XXXXX	Estimated Amount By FERC Number	As Built Amount By FERC Number	Office Use Only	Date
	300100	\$3,500		Project Set Up By	
	355000	\$12,900		Approved By	
	356000	\$21,000			

APPROVALS				SIGNATURE	DATE
GROSS ADDITIONS				\$37,400	
Cost of Removal By FERC (3XXXXX)					
	355000	\$1,000		Ken Sweigart	2/3/2010
	356000	\$200		Signature	
				Rick Vermeers	
				Signature	
	Total Removal	\$1,200		Don Kopczynski	
Salvage By FERC (3XXXXX)					
				Signature	
	Total Salvage				
Total Removal Less Salvage				\$1,200	
				Signature	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		Project Contact & Extension	Dan Gregovich
Sub Task		APPROVAL SIGNATURE(S) REQUIRED	
		To \$99,999 - Director	
		\$100,000-\$499,999 - VP or GM Utility	
		\$500,000-\$2,999,999 - Sr Vice President/CFO	
		\$3,000,000-\$9,999,999 - President/CEO/COO	
		Over \$10,000,000 - Board Chair	
		Out-of-Budget - Capital Budget Committee	

Date Prepared: 02/02/10

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM COMPLETELY IN FULL AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT	\$38,600	Date Work Completed	
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor	

DESIGN SCOPING DOCUMENT

115kV AIR SWITCH UPGRADE PROGRAM

PROJECT DESCRIPTION:

Air switches are utilized to sectionalize the 115kV Transmission System. They may be used to isolate a fault and restore power to customers or to isolate a portion of line when performing maintenance. This program is designed to insure that the air switches operate in a safe and reliable manner. The following projects are scheduled in 2010;

A-295 @ OGDEN – Install Scada controlled motor operator

Motor Operator	\$10,000
Scada Controls	\$35,000
Engineering	\$10,000
Construction 10 days @ \$2,500	\$25,000
TOTAL (Taxes, A&G, and PM): @ 30%	\$ 21,100
TOTAL COST	<u>\$101,000</u>

A-23 @ SPIRIT LAKE TAP – Install new air switch on the south side of the Tap. Right now they have to open jumpers to isolate the section of line between the Spirit Lake Tap and Athol Tap.

115kV air switch	\$8,000
Switch Structure	\$7,000
Engineering	\$3,500
Construction 3 days @ \$4,000	\$12,000
TOTAL (Taxes, A&G, and PM): @ 30%	\$ 8,100
TOTAL COST	<u>\$38,600</u>

A-334 @ COTTONWOOD TAP – Replace 600 Amp KPF air switch with 1200 Amp USCO air switch..

Materials purchased prior to 2010	\$ 107,006
Materials purchased in 2010	\$ 4,300
Engineering	\$ 1,200
Construction (Incl. Removal) 3 days @ \$4,000	\$ 12,000
TOTAL (Taxes, A&G, and PM): @ 30%	\$ 3,600
TOTAL COST	<u>\$128,106</u>

A-328 @ COLBERT TAP – Replace 600 Amp KPF air switch with 1200 Amp USCO air switch.

115kV air switch	\$8,000
Switch Structure	\$7,000
Engineering	\$3,500
Construction (Incl. Removal) 3 days @ \$4,000	\$12,000
TOTAL (Taxes, A&G, and PM): @ 30%	\$ 8,100
TOTAL COST	<u>\$38,600</u>

TOTAL COST OF AIR SWITCH PROGRAM FOR 2010	<u>\$306,306</u>
--	-------------------------

GENERAL RESPONSIBILITIES:

ER:	2254
BI:	AMT10
Project Number:	Various
Engineering Task Number:	300100
Construction Installation Number:	107300
Project Designer:	Dan Gregovich
System Operations:	Garth Brandon
Right-of-Way (Customer Contacts):	N/A
Operations Support	Various

PROJECT SCHEDULE:

A-295	Fall/2010
A-23	Fall/2010
A-334	Fall/2010
A-328	Spring/2010

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2260

ER Name: Replacement Programs: Upgrade Surge Protection

Pro Forma Amount: \$100,000

Expended to date: \$0

2010 Transfer to Plant Date: April 2010 (\$50,000) and October 2010 (\$50,000)

Project Description:

Replacement Programs (\$2.044 million):

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission and substation air switch upgrades, arrester upgrades, restoration of substation rock and fencing, recloser replacements, replacement of obsolete circuit switchers, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs are usually not maintained on a set schedule. The equipment is replaced when useful life has been exceeded. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment.

We expect to complete Arrester installations at Davenport and Marengo Substations in spring 2010. In addition, we expect to install new Arrestors at Palouse or Spangle Substation in the fall.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Later this spring we will coordinate with transmission line work at Davenport to install Arrestors at Davenport Substation. An outage will be coordinated at Marengo Substation later in the spring/summer. In the fall we intend to install arrestors at either, or both, Palouse and Spangle Substations depending on crew resource and mobile substation availability.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Additional Information:

- Capital Project Request (CPR) Form

pg. 3-4

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.



CAPITAL PROJECT REQUEST FORM

ER 2260	Budget Category 5-Maintenance	Use Tab Key Service Code ED-Electric Direct	Project Title (30 Characters) Marengo - 115 kV Surge Arr		Request Type New	Project(s) 02805517
Long Project Name (100 Characters) Marengo: Install transformer high side lightning (surge) arrestors.				Project Title Count 26	Parent Code MGO10A	
Approved Budget Yes	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 68	ER Sponsor M08	BI Number AMS81	WMS Job #	Rate Jurisdiction AN-Allocated North
Billing	Billing Contact			Location 028-Washington Project Start Date 03-11-2010		

Project Description (Include Purpose and Necessity - 240 Characters)
Install voltage surge suppression (lightning arrestors) on the high voltage side of transformer. Older style spill gap protection will be eliminated with a transmission air switch replacement.

Long Name Count
193

CONSTRUCTION				Budget Authorized: \$9,000	
Office Use only Task	FERC 3XXXXX	Estimated Amount By FERC Number	As Built Amount By FERC Number	Office Use Only	Date
300100	300100	\$1,000		Project Set Up By	
107300	353000	\$8,000		Approved By	3/16/10

APPROVALS			SIGNATURE	DATE
GROSS ADDITIONS	\$9,000		D. Whicker	3/15/10
Cost of Removal By FERC (3XXXXX)			Daniel R. Whicker	
			Michael A. Magruder	3/15/10
			Michael Magruder	
Total Removal				
Salvage By FERC (3XXXXX)				
Total Salvage				
Total Removal Less Salvage				

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task: Project Contact & Extension Dan Whicker Ext 2439

APPROVAL SIGNATURE(S) REQUIRED	
To \$99,999 - Director	
\$100,000-\$499,999 - VP or GM Utility	
\$500,000-\$2,999,999 - Sr Vice President/CFO	
\$3,000,000-\$9,999,999 - President/CEO/COO	
Over \$10,000,000 - Board Chair	
Out-of-Budget - Capital Budget Committee	

Date Prepared: 03-11-10

TOTAL COST OF PROJECT \$9,000

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE 'AS BUILT' INFO AND FORWARD TO UTILITY ACCOUNTING.

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed

Foreman/ Supervisor



CAPITAL PROJECT REQUEST FORM (CPR)

ER 2260	Budget Category 5-Maintenance	Use Tab Key Service Code ED-Electric Direct	Project Title (30 Characters) Davenport - 115 kV Surge Arr	Request Type New	Project(s) 02805518
Long Project Name (100 Characters) Davenport: Install transformer high side lightning (surge) arrestors.				Project Title Count 28	'Parent' Code DVP10A
Approved Budget Yes	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 70	ER Sponsor M08	BI Number AMS81	WMS Job #
Billing		Revenue Type NA- Not Applicable	Billing Contact	Location 028-Washington	Project Start Date 03-11-2010

Project Description (Include Purpose and Necessity - 240 Characters)
 Install voltage surge suppression (lightning arrestors) on the high voltage side of transformer. Older spill gap style protection was eliminated during a transmission air switch replacement.

CONSTRUCTION				Budget Authorized: \$9,000	
Office Use only	FERC	Estimated Amount	As Built Amount		
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only	Date
306100	300100	\$1,000		Project Set Up By	
187300	353000	\$8,000		Approved By	3/16/10

APPROVALS			
		SIGNATURE	DATE
GROSS ADDITIONS \$9,000		Signature <i>D. Whicker</i>	3/15/10
Cost of Removal By FERC (3XXXXX)		Print Name Daniel R. Whicker	
		Signature <i>Michael A. Magruder</i>	3/15/10
		Print Name Michael Magruder	
Total Removal		Signature	
Salvage By FERC (3XXXXX)		Print Name	
		Signature	
Total Salvage		Print Name	
Total Removal Less Salvage		Signature	
		Print Name	

Non Standard Work Breakdown Structure Needed (Optional)
 Peer Task Project Contact & Extension Dan Whicker Ext 2439

APPROVAL SIGNATURE(S) REQUIRED	
Sub Task	To \$99,999 - Director
	\$100,000-\$499,999 - VP or GM Utility
	\$500,000-\$2,999,999 - Sr Vice President/CFO
	\$3,000,000-\$9,999,999 - President/CEO/COO
	Over \$10,000,000 - Board Chair
	Out-of-Budget - Capital Budget Committee

Date Prepared: 03-11-10
 TOTAL COST OF PROJECT \$9,000
 THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE 'AS BUILT' INFO AND FORWARD TO UTILITY ACCOUNTING.

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed
 Foreman/
 Supervisor

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2275

ER Name: Replacement Programs: System-Rock/Fence Restore

Pro Forma Amount: \$53,000

Expended to date: \$8,271

2010 Transfer to Plant Date: December 2010

Project Description:

Replacement Programs (\$2.044 million-Total):

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission and substation air switch upgrades, arrester upgrades, **restoration of substation rock and fencing**, recloser replacements, replacement of obsolete circuit switchers, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs are usually not maintained on a set schedule. The equipment is replaced when useful life has been exceeded. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment.

This is an annual System Budget ER that has projects completed throughout the year. Therefore, the expected completion is 12/31/10.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

All of these projects are likely to be completed over the summer months.

Additional Information:

- Capital Project Request (CPR) Forms, including all attachments pg. 3
- Work Authorization Form pg. 4
- Consultant Proposal pg. 5

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.



CAPITAL PROJECT REQUEST FORM

Request Type Preliminary		Project(s) 02805338	
ER 2275	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) ROK - Fence, Gravel, Grounding
Project Name (100 Characters) Rockford 115 kV Substation - Upgrade fence, spread new gravel, update grounding			'Parent' Code ROK09A
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? NO	ER Sponsor M08	BI Number AMS82
Billing	Billing Contact		WMS Job # 028-Washington
			Rate Jurisdiction WA-Washington
			Location 028-Washington
			Project Start Date 1/15/2009

Project Description (Include Purpose and Necessity - 240 Characters)
 Rockford Substation was converted to 13 kV for Avista's use after Kootenai Electric vacated the station in 2007. In order to meet current standards, the fence and grounding will be upgraded, and new gravel will be spread in the yard.
There will be Retirees per Brian Chain (Jan. 15, 2009)

CONSTRUCTION				Budget Authorized:	\$50,000
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	Date
Task	3XXXXX	By FERC Number	By FERC Number	Project Set Up By	
	361000	\$50,000		Approved By	

GROSS ADDITIONS				\$50,000	
Cost of Removal By FERC (3XXXXX)					
Total Removal					
Salvage By FERC (3XXXXX)					
Total Salvage					
Total Removal Less Salvage					

APPROVALS	
SIGNATURE	DATE
Signature: <i>Mike Magruder</i>	1-15-09
Print Name: Mike Magruder	
Signature: <i>Rick Vermeers</i>	1-15-09
Print Name: Rick Vermeers	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task			Project Contact & Extension Brian Chain, x2148
Sub Task			
Date Prepared:	01/15/09		

APPROVAL SIGNATURE(S) REQUIRED
 To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr. Vice President/CFO
 \$3,000,000-\$9,999,999 - President/GEO/COO
 Over \$10,000,000 - Board Chair
 Out of Budget - Capital Budget Committee

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING

TOTAL COST OF PROJECT	\$50,000	Date Work Completed	
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor	

Avista Contract No. R-29976

WORK AUTHORIZATION No. 14**EFFECTIVE DATE:** February 18, 2010**Project/Task:** Third & Hatch Substation Retaining Wall Stability Evaluation**Requestor/Department:** Aaron Henson/Substation Design**Consultant:** URS Corporation**Description of Requested Work/Schedule/Deliverables:**

At the direction of Aaron Henson, provide the geotechnical engineering services as outlined in Consultant's Proposal, No. 1010, dated February 16, 2010.

Attachments (List supplemental documents describing or specifying the work and supporting the requested compensation.):

Consultant's Proposal, No. 1010

Compensation for This Work Shall Be:

For actual time and expenses per Consultant's proposal not to exceed \$11,915 without the express written consent of Avista.

Consultant shall not perform any services or make any expenditures or commitments in connection with this Agreement which will exceed eighty percent (80%) of the compensation limit stated in Section 3.1 above, without the express written advance consent of Avista.

Consultant shall provide Avista with a cost-to-complete estimate and schedule for completion of the Services at the time Consultant applies to Avista for consent to proceed beyond eighty percent (80%) of the compensation limit.

The above-described work is authorized herewith:

AUTHORIZED BY AVISTA:


Signature

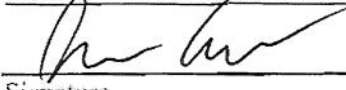
Michael A. Magruder

Printed Name

Manager, Substation Design 2/18/10

Title

Date

ACCEPTED BY URS CORPORATION:


Signature

R. David Enos

Printed Name

Branch Manager / VICE PRESIDENT 2/22/10

Title

Date

Note: A fully executed copy of this Work Authorization must be filed by Requestor with Avista Contract Services. A copy of this Work Authorization must accompany all invoices submitted for this work.



February 16, 2010

Mr. Aaron Henson
 Avista Corporation
 P.O. Box 3727
 Spokane, Washington 99220-3727

Subject: Proposal for Retaining Wall Evaluation
 Third & Hatch Electrical Substation
 Third Avenue and Hatch Street
 Spokane, Washington
URS Proposal Number 1010

Dear Mr. Henson:

URS Corporation (URS) is pleased to submit this proposal for the evaluation of the retaining wall stability and mitigation measures at the Third & Hatch Electrical Substation located northwest of the intersections of Third Avenue and Hatch Street in Spokane, Washington.

BACKGROUND INFORMATION

Based on our discussions and our visit to the site on February 11, 2010, it is our understanding that there are concerns for the immediate and future stability of the rock retaining wall at the existing electrical substation facility. The substation is situated on a knoll overlooking Third Avenue north of the site. There are stepped retaining walls of stacked rock/boulder construction to at least 10 feet in height, and are likely underlain by basalt bedrock. The walls are present along all but the south side of the site and were constructed in 1980 during the construction of the electrical substation. Reportedly, about one year after the walls were constructed, an un-reinforced concrete cap was placed at the top of the wall between the substation fence and the edge of the wall to reduce erosion. Some settlement of the wall was observed on the northern side of the middle portion of the wall following installation of the concrete cap. During normal operation and maintenance work in February 2010, Avista Utility (Avista) crews observed that an approximately 30-foot long section along the northern wall had failed and boulders had rolled down the slope to the north.

The failed portion of the wall was observed during our site visit along with other areas that appear to have shifted. Erosion of sand and gravel from the wall, as well as seepage from the wall face was also observed in several areas. It also appeared that the bedrock was falling from a vertical rock cut at the west side of the site. This bedrock fall appears to be undermining the wall at the west side of the site.

URS Corporation
 19141 E. Grand Blvd., Suite 3000
 Spokane, WA 99212
 Tel: 509.325.1113
 Fax: 509.325.4415
 www.urscorp.com



Mr. Aaron Henson
 Avista Corporation
 February 16, 2010
 Page 2 of 3

Avista has asked that URS provide a proposal for the evaluation of the stability of the retaining structures and provide alternatives to improve the retaining wall stability and erosion issues.

SCOPE OF SERVICES

In order to evaluate the stability of the retaining structures and provide alternatives to improve the retaining wall stability and mitigate erosion, the following scope of services is proposed:

TASK 1: Review available records. URS will review the existing grading/drainage/design and as-built civil engineering plans for the project and the pre-construction topography of the site, as well as review readily available geologic/geotechnical reports for the project and general vicinity. A site visit by URS personnel and/or topographical survey will be required. Note that URS has not included a topographic survey in our estimate.

TASK 2: Hand excavate six shallow test pits near the base of the wall to evaluate the depth to bedrock and the conditions of the wall's foundation. Test pits will be dug to observe the condition of the soils at the base of the wall. URS will use a hand auger and/or posthole digger to dig test pits to a maximum depth of three feet. Some limited field shear strength testing will be performed. The conditions observed will be recorded on logs by an engineer or geologist.

TASK 3: Perform an engineering evaluation of the stability of the rock retaining wall, retaining wall foundation, and subsurface drainage characteristics. Perform a preliminary assessment of the severity of the problems and what types of mitigation may be appropriate.

TASK 4: Prepare a summary report of our observations and analysis with recommendations for mitigation concepts and rough order of magnitude costs of the most obvious mitigation alternatives. The description of concepts may include sketches as necessary for proper explanation. The report will indicate whether there is any critical missing information that must be obtained, perhaps by exploration, testing, or further research, before the proper mitigation efforts can be selected. This task will include a discussion of the findings of the evaluation and alternatives for mitigation with Avista.

A second phase of services will be necessary to provide details of the preferred mitigation option(s) such that contractor bids for the work can be obtained. The level of effort for this second phase is dependent on the findings of the activities listed above and the nature of the preferred mitigation. A cost estimate for the second phase of work, which could include assistance with contractor selection and construction monitoring, will be prepared when Avista has identified preferred mitigation alternatives.



Mr. Aaron Henson
 Avista Corporation
 February 16, 2010
 Page 3 of 3

SCHEDULE

The field investigation for this project can be started within approximately one week following your notice to proceed. The summary letter/report will be available approximately three weeks later. The design for mitigation (Phase 2) will be prepared within four weeks of review of the summary report and discussion with Avista.

FEES

URS proposes to perform the services listed above on a time and expense basis. The estimated total cost for the Geotechnical services described above will be approximately \$11,915. Details of the estimate are shown below:

TASKS 1 and 2 – Field Observation & Review of Conditions	\$ 4,592
TASK 3 – Evaluation and Data Review	\$ 5,340
TASKS 3 & 4 – Evaluation, Analysis, & Reporting	\$ 1,983
Total	\$ 11,915

CLIENT PROVIDED ITEMS

The Client is to provide the following items prior to initiation of the field evaluation:

- Access to the site.
- Utility clearance.
- As-builts and digital topographic map of the subject site.
- Signed authorization.

29976

ROE 2/23/10

This proposal is subject to the terms included in the Avista Contract No. R-~~15520~~. If our proposal is acceptable, you will issue URS a work authorization for this work. Once the agreement is executed, we can begin work.

We appreciate the opportunity to submit this proposal for your consideration and look forward to working with you on this project. Please call me if you have any questions.

Sincerely,

URS CORPORATION

Keith A. O'Connell, PE
 Vice President/Project Manager

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2278

ER Name: Replace Obsolete Reclosers

Pro Forma Amount: \$361,000

Expended to date: \$1,537

2010 Transfer to Plant Date: Periodically throughout 2010

Project Description:

Replacement Programs:

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission and substation air switch upgrades, arrestor upgrades, restoration of substation rock and fencing, **recloser replacements**, replacement of obsolete circuit switchers, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment. This is an annual System ER as reclosers are replaced over the course of the year on a planned and unplanned basis. Therefore, the completion date for this ER is 12/31/10.

Project	Project Number	\$ Amount
Ford	FOR08A	\$75,000
Long Lake	LL08A	\$50,000
Palouse	PAL08A	\$50,000
Spangle	SPA08A	\$75,000
Other	-	\$111,000
Total		361,000

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Timeline

We have projects for planned recloser replacements at Ford, Palouse, Spangle, and Long Lake Substations for 2010. In addition, we will be installing various distribution line reclosers on the system throughout the year. Schedule will be based on crew resource and mobile substation availability.

Additional Information:

- Capital Project Request (CPR) Forms pg. 3-6

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type
Preliminary

PROJECT FOR08A

LOCATION 028

ER 2278 Budget Cat 5 SERVICE CODE ED PROJECT TITLE (30 CHARS) Ford Sub Replace Reclosers PROJECT CHARS 26

PROJECT DESCRIPTION (250 CHARS)
Ford 115 kV Substation - Replace Reclosers

APPROVED BUDGET X

ORGANIZATION M08 B/I NUMBER AMS83 WMS (Y OR N) N RATE JURISDICTION AN WA

BILLING PROJECT START DATE 04-24-2008

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
Replace two reclosers at the Ford 115 kV Substation. These reclosers are 72 and 53 years old and are being replaced as part of an Asset Management budget item.

CONSTRUCTION

Total Construction Cost \$75,000

FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
300100	\$10,000	
362000	\$50,000	02805272 WA
397000	\$14,000	02805275 WA
GROSS ADDITIONS	\$74,000	
NET SALVAGE BY FERC (3XXXXX)		
108000	\$1,000	
362000		
NET SALVAGE	\$1,000	

NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
W. Choma / M. Magruder	4-21-08
R. Vermeers / Paul Wauer	4-23-08
R. Cloward	4-25-08

Project Contact Shirley Grant Ext. 4057

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$2,999,999 - CFO
 \$3,000,000-\$4,999,999 - President/COO
 \$5,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed

Foreman/Supervisor

TOTAL COST OF PROJECT \$75,000



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type Preliminary	PROJECT LL08A
Project Chars 30	LOCATION 028

ER 2278	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Long Lake Sub Replace Recloser
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PROJECT DESCRIPTION (250 CHARS)
Long Lake 115 kV Substation - Replace Recloser

APPROVED BUDGET X	ORGANIZATION M08	B/I NUMBER AMS83	WMS (Y OR N) N	RATE JURISDICTION AN WA
BILLING	BILLING CONTACT		PROJECT START DATE 06-20-2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)
Replace one recloser at the Long Lake 115 kV Substation. This recloser is 49 years old and is being replaced as part of an Asset Management budget item.

Estimated Amount	46	Approved 6/24/08	153
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Total Construction Cost	\$50,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
W. Choma / M. Magruder	6/20/08
R. Vermeers	6/24/08
R. Cloward	

Project Contact | Shirley Grant | Ext. 4057

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr Vice President
 \$2,000,000-\$2,999,999 - CFO
 \$3,000,000-\$4,999,999 - President/COO
 \$5,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/Supervisor	

CONSTRUCTION			
FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER	
300100	\$10,000		
362000	\$25,000	02805294	
397000	\$14,000	02805296	
ROSS ADDITIONS	\$49,000		
NET SALVAGE BY FERC (3XXXXX)			
362000	\$1,000		
NET SALVAGE	\$1,000		
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared: _____			
TOTAL COST OF PROJECT	\$50,000		



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type Preliminary	PROJECT SPA08A
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ER 2278	Budget Cat 5	SERVICE CODE ED	PROJECT TITLE (30 CHARS) Spangle Sub Replace Reclosers	Project Chars 29	LOCATION 028
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PROJECT DESCRIPTION (250 CHARS)

Spangle 115 kV Substation - Replace Reclosers 12-08

APPROVED BUDGET X	Description Chars Count 45	ORGANIZATION MOB	B/I NUMBER AMS83	WMS (Y OR N) N	RATE JURISDICTION AN WIF
BILLING		BILLING CONTACT		PROJECT START DATE 04-24-2008	

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

Replace two reclosers at the Spangle 115 kV Substation. These reclosers are 59 and 51 years old and are being replaced as part of an Asset Management budget item.

LONG NAME COUNT 163	<i>Approved 4/25/08</i>
------------------------	-------------------------

CONSTRUCTION			
	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$10,000	
	362000	\$50,000	02805271 WIF
	397000	\$14,000	02805274 WIF
GROSS ADDITIONS		\$74,000	
NET SALVAGE BY FERC (3XXXXX)			
	108000	\$1,000	
	362000		
NET SALVAGE		\$1,000	
Non Standard Work Breakdown Structure needed (Optional)			
Date Prepared:			
TOTAL COST OF PROJECT		\$75,000	

Total Construction Cost	\$75,000
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
W. Choma / M. Magruder	4-21-08
R. Vermeers	4-23-08
R. Cloward	4-25-08

Project Contact | Shirley Grant | Ext. 4057

APPROVAL SIGNATURE(S) REQUIRED
To \$99,999 - Director
\$100,000-\$499,999 - VP or GM Utility
\$500,000-\$1,999,999 - Sr Vice President
\$2,000,000-\$2,999,999 - CFO
\$3,000,000-\$4,999,999 - President/COO
\$5,000,000-\$9,999,999 - CEO
Over \$10,000,000 - Board Chair
Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Work Completed	
Foreman/Supervisor	

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2280

ER Name: Replacement Programs: Replace Obsolete Circuit Switch

Pro Forma Amount: \$215,001

Expended to date: \$45,591

2010 Transfer to Plant Date: Throughout 2010

Project Description:

Replacement Programs:

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission and substation air switch upgrades, arrestor upgrades, restoration of substation rock and fencing, recloser replacements, replacement of **obsolete circuit switchers**, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs are usually not maintained on a set schedule. The equipment is replaced when useful life has been exceeded. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment.

This is an annual System ER for the planned installations and planned/unplanned replacements of 115 kV Circuit Switchers throughout the system. Therefore, this has a completion date of 12/31/10.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

We will be replacing the 115 kV Capacitor Bank Circuit Switcher at North Lewiston 230 kV Substation sometime in Q2 depending on resources. We have also transmitted a project to replace the 115 kV Circuit Switcher at Lee & Reynolds (Othello, WA) which is planned for fall.

Additional Information:

- Cost to 3/15/2010 pg. 3
- Capital Project Request (CPR) Forms, including all attachments pg. 4-6

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2280
COSTS THROUGH MARCH 15, 2010

			2010	
Er	Project Number	Project Desc	Expenditure Category	Transaction Amt
2280	02805451	Lee Reynolds repl circ swit	AFUDC	76.45
			Contractor	8,903.79
			Labor	2,351.01
			Material	175.95
			Overhead	2,445.47
			Voucher	992.18
		Sum		<u>14,944.85</u>
	02805497	Lee Reynolds Repl cir swi comm	AFUDC	35.44
			Contractor	3,000.00
			Labor	355.29
			Material	6,162.83
			Overhead	789.05
		Sum		<u>10,342.61</u>
	03805178	N Lewiston Repl Circuit Brkr	AFUDC	1,499.32
			Labor	-
			Overhead	-
			Voucher	18,803.74
		Sum		<u>20,303.06</u>
	Sum			<u>45,590.52</u>

11/26/10



CAPITAL PROJECT REQUEST FORM

Request Type			Project(s)	
Revised			02805451	
Project Title Count			02805477	
Use Tab Key (CPR)				
ER 2280	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Lee & Reynolds - Replace Circuit Switcher	
Project Name (100 Characters) Lee & Reynolds 115kV Substation - Replace leaking A-681 circuit switcher				
Parent Code L&R09B				
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Long Project Name Count 73	ER Sponsor M08	BI Number AMS84
Billing		Revenue Type Select	WMS Job#	
Billing Contact			Rate Jurisdiction AN-Allocated North	
			Location 028-Washington	
			Project Start Date 12-15-2009	

Project Description (Include Purpose and Necessity - 240 Characters)
 This project provides for the replacement of the existing Siemens 115kV circuit switcher with a new 115kV S&C circuit switcher. This Siemens unit has been leaking for a few years and the leak location has been undetectable. Replacement of the circuit switcher will eliminate the outages associated with adding SF6 to the existing leaking unit.

CONSTRUCTION				Budget Authorized: \$98,000	
Office Use only	FERC	Estimated Amount	As Built Amount		
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only	Date
300100	300100	\$18,000		Project Set Up By	
107900	353000	\$58,000		Approved By	
107028	397000	\$10,000			

APPROVALS				SIGNATURE		DATE	
GROSS ADDITIONS \$86,000				Signature			
Cost of Removal By FERC (3XXXXX)				Print Name: S.Wilson			
107900 353000 \$10,000				Signature			
280 397000 \$2,000				Print Name: M.Magruder			
				Signature			
Total Removal \$12,000				Print Name: R.Vermeers			
Salvage By FERC (3XXXXX)				Signature			
				Print Name			
Total Salvage				Signature			
Total Removal Less Salvage \$12,000				Print Name			

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task	Project Contact & Extension
APPROVAL SIGNATURE(S) REQUIRED	
To \$99,999 - Director	
\$100,000-\$499,999 - VP or GM Utility	
\$500,000-\$2,999,999 - Sr Vice President/CFO	
\$3,000,000-\$9,999,999 - President/CEO/COO	
Over \$10,000,000 - Board Chair	
Out-of-Budget - Capital Budget Committee	
THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.	
Date Prepared:	

TOTAL COST OF PROJECT	\$98,000	Date Work Completed
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type New			Project(s) 02805451	
ER 2280	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Lee & Reynolds - Replace Circuit Switcher	
Long Project Name (100 Characters) Lee & Reynolds 115kV Substation - Replace leaking A-681 circuit switcher.			'Parent' Code L&R09B	
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Long Project Name Count 73	ER Sponsor M08	BI Number AMS84
Billing	Revenue Type Select		WMS Job #	Rate Jurisdiction AN-Allocated North
Billing Contact			Location 028-Washington	Project Start Date 12-15-2009

Project Description (Include Purpose and Necessity - 240 Characters)
 This project provides for the replacement of the existing Siemens 115kV circuit switcher with a new 115kV S&C circuit switcher. This Siemens unit has been leaking for a few years and the leak location has been undetectable. Replacement of the circuit switcher will eliminate the outages associated with adding SF6 to the existing leaking unit.

CONSTRUCTION				Budget Authorized: \$98,000	
Office Use only	FERC	Estimated Amount	As Built Amount		
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only	Date
300100	300100	\$10,000		Project Set Up By	
107300	353000	\$78,000		Approved By	12/10/09

APPROVALS					
		SIGNATURE	DATE		
GROSS ADDITIONS		\$88,000	Signature		
Cost of Removal By FERC (3XXXXX)			Print Name: S.Wilson		
053000	353000	\$10,000	Signature		
			Print Name: M.Magruder		
Total Removal		\$10,000	Signature		
Salvage By FERC (3XXXXX)			Print Name: R.Vermeers		
			Signature		
Total Salvage			Print Name		
Total Removal Less Salvage		\$10,000	Signature		
			Print Name		

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		Project Contact & Extension
Sub Task		

APPROVAL SIGNATURE(S) REQUIRED
 To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM. COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT	\$98,000	Date Work Completed
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/ Supervisor

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2294

ER Name: Replacement Programs -Batteries

Pro Forma Amount: \$250,001

Expended to date: \$180,856

2010 Transfer to Plant Date: Periodically during 2010

Project Description:

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission and substation air switch upgrades, arrester upgrades, restoration of substation rock and fencing, recloser replacements, replacement of obsolete circuit switchers, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs are usually not maintained on a set schedule. The equipment is replaced when useful life has been exceeded. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment.

The bulk of the substation battery replacement work in 2010 will be at four substations: Lolo, Moscow 230 kV, Otis Orchards, and Burke Substation. In addition, we will also be replacing a smaller battery at Spokane Industrial Park.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Seven suppliers were queried as part of an RFP for the 125V batteries for Lolo, Moscow 230 kV, Otis Orchards, and Burke Substations. Enersys was chosen to supply these batteries. The batteries (and other accessories, including chargers) have been purchased and received.

Crews are on-site and preparing to install Lolo's battery in March/April. Moscow 230 kV will follow in April. Otis Orchards/Burke will be installed in the May/June timeframe.

The Spokane Industrial Park battery will be energized in March.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Additional Information:

- Costs pg. 3-4
- CPR forms for four projects pg. 5-8
- Copies of purchase orders (Confidential) pg. 9-13
- Evaluation sheet and quotes from suppliers, detailing total costs from RFP
(Confidential) pg. 14-30

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2294
COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	2008	2009	2010
				Transaction Amt	Transaction Amt	Transaction Amt
2294	02805309	South Pullman replace batt	AFUDC	33.07	1,495.84	203.77
			Labor	641.00	4,996.75	-
			Material	103.54	478.10	-
			Overhead	2,098.82	6,543.36	-
			Transportation	-	1,746.80	-
			Voucher	6,834.02	4,669.46	-
		Sum		9,710.45	19,930.31	203.77
	02805339	SIP Replace Batt and charger	AFUDC	-	21.89	6.14
			Labor	-	99.33	-
			Overhead	-	141.87	-
			Voucher	-	183.53	-
		Sum			446.62	6.14
	02805344	OTI Replace Batt and charger	AFUDC	-	3.11	-
			Labor	-	69.80	1,094.00
			Material	-	-	150.57
			Overhead	-	6,168.20	1,602.18
			Voucher	-	17,730.87	2,249.55
		Sum			23,971.98	5,096.30
	03805152	Lolo Replace Batt and chrgr	AFUDC	-	209.94	428.89
			Employee Expenses	-	-	338.67
			Labor	-	2,675.01	1,664.58
			Material	-	103.54	354.57
			Overhead	-	7,293.53	2,342.99
			Transportation	-	115.50	-
			Voucher	-	17,730.87	2,356.94
		Sum			28,128.39	7,486.64
	03805156	Burke replace batt and charg	AFUDC	-	2,018.39	722.10
			Labor	-	11,370.03	19.23
			Material	-	153.19	150.57
			Overhead	-	19,207.91	960.01
			Voucher	-	18,665.33	2,676.68
		Sum			51,414.85	4,528.59
	03805183	M23 Replace Batt and charger	AFUDC	-	132.75	374.71

AVISTA UTILITIES
 ER 2294
 COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	2008	2009	2010
				Transaction Amt	Transaction Amt	Transaction Amt
			Labor	-	1,644.50	208.84
			Material	-	-	150.57
			Overhead	-	6,437.70	774.66
			Voucher	-	18,268.17	1,940.03
		Sum			26,483.12	3,448.81
Sum				9,710.45	150,375.27	20,770.25



CAPITAL PROJECT REQUEST FORM (CPR)

ER 2294	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) SIP - Replace Batt & Charger	Request Type Preliminary	Project(s) 0280533F
Long Project Name (100 Characters) Spokane Industrial Park 115 kV Substation - Replace Battery & Charger				Parent Code SIP09C	
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA-Not Applicable	ER Sponsor M08	BI Number AMS10	WMS Job #
Billing		Billing Contact	Rate Jurisdiction WA-Washington Location 028-Washington Project Start Date 1/16/2009		

Project Description (Include Purpose and Necessity - 240 Characters)
 Purchase & install new 48 VDC battery and charger for Spokane Industrial Park 115 kV Substation. The old battery & charger have reached end-of-life.

CONSTRUCTION				Budget Authorized: \$24,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	Date
Task	3XXXXX	By FERC Number	By FERC Number		
107110	362000	\$20,000		Project Set Up By [Signature]	1-19-09
				Approved By [Signature]	1/19/09

CONSTRUCTION				APPROVALS	
			SIGNATURE	DATE	
GROSS ADDITIONS		\$20,000	Signature [Signature]	1-19-09	
Cost of Removal By FERC (3XXXXX)			Print Name Mike Magruder		
108000	362000	\$4,000	Signature		
			Print Name		
			Signature		
Total Removal		\$4,000	Print Name		
Salvage By FERC (3XXXXX)			Signature		
			Print Name		
Total Salvage			Signature		
Total Removal Less Salvage		\$4,000	Print Name		

Non Standard Work Breakdown Structure Needed (Optional)				Project Contact & Extension Brian Chain, x2148	
Peer Task				APPROVAL SIGNATURE(S) REQUIRED To \$99,999 - Director \$100,000 - \$499,999 - VP or GM Utility \$500,000 - \$2,999,999 - Sr. Vice President/CFO \$3,000,000 - \$9,999,999 - President/CFO/COO Over \$10,000,000 - Board Chair Out of Budget - Capital Budget Committee	
Sub Task					

Date Prepared: 01/16/09

TOTAL COST OF PROJECT	\$24,000	Date Work Completed
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor



CAPITAL PROJECT REQUEST FORM

ER 2294	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) OTI - Replace Batt & Charger	Request Type Preliminary	Project(s) 02805344
Long Project Name (100 Characters) Otis Orchards 115 kV Substation - Replace Battery & Charger				'Parent' Code OTI09B	
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA-Not Applicable	ER Sponsor MOB	BI Number AMS09	WMS Job # 028-Washington
Billing	Billing Contact			Rate Jurisdiction AN-Allocated North Location Project Start Date 1/16/2009	

Project Description (Include Purpose and Necessity - 240 Characters)
 Purchase & install new 125V battery & charger for Otis Orchards 115 kV Substation. The old battery & charger have reached end-of-life.

CONSTRUCTION				Budget Authorized: \$55,000	
Office Use only Task	FERC 3XXXXX	Estimated Amount By FERC Number	As Built Amount By FERC Number	Office Use Only	Date
107300	353000	\$50,000		Project Set Up By	1-17-2009
				Approved By	1/19/09

CONSTRUCTION				APPROVALS	
				SIGNATURE	DATE
GROSS ADDITIONS		\$50,000		Signature	1-19-09
Cost of Removal By FERC (3XXXXX)				Print Name	Mike Magruder
108000	353000	\$5,000		Signature	1-19-09
Total Removal		\$5,000		Print Name	Rick Vermeers
Salvage By FERC (3XXXXX)				Signature	
Total Salvage				Print Name	
Total Removal Less Salvage		\$5,000		Signature	
				Print Name	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task			Project Contact & Extension	Brian Chain, x2148
Sub Task			APPROVAL SIGNATURE(S) REQUIRED	
			10-\$99,999 - Director	
			\$100,000-\$499,999 - VP or GM Utility	
			\$500,000-\$2,999,999 - Service President/CFO	
			\$3,000,000-\$9,999,999 - President/CFO/COO	
			Over \$10,000,000 - Board Chair	
			Out of Budget - Capital Budget Committee	
Date Prepared:	01/16/09		THE PROJECT SPONSOR IS RESPONSIBLE FOR OBTAINING THE NECESSARY APPROVALS FROM THE PROJECT OWNER SIGNATURE(S) REQUIRED TO COMPLETE AS-BUILT AND/OR FIDELITY ACCOUNTING	

TOTAL COST OF PROJECT	\$55,000	Date Work Completed
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor



CAPITAL PROJECT REQUEST FORM

Request Type Preliminary		Project(s) 03805183	
ER 2294	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) M23 - Replace Batt & Charger
Long Project Name (100 Characters) Moscow 230 kV Substation - Replace Battery & Charger			'Parent' Code M2309A
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	ER Sponsor M08	BI Number AMS09
Billing	Billing Contact		WMS Job # 03805183
			Rate Jurisdiction AM Allocated North
			Location 038 Idaho
			Project Start Date 1/16/2009

Project Description (Include Purpose and Necessity - 240 Characters)
 Purchase & install new 125V battery & charger for Moscow 230 kV Substation. The old battery & charger have reached end-of-life.

CONSTRUCTION				Budget Authorized: \$55,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	
Task	3XXXXX	By FERC Number	By FERC Number	Date	
	353000	\$50,000		Project Set Up By	01-15-2009
				Approved By	1/19/09

APPROVALS				DATE	
SIGNATURE				DATE	
GROSS ADDITIONS		\$50,000	Signature	1-19-09	
Cost of Removal By FERC (3XXXXX)			Print Name	Mike Magruder	
	353000	\$5,000	Signature	1-19-09	
			Print Name	Rick Vermeers	
	Total Removal	\$5,000	Signature		
	Salvage By FERC (3XXXXX)		Print Name		
			Signature		
	Total Salvage		Print Name		
	Total Removal Less Salvage	\$5,000	Signature		
			Print Name		

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		Project Contact & Extension	Brian Chain, x2148
Sub Task		APPROVAL SIGNATURE(S) REQUIRED	
		To: \$99,999 - Director	
		\$100,000 - \$999,999 - VP or GM/Utility	
		\$500,000 - \$2,999,999 - Sr Vice President/CFO	
		\$3,000,000 - \$9,999,999 - President/CFO/COO	
		Over \$10,000,000 - Board Chair	
		Out of Budget - Capital Budget Committee	

Date Prepared: 01/16/09

TOTAL COST OF PROJECT \$55,000

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Date Work Completed
Foreman/
Supervisor

CONFIDENTIAL per WAC 480-07-160

COPIES OF PURCHASE ORDERS Pgs. 9 - 13

EVALUATION SHEET AND QUOTES FROM SUPPLIERS Pgs. 14 - 30

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2425

ER Name: High Voltage Fuse Upgrades

Pro Forma Amount: \$225,000

Expended to date: \$0

2010 Transfer to Plant Date: August 2010 (\$125,000) and September 2010 (\$100,000)

Project Description:

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission air switch upgrades, arrester upgrades, restoration of substation rock and fencing, recloser replacements, replacement of obsolete circuit switchers, substation battery replacement, interchange meter replacements, **high voltage fuse upgrades**, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs is usually not maintained on a set schedule. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment.

This is an annual System ER for replacement and upgrades of High Voltage Fuses throughout Avista's system territory. Therefore, this project completion is 12/31/2010.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

We have two projects that we will complete in 2010. We will replace the High Voltage Fuses at both Palouse and Spangle Substations. The timeline/completion of these two projects will depend on crew resource and mobile substation availability. We expect to be completed with these upgrades by the end of the year, 12/31/2010.

Additional Information:

- Budget Entry Form

pg. 3-5

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

Budget Line Entry - Capital Projects

YEAR	2010				
ER	2425	ER Title	System - High Voltage Fuse Upgrades	ER Description	Upgrade high voltage transformer fuses to
BI	AMS80	BI Title	System - High Voltage Fuse Upgrades	BI Description	A number of substations must have the high
Job Type	Transmission	Capital Spend Not in Service		\$0	
CIAC		\$0 Retirements		\$0	
AFUDC	N				

Save

LABOR							
Org	Exp Type	Labor Type	Rate	Man Days	Labor Status	Unloaded Amount	Loaded Amount
M08	WE	ENGR - Substation	\$401	20	Approved	\$8,020	\$13,242
A08	WE	ENGR - Protection	\$368	10	Approved	\$3,680	\$6,076
N08	WE	ENGR - Drafting	\$200	2	Approved	\$400	\$660
M07	WE	CNST - Structural Crew	\$292	10	Approved	\$2,920	\$4,821
X08	WE	CNST - Relay Crew	\$301	25	Approved	\$7,525	\$12,425
F08	WE	CNST - Electric Crew	\$292	120	Approved	\$35,040	\$57,855
Labor Subtotal						\$57,585	\$95,079
Transportation % (Up to 2 decimals)			5	Transportation Load		\$2,879	\$4,753
Labor Total						\$60,464	\$99,832
Approved Labor Requests						\$57,585	\$95,079
Pending Labor Requests						\$0	\$0
Denied Labor Requests						\$0	\$0

OTHER EXPENSES				
Org	Exp Type	Load Factor	Unloaded Amount	Loaded Amount
F08	EE	0%	\$15,035	\$15,035

M08	MT	7%	\$56,929	\$60,914
Subtotal			\$71,964	\$75,949

TOTAL LABOR AND OTHER EXPENSES		
	Unloaded Amount	Loaded Amount
Subtotal	\$132,428	\$175,781
Job Type Overheads		\$49,218
Total Labor and Other Expenses		\$225,000

This may not be the ER total. Click on Next to calculate AFUDC and determine monthly spreads.

Budget Line Entry - Capital Projects

Print

YEAR 2010
 ER 2425 ER Title System - High Voltage Fuse Upgrades
 BI AMS80 BI Title System - High Voltage Fuse Upgrades

Capital Spend Not in Service \$0 AFUDC N

BI End Date (MM/YY)
 Spread Method

	Budget Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Reconcile
Gross Additions *	\$225,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000	\$100,000	\$0	\$0	\$0	\$0
AFUDC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CIAC *	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Gross Adds	\$225,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000	\$100,000	\$0	\$0	\$0	\$0
Removal *	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Salvage *	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Const Costs	\$225,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000	\$100,000	\$0	\$0	\$0	\$0
Retirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
User can revise total transfer to plant as needed. Please apply appropriate spread method.														
Transfers to Plant	\$225,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000	\$100,000	\$0	\$0	\$0	\$0

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2449

ER Name: Replace Substation Air Switches

Pro Forma Amount: \$165,000

Expended to date: \$97,494

2010 Transfer to Plant Date: Throughout 2010

Project Description:

Replacement Programs:

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission and substation air switch upgrades, arrester upgrades, restoration of substation rock and fencing, recloser replacements, replacement of obsolete circuit switchers, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, substation air switch replacements, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs are usually not maintained on a set schedule. The equipment is replaced when useful life has been exceeded. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

This annual System ER includes planned and unplanned Substation Air Switch Replacements over the course of every year. Replacements occur upon receipt of new Air Switches (if not already in stock) and the scheduling of both Electric Shop crew resource availability and line or bus outage windows.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Additional Information:

- Cost pg. 3-4
- Capital Project Request (CPR) Forms pg. 5-7
- Substation Infrared Inspection and Substation Design correspondence pg. 8-9

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
 ER 2449
 COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	Expenditure Type	2008	2009	2010	
					Transaction Amt	Transaction Amt	Transaction Amt	
2449	03805128	Ben Replace 115kv Switches	AFUDC	535 AFUDC - Debt	158.54	615.16	130.58	
				540 AFUDC - Equity	194.70	758.92	167.01	
			Labor	340 Regular Payroll - NU	2,692.20	1,372.88	-	
				345 Regular Payroll - Union	-	179.20	-	
				405 Inventory Returns	-	(739.81)	-	
			Material	415 Material Issues	-	1,022.03	-	
				420 Salvage	-	(8,945.08)	(516.93)	
				505 Capital Overhead - A & G	20.59	14.81	0.15	
			Overhead	506 Cap Overhead - Functional	934.17	469.49	5.11	
				510 Payroll Benefits loading	1,171.75	952.79	-	
				515 Payroll Tax loading	229.93	135.81	-	
				520 Payroll Time Off loading	467.29	271.62	-	
				525 Small Tools loading	-	8.96	-	
				530 Stores/Material Loading	675.40	133.60	1.16	
				532 Materials Tax/Fght Loading	-	2.82	-	
				Transportation	560 Road Vehicles	-	717.00	4,224.00
					565 Small Vehicles	-	-	568.20
					570 Work Vehicles	-	2,121.50	-
			Voucher	880 Materials & Equipment	8,679.65	1,624.50	19.28	
				Sum		<u>6,544.57</u>	<u>(908.30)</u>	<u>4,579.28</u>
03805172	NLW R 413 AIR SW UPGRD	AFUDC	535 AFUDC - Debt	-	2,089.00	-		
			540 AFUDC - Equity	-	2,577.15	-		
		Employee Expenses	215 Employee Business Meals	-	1,388.48	-		
			220 Employee Car Rental	-	16.41	-		
			230 Employee Lodging	-	2,395.84	-		
		Labor	325 Overtime Pay - Union	-	753.56	-		
			340 Regular Payroll - NU	-	3,650.91	-		
			345 Regular Payroll - Union	-	15,358.09	-		
		Material	405 Inventory Returns	-	(74.05)	-		
			505 Capital Overhead - A & G	-	254.66	-		
		Overhead	506 Cap Overhead - Functional	-	10,717.42	-		
			508 Cap Overhd - Safety Clthng	-	8.54	-		
			510 Payroll Benefits loading	-	10,660.75	-		
			515 Payroll Tax loading	-	1,729.26	-		
			520 Payroll Time Off loading	-	3,141.45	-		
			525 Small Tools loading	-	1,066.94	-		
			530 Stores/Material Loading	-	2,348.89	-		
532 Materials Tax/Fght Loading	-		(1.49)	-				
Transportation	560 Road Vehicles		-	1,140.00	-			
	565 Small Vehicles		-	1,014.30	-			

AVISTA UTILITIES
 ER 2449
 COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	Expenditure Type	2008	2009	2010
					Transaction Amt	Transaction Amt	Transaction Amt
				570 Work Vehicles	-	675.00	-
			Vehicle	710 Rental Expense - Vehicle	-	47.40	-
			Voucher	880 Materials & Equipment	-	20,280.65	(36.00)
		Sum			-	81,239.16	(36.00)
	03805212	Rathdrum 115kv A502 Sw rep	AFUDC	535 AFUDC - Debt	-	1.84	7.28
				540 AFUDC - Equity	-	2.27	9.30
			Labor	325 Overtime Pay - Union	-	418.33	-
				345 Regular Payroll - Union	-	1,207.80	-
			Overhead	505 Capital Overhead - A & G	-	7.16	-
				506 Cap Overhead - Functional	-	238.98	-
				510 Payroll Benefits loading	-	700.53	-
				515 Payroll Tax loading	-	142.28	-
				520 Payroll Time Off loading	-	211.36	-
				525 Small Tools loading	-	90.59	-
		Sum				3,021.14	16.58
	Sum				-	6,042.28	33.16
Total					6,544.57	86,373.14	4,576.44
					Costs Through March 15, 2010		<u>97,494.15</u>



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type New		Project(s) 02805516	
ER 2449	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Francis&Cedar-Inst Vac Bottles
Long Project Name (100 Characters) Francis and Cedar: Install vacuum bottles on the 13 kV transformer disconnect switches and install surge protection on 13 kV bus tie cables.			Project Title Count 30
Approved Budget Yes	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 141	ER Sponsor M08
Revenue Type NA- Not Applicable		BI Number AMS85	WMS Job #
Billing Contact		Location 028-Washington	
		Project Start Date 03-11-2010	
			Parent Code F&C10A
			Rate Jurisdiction WA-Washington

Project Description (Include Purpose and Necessity - 240 Characters)
 (1) Load break capability is needed to simplify switching process within substation to isolate the transformers. The existing disconnect switches do not allow switching of any load. There is also risk involved when dropping or picking up transformer magnetizing current using non-vacuum bottle disconnect switches. One of the arcing horns was burnt when remaking parallel through existing non-vacuum bottle disconnects.
 (2) Surge protection needs to be installed on second end of UG bus tie cables.

CONSTRUCTION				Budget Authorized:	\$9,000
Office Use only	FERC	Estimated Amount	As Built Amount		
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only	Date
300100	300100	\$1,000		Project Set Up By	
187118	362000	\$8,000		Approved By	3/16/10

GROSS ADDITIONS				\$9,000		
Cost of Removal By FERC (3XXXXX)						
Total Removal						
Salvage By FERC (3XXXXX)						
Total Salvage						
Total Removal Less Salvage						

APPROVALS		
SIGNATURE		DATE
Signature <i>D. Whicker</i>		3/15/10
Print Name Daniel R. Whicker		
Signature <i>Michael A. Magruder</i>		3/15/10
Print Name Michael Magruder		

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task _____ Project Contact & Extension **Dan Whicker Ext 2439**

Sub Task _____

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

Date Prepared: **03-11-10**

TOTAL COST OF PROJECT **\$9,000**

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM, COMPLETE 'AS BUILT' INFO AND FORWARD TO UTILITY ACCOUNTING.

Date Work Completed _____
 Foreman/
 Supervisor

Questions: contact Project and Fixed Asset Accounting (Sus ext-4472 or Howard ext-2936)



CAPITAL PROJECT REQUEST FORM (CPR)

Request Type New		Project(s) 02805519	
ER 2449	Budget Category 54 Maintenance	Service Code ED Electric Direct	Project Title (30 Characters) Warden - 2010 Switch Upgrade
Long Project Name (100 Characters) Warden 115 kV - Replace A-253 Line Switch.			Parent Code WAR10A
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	ER Sponsor M08	BI Number AMS85
Billing	Revenue Type NA - NOT APPLICABLE	Billing Contact	WMS Job # No Location 028 Washington Project Start Date 3/15/2010

Project Description (Include Purpose and Necessity - 240 Characters)
This project covers the replacment of the A-253 line switch (115 kV Lind Line). The existing switch has a hot spot on the infared survey and is not maintainable.

CONSTRUCTION			Budget Authorized:	\$26,500
Office Use only Task	FERC 3XXXXX	Estimated Amount By FERC Number	As Built Amount By FERC Number	Date
300100 167300	300100 353000	\$1,000 \$25,000		Project Set Up By Approved By 3/16/10

APPROVALS			SIGNATURE	DATE
GROSS ADDITIONS		\$26,000	Signature	
Cost of Removal By FERC (3XXXXX)			Rob Selby	3/11/10
10000	353000	\$500	Signature	3/11/10
Total Removal		\$500	Michael A. Magruder	
Salvage By FERC (3XXXXX)			Signature	
	108000		Rick Vermeers	3/15/10
Total Salvage			Signature	
Total Removal Less Salvage		\$500	Signature	

Non Standard Work Breakdown Structure Needed (Optional)
Peer Task
Sub Task
Date Prepared: 03/09/10
Project Contact & Extension Shirley Grant x 4057

APPROVAL SIGNATURE(S) REQUIRED	
To \$99,999 - Director	
\$100,000-\$499,999 - VP or GM Utility	
\$500,000-\$2,999,999 - Sr Vice President/CFO	
\$3,000,000-\$9,999,999 - President/CEO/COO	
Over \$10,000,000 - Board Chair	
Out-of-Budget - Capital Budget Committee	

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB. IMMEDIATELY UPON COMPLETION OF WORK, SIGN THIS FORM. COMPLETE AS BUILT INFO AND FORWARD TO UTIL F&A ACCOUNTING.

TOTAL COST OF PROJECT	\$26,500	Date Work Completed	
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/ Supervisor	



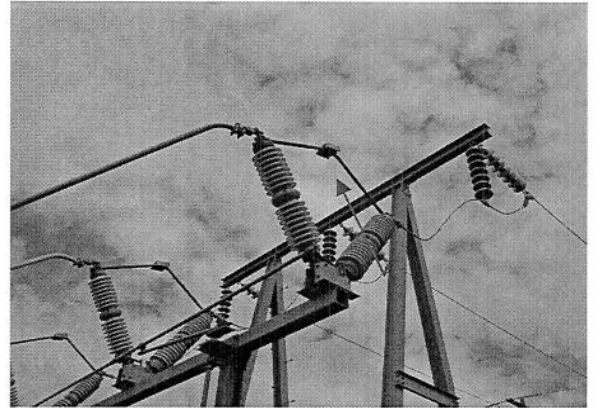
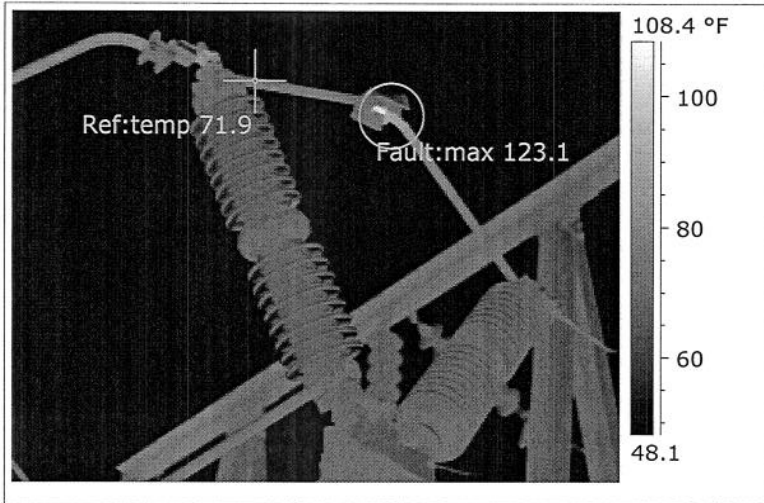
Substation Infrared Inspection

Exhibit No. _____ (SJK-4), Schedule 26
Date:

6/19/2009

WARDEN 115KV A-253 LINE DISC SWITCH

Circuit	Fault	Phase Amps	Delta	Recommendation
A-253 LIND LINE	CONTACT	185	51	SCHEDULE



Atmospheric Temperature	65.2 °F
Object Distance	21.0 ft
Ref Temperature	71.9 °F
Fault Max. Temperature	123.1 °F

Phase	EAST
Fault	CONTACT
Photo Direction	NW
Wind Speed	8 MPH

Identification:	Comment:
Delta: 51	Contact should be replaced. Hinge is showing a slight amount of heating and should be replaced also.
A Phase Amps: 180	
B Phase Amps: 185	
C Phase Amps: 185	
Current Rating: 1200	
Manufacturer: MORGAN	

Inspected by: Syd Wade

Repaired by:	Date:
Comments:	

Selby, Rob

From: Koeff, Sara B
Sent: Friday, March 05, 2010 3:15 PM
To: Selby, Rob
Subject: RE: Rathdrum Switch Replacements / Infrared

Rob,

I spoke with Syd Wade this afternoon and he recently was out at Rathdrum doing a quick IR to see how things are looking that have been fixed. Here is what he suggested. The A-500 switch was fixed recently during the bus shutdown, so that one no longer needs to be replaced. A-501 Line side was identified in 2008 and also when Syd went out and looked recently so this one we would like to see replaced. As for the other switch hot spots at Rathdrum I think we can wait on those. However, the R-403 CCVT should be changed out if possible.

The other switch that we would like to see replaced this year is the Warden A-253 line switch.

I hope this answers all your questions. If not please let me know. And thank you for checking with me.

Sara

From: Selby, Rob
Sent: Thursday, March 04, 2010 9:14 AM
To: Koeff, Sara B
Subject: Rathdrum Switch Replacements / Infrared

Hey Sara,

I was going to open a new CPR for the air switch replacements for Rathdrum sub. The switch list I have has the A-501 Line side switch listed, but I can't find an associated infrared report. Does it need to be changed or is that a typo? It looks like the A-503, A-505, and A-506 switches have hot spots.

I also noticed that Syd had a shot of the R-403 CCVT which looks like it has an internal hot spot. Should we be working on changing it out?

Rob Selby
Substation Design
Avista Utilities
(509) 495 2560

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2482

ER Name: Replacement Programs: SIP Sub Replace HP fuses with Circuit Switcher

Pro Forma Amount: \$285,000

Expended to date: \$156,832

2010 Transfer to Plant Date: November 2010

Project Description:

Replacement Programs (\$2.044 million):

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission and substation air switch upgrades, arrester upgrades, restoration of substation rock and fencing, recloser replacements, **replacement of obsolete circuit switchers**, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, replacement of fuses with circuit switchers, and voltage regulator replacements. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs are usually not maintained on a set schedule. The equipment is replaced when useful life has been exceeded. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Project should be completed by November 2010. All materials were ordered in 2009 and have been received as of 1/13/2010. Construction should begin Summer 2010 with completion by November 2010. Project construction must be coordinated with large industrial customer's operating schedule.

Additional Information:

- ER Cost Detail pg. 3
- Capital Project Request (CPR) Forms, including all attachments pg. 4

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

- Scoping Document pg. 5-6
- Copies of Purchase Orders (Confidential) pg. 7-10

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2482
COSTS THROUGH MARCH 15, 2010

Er	Project Number	Project Desc	Expenditure Category	Expenditure Type	2009 Transaction Amt	2010 Transaction Amt
2482	02805336	SIP Repl HV fuses w cir swit	AFUDC	535 AFUDC - Debt	2,175.10	903.61
				540 AFUDC - Equity	2,683.44	1,155.73
			Labor	320 Overtime Pay - NU	804.78	-
				340 Regular Payroll - NU	13,962.47	-
				345 Regular Payroll - Union	307.91	-
			Material	415 Material Issues	9,329.29	-
			Overhead	505 Capital Overhead - A & G	409.35	119.43
				506 Cap Overhead - Functional	16,363.73	3,978.87
				510 Payroll Benefits loading	8,370.28	-
				515 Payroll Tax loading	1,319.06	-
				520 Payroll Time Off loading	2,473.44	-
				525 Small Tools loading	15.40	-
				530 Stores/Material Loading	7,516.12	1,030.06
				532 Materials Tax/Fght Loading	93.29	-
			Vehicle	710 Rental Expense - Vehicle	49.71	-
			Voucher	880 Materials & Equipment	68,885.61	14,885.38
		Sum			<u>134,758.98</u>	<u>22,073.08</u>
				COSTS THROUGH MARCH 16, 2010		<u>156,832.06</u>



**Interoffice Memorandum
Engineering & System Operations
Substation Design**

DATE: July 21, 2009

TO: Distribution

FROM: Paul Mason

SUBJECT: Spokane Industrial Park 115 kV Substation
Replace 115 kV Fuses on Transf. # 3 (Steel Foundry) w/ Circuit Switcher
Scoping Meeting

The purpose of this meeting is to discuss the work for adding the new Circuit Switcher at the Spokane Industrial Park Substation.

Distribution:

Mike Magruder	Randy Pierce	Garth Brandon	Rich Hydzik
Andy Vickers	Jeff Marsh	Pat Clevenger	Joe Braebeck
Greg Lancaster	Randy Spacek	Line Crew Supv.	

Meeting Info:

Date: July 21, 2009
Time: 10:30 – 11:30 AM
Location: Avista HQ, CR-140 (HP&C Conference Room)

If you are unable to attend, please provide any comments before the meeting.

Overview:

The 115 kV G.E. Type EG-1 Fuses protecting Transformer #3 at the S.I.P. Substation are over rated by 1527% and will be replaced with a new 115 kV S&C Model 2010 Circuit Switcher. Because of the nature of the load served (Steel Foundry Arc Furnaces), the Mobile Substation cannot be used to serve the load during construction. The Spokane Steel Foundry currently runs the arc furnaces Monday thru Thursday. Thursday night thru Sunday night (would be the only opportunity to have Transformer # 3 & associated 115 kV & 13 kV out of service.

Scope:

Removal / New Construction – 1st Planned Shutdown

Transformer #3 OOS, A-362 & 12F1 VCB Open

Friday thru Sunday, must be returned to service by Monday

- Remove existing wooden Fuse Platform and associated wooden ladder.
- Install two new poles and new circuit switcher support timbers on 115 kV Structure.
- Install new Circuit Switcher interconnecting steel, motor operator and control piping. (Circuit Switcher single pole assemblies installed during final planned shutdown)

New Construction after 1st Planned Shutdown

- Install new circuit switcher motor operator support foundation and steel.
- Cut-in and Install new egress door in south wall of Panel House.
- Assemble, wire & test new control Panel # 4 in the Electric Shop/Relay Shop (new Transformer #3 Relaying & existing U.F. Load Shedding).
- Install new substation grounding associated with new Circuit Switcher.
- Trench in new control cables to Circuit Switcher Motor Operator, Transformer # 3 and 13 kV Bus #3 PTs.
- Remove existing Panel # 4, install & wire new Panel # 4 in panel house.
- Relocate existing SEL-2030 onto Panel # 2.
- Wire new SCADA circuits.
- Wire new Circuit Switcher Motor Operator and test operation.
- Testing & Relay Settings

New Construction – Final Planned Shutdown

Transformer #3 OOS, A-362 & 12F1 VCB Open

Friday thru Sunday, must be returned to service by Monday

- Remove existing 115 kV Air Switch A-362 (115 kV jumpers removed hot).
- Remove existing 115 kV Fuses.
- Remove existing obsolete poles and associated timbers.
- Relocate 115 kV Spill Gaps.
- Install new Circuit Switcher single pole assemblies.
- Install conductor & 115 kV jumpers (hot tap).
- Install jumpers to Spill Gaps (hot tap).
- Install and wire new external bushing CTs on Transformer # 3.
- In-Service Testing & SCADA checkout.

Planned In-Service Date

September 2009

Design Work

Substation Design – Paul Mason

Major Equipment

Substation Circuit Switcher;

S&C Type 2010 (delivered June 09)

Transformer External Bushing Current Transformers;

Kuhlman 1200-5A multi ratio

13 kV Bus # 3 PT

G.E. Type JWV-5, 15kV, 70:1 Ratio

CONFIDENTIAL per WAC 480-07-160

COPIES OF PURCHASE ORDERS Pg.7 - 10

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2493

ER Name: Replacement Program: Voltage Regulators

Pro Forma Amount: \$100,001

Expended to date: \$216,576 worth of regulators is on order, but has not been received or invoiced as of yet

2010 Transfer to Plant Date: Periodically during 2010

Project Description:

Replacement Programs (\$2.044 million):

Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission and substation air switch upgrades, arrester upgrades, restoration of substation rock and fencing, recloser replacements, replacement of obsolete circuit switchers, substation battery replacement, interchange meter replacements, high voltage fuse upgrades, replacement of fuses with circuit switchers, and **voltage regulator replacements**. All of these individual projects improve system reliability and customer service. The equipment under these replacement programs are usually not maintained on a set schedule. The equipment is replaced when useful life has been exceeded. Maintenance is not conducted on this equipment on an annual basis. The equipment did not fail during the test period and there was no specific identifiable maintenance on this equipment during the test period. Therefore there are no specific O&M offsets related to this investment. This work will be completed in the second and third quarters of 2010.

Please note that we are doing about four times as many regulator replacements as our annual budgeted block estimate is meant to take into account. All replacements are justifiable based on regulator condition, age, PCB content, historical operations, hot-spot surveys, known failed components, etc.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

Timeline:

An RFP (36500) was issued in late December 2009 for the 18 single-phase step-voltage regulators required for the six feeder regulator replacements noted in the attached CPR forms. Cooper was awarded the RFP based on cost and quality of product. PO 73913 was issued on 1/19/2010. Delivery is expected in early May. These regulators will be installed throughout the months of June, July, and August.

Additional Information:

- Capital Project Request (CPR) Form attached pg. 4-8
- Purchase Order Number 73913 (Confidential) pg. 9

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.



CAPITAL PROJECT REQUEST FORM

AVISTA Corp.		Use Tab Key	(CPR)	Request Type Preliminary	Project(s) 02805504
ER 2493	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) SUN - Upgrade 12F6 Regulators	Project Price Count 29	
Long Project Name (100 Characters) Sunset 115 kV Substation - Upgrade 12F6 Regulators			ER Sponsor M08	BI Number XS904	Parent Code SUN10A
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA-Not Applicable	Billing Contact	WMS Job #	Rate Jurisdiction WA-Washington
Billing					Location 028-Washington Project Start Date 02-01-2010

Project Description (Include Purpose and Necessity - 240 Characters)

Purchase and install new 438 A substation regulators on feeder 12F6 at Sunset 115 kV Substation. The old regulators will be retired.

CONSTRUCTION				Budget Authorized: \$74,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	Date
Task	3XXXXX	By FERC Number	By FERC Number	Project Set Up By	
300100	300100	\$2,000		Approved By	2/17/10
10110	362000	\$68,000			
GROSS ADDITIONS				APPROVALS	
			\$70,000	SIGNATURE	DATE
Cost of Removal By FERC (3XXXXX)				Signature	
10300	362000	\$5,000		<i>Michael A. Magruder</i>	2-12-10
				Print Name	Mike Magruder
				Signature	
				<i>Rick Vermeers</i>	2-15-10
				Print Name	Rick Vermeers
Total Removal				Signature	
			\$5,000	Print Name	
Salvage By FERC (3XXXXX)				Signature	
10300	362000	(\$1,000)		Print Name	
Total Salvage				Signature	
			(\$1,000)	Print Name	
Total Removal Less Salvage			\$4,000	Signature	
Non Standard Work Breakdown Structure Needed (Optional)				Print Name	
Peer Task				Project Contact & Extension [Redacted] 8	
Sub-Task				APPROVAL SIGNATURE(S) REQUIRED	
				To \$99,999 - Director	
				\$100,000-\$499,999 - VP or GM Utility	
				\$500,000-\$2,999,999 - Sr Vice President/CFO	
				\$3,000,000-\$9,999,999 - President/CEO/COO	
				Over \$10,000,000 - Board Chair	
				Out-of-Budget - Capital Budget Committee	
Date Prepared:	02-01-10	THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING			
TOTAL COST OF PROJECT		\$74,000		Date Work Completed	

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)

Foreman/
Supervisor



CAPITAL PROJECT REQUEST FORM

ER 2493	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) L&S - Upgrade 12F5 Regulators	Request Type Preliminary	Project(s) 02805503
Long Project Name (100 Characters) Lyons & Standard 115 kV Substation - Upgrade 12F5 Regulators				Parent Code L&S10A	
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA-Not Applicable	ER Sponsor M08	BI Number XS904	WMS Job# 028-Washington
Billing		Billing Contact			Rate Jurisdiction WA-Washington Location 028-Washington Project Start Date 02-01-2010

Project Description (Include Purpose and Necessity - 240 Characters)
 Purchase and install new 438 A substation regulators on feeder 12F5 at Lyons & Standard 115 kV Substation. The old regulators will be retired.

CONSTRUCTION				Budget Authorized: \$74,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	Date
Task	3XXXXX	By FERC Number	By FERC Number	Project Set Up By	
30100	300100	\$2,000		Approved By	2/12/10
107100	362000	\$68,000			
GROSS ADDITIONS		\$70,000		APPROVALS	
Cost of Removal By FERC (3XXXXX)				SIGNATURE	DATE
108000	362000	\$5,000		Signature <i>Michael A. Magruder</i>	2-12-10
				Print Name Mike Magruder	
				Signature <i>Rick Vermeers</i>	2-15-10
				Print Name Rick Vermeers	
	Total Removal	\$5,000		Signature	
Salvage By FERC (3XXXXX)				Print Name	
108000	362000	(\$1,000)		Signature	
	Total Salvage	(\$1,000)		Print Name	
Total Removal Less Salvage		\$4,000		Signature	
				Print Name	
Non Standard Work Breakdown Structure Needed (Optional)				Project Contact & Extension [REDACTED] 48	
Peer Task				APPROVAL SIGNATURE(S) REQUIRED	
Sub Task				To \$99,999 - Director	
				\$100,000-\$499,999 - VP or GM Utility	
				\$500,000-\$2,999,999 - Sr. Vice President/CFO	
				\$3,000,000-\$9,999,999 - President/CEO/COO	
				Over \$10,000,000 - Board Chair	
				Out-of-Budget - Capital Budget Committee	
Date Prepared:	02-01-10			THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILIA ACCOUNTING	
TOTAL COST OF PROJECT		\$74,000		Date Work Completed	
				Foreman/ Supervisor	

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)



CAPITAL PROJECT REQUEST FORM

ER 2493	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) FWT - Upgrade 12F1 Regulators	Request Type Preliminary	Project(s) 02805506
Long Project Name (100 Characters) Fort Wright 115 kV Substation - Upgrade 12F1 Regulators				Parent Code FWT10A	
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA-Not Applicable	ER Sponsor M08	BI Number XS904	WMS Job # 2/17/10
Billing	Billing Contact			Rate Jurisdiction WA-Washington Location 028-Washington Project Start Date 02-01-2010	

Project Description (Include Purpose and Necessity - 240 Characters)
Purchase and install new 438 A substation regulators on feeder 12F1 at Fort Wright 115 kV Substation. The old regulators will be retired.

CONSTRUCTION				Budget Authorized: \$74,000	
Office Use Only	FERC	Estimated Amount	As Built Amount	Office Use Only	Date
Task	3XXXXX	By FERC Number	By FERC Number	Project Set Up By	
300100	300100	\$2,000		Approved By	2/17/10
10711K	362000	\$68,000			

APPROVALS			
SIGNATURE		DATE	
Signature	<i>Michael A. Magruder</i>		2-12-10
Print Name	Mike Magruder		
Signature	<i>Rick Vermeers</i>		2-10-10
Print Name	Rick Vermeers		

GROSS ADDITIONS		\$70,000	
Cost of Removal By FERC (3XXXXX)			
10711K	362000	\$5,000	
Total Removal		\$5,000	
Salvage By FERC (3XXXXX)			
10711K	362000	(\$1,000)	
Total Salvage		(\$1,000)	
Total Removal Less Salvage		\$4,000	
Non Standard Work Breakdown Structure Needed (Optional)			
Peer Task			
Sub Task			
Date Prepared:	02-01-10		
TOTAL COST OF PROJECT		\$74,000	

Project Contact & Extension: [Redacted] 2148

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

Date Work Completed
Foreman/
Supervisor

Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)



CAPITAL PROJECT REQUEST FORM

Request Type Preliminary		Project(s) 02805507	
ER 2493	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) BEA - Upgrade 12F2 Regulators
Long Project Name (100 Characters) Beacon 230 kV Substation - Upgrade 12F2 Regulators			Parent Code BEA10C
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	ER Sponsor M08	BI Number XS904
Revenue Type NA-Not Applicable	WMS Job # 110	Rate Jurisdiction WA-Washington	
Billing Contact	Location 028-Washington		Project Start Date 02-01-2010

Project Description (Include Purpose and Necessity - 240 Characters)
Purchase and install new 438 A substation regulators on feeder 12F2 at Beacon 230 kV Substation. The old regulators will be retired.

CONSTRUCTION				Budget Authorized: \$74,000	
Office Use only	FERC	Estimated Amount	As Built Amount	Office Use Only	Date
Task	3XXXXX	By FERC Number	By FERC Number	Project Set Up By	
360100	300100	\$2,000		Approved By	2/17/10
107110	362000	\$68,000			
GROSS ADDITIONS			\$70,000		
Cost of Removal By FERC (3XXXXX)					
108000	362000	\$5,000			
Total Removal			\$5,000		
Salvage By FERC (3XXXXX)					
108000	362000	(\$1,000)			
Total Salvage			(\$1,000)		
Total Removal Less Salvage			\$4,000		

APPROVALS	
SIGNATURE	DATE
Signature: <i>Michael D. Magruder</i>	2-12-10
Print Name: Mike Magruder	
Signature: <i>Rick Vermeers</i>	2-15-10
Print Name: Rick Vermeers	
Signature: <i>Paul W...</i>	
Print Name:	
Signature:	
Print Name:	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		Project Contact & Extension
Sub Task		
Date Prepared:	02-01-10	

APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$2,999,999 - Sr. Vice President/CFO
 \$3,000,000-\$9,999,999 - President/CEO/COO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT, INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT	\$74,000	Date Work Completed
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor



CAPITAL PROJECT REQUEST FORM (CPR)

ER 2493	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) C&W - Upgrade 12F1,3,4 Regulators	Request Type Preliminary	Project(s) 02805508
Long Project Name (100 Characters) College & Walnut 115 kV Substation - Upgrade 12F1,3,4 Regulators				WMS Job # 10	Parent Code C&W10A
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? Yes	Revenue Type NA-Not Applicable	ER Sponsor M08	BI Number XS904	Rate Jurisdiction WA-Washington
Billing	Billing Contact			Location 028-Washington	Project Start Date 02-01-2010

Project Description (Include Purpose and Necessity - 240 Characters)
 Purchase and install new 438 A substation regulators on feeders 12F3 and 12F4 at College & Walnut 115 kV Substation. Also install a refurbished regulator on 12F1 C-phase. The old regulators will be retired.

CONSTRUCTION				Budget Authorized: \$159,000	
Office Use only Task	FERC 3XXXXX	Estimated Amount By FERC Number	As Built Amount By FERC Number	Office Use Only	Date
30150	300100	\$5,000		Project Set Up By	
187115	362000	\$145,000		Approved By	2/17/10
GROSS ADDITIONS				\$150,000	
Cost of Removal By FERC (3XXXXX)					
10200	362000	\$12,000		Signature	2-12-10
Total Removal				\$12,000	
Salvage By FERC (3XXXXX)					
10200	362000	(\$3,000)		Signature	2-15-10
Total Salvage				(\$3,000)	
Total Removal Less Salvage				\$9,000	

APPROVALS	
SIGNATURE	DATE
Signature: <i>Michael Magruder</i>	2-12-10
Print Name: Mike Magruder	
Signature: <i>Rick Vermeers</i>	2-15-10
Print Name: Rick Vermeers	
Signature: <i>Don Kopczynski</i>	
Print Name: Don Kopczynski	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task		Project Contact & Extension	[Redacted] 2148
Sub Task		APPROVAL SIGNATURE(S) REQUIRED	
		To \$99,999 - Director	
		\$100,000-\$499,999 - VP or GM Utility	
		\$500,000-\$2,999,999 - Sr. Vice President/CFO	
		\$3,000,000-\$9,999,999 - President/CEO/COO	
		Over \$10,000,000 - Board Chair	
		Out-of-Budget - Capital Budget Committee	
Date Prepared:	02-01-10	THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILTY ACCOUNTING.	

TOTAL COST OF PROJECT	\$159,000	Date Work Completed	
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/Supervisor	

CONFIDENTIAL per WAC 480-07-160

PURCHASE ORDER NUMBER 73913 Pg. 8

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2397

ER Name: System-Install Metering Ancillary Services

Pro Forma Amount: \$125,000

Expended to date: \$1,067 as of 3/15/2010

2010 Transfer to Plant Date:

February 2010: \$60,000

November 2010: \$65,000

Project Description:

This project is to upgrade the metering at the Mead 115kV substation to move Avista loads into Avista balancing area. In accordance with the agreement contract (o7TX-12603), we are obligated to upgrade metering at Mead to meet with Avista's and BPA's specification. The next substation we intend to complete is Noxon 230-13 kV Substation in the fall.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

Expected timeline is summer and fall as resources become available. The Mead project will be transmitted late spring.

Attachment Index:

- Capital Project Request (CPR) Form pg. 2
- BPA Agreement pg. 3-8

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.



Approved 7/11/07 JJA

CAPITAL PROJECT REQUEST FORM (CPR)

Exhibit No. 02805212 (SJK 4) Schedule 29 02805212 con

Request Type	PROJECT
Preliminary	MEAO7
EF 2397	Budget Cat 35
SERVICE CODE ED	PROJECT TITLE (30 CHARS) MEAD - Upgrade Metering
PROJECT CHARS 28	LOCATION 028

PROJECT DESCRIPTION (250 CHARS)

Upgrade the metering at the Mead 115kV Substation to move AVA loads into AVA balancing area.

Setup 7/11/07 JJA

APPROVED BUDGET YES	DESCRIPTION CHARS COUNT 92	ORGANIZATION M08	B/I NUMBER XS612	WMS (Y OR N) N	RATE JURISDICTION WA
BILLING	BILLING CONTACT		PROJECT START DATE 07-02-2007		

LONG NAME (INCLUDE PURPOSE AND NECESSITY - 240 CHARS)

accordance with the agreement contract (07TX-12603) we are obligated to upgrade metering at mead to meet with AVA's and BPA's specification.

Approved 7/11/07 JJA

CONSTRUCTION	FERC 3XXXXX	ESTIMATED AMOUNT BY FERC NUMBER	AS BUILT AMOUNT BY FERC NUMBER
	300100	\$8,100	
	362000	\$23,600	02805213
	362000-39000	\$6,500	02805212
NET ADDITIONS		\$38,200	
NET SALVAGE BY FERC (3XXXXX)			
	352000	\$400	
	362000		
NET SALVAGE		\$400	

Total Construction Cost	\$38,600
NOT REQUIRED	
BUDGET AUTHORIZATION	
PREVIOUSLY APPROVED	
THIS AFE	
TOTAL TO DATE	
BALANCE NOT APPROVED	

APPROVALS	
SIGNATURE	DATE
Mike Magruder <i>M. Magruder</i>	7/2/07
Dennis L. Howey <i>Dennis L. Howey</i>	7/10/07
Randy Cloward <i>Randy Cloward</i>	7/11/07

Project Contact	Michael Busby
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APPROVAL SIGNATURE(S) REQUIRED

To \$99,999 - Director
 \$100,000-\$499,999 - VP or GM Utility
 \$500,000-\$1,999,999 - Sr. Vice President
 \$2,000,000-\$2,999,999 - CEO
 \$3,000,000-\$4,999,999 - President/COO
 \$5,000,000-\$9,999,999 - CEO
 Over \$10,000,000 - Board Chair
 Out-of-Budget - Capital Budget Committee

THE BUDGET ITEM SPONSOR IS RESPONSIBLE FOR CLOSING THIS WORK ORDER IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM, COMPLETE AS BUILT INFO AND FORWARD TO PLANT ACCOUNTING.

Date Prepared: 07-02-2007

Date Work Completed	
Foreman/Supervisor	

TOTAL COST OF PROJECT	\$38,600
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BPA F 4220.31e
(05-97)

**U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER ADMINISTRATION**

*Electronic Version
Approved by CGIR - 05/28/97*

AGREEMENT

1. AGREEMENT NUMBER 07TX-12603	2. AGREEMENT EFFECTIVE FROM DATE IN BLOCK 4 UNTIL Completion of Work	3. MODIFICATION NO. -0-	4. EFFECTIVE DATE Same as Block 20	5. PROCUREMENT REQUEST NUMBER
ISSUED TO		ISSUED BY		
6. ORGANIZATION AND ADDRESS (Include 9-Digit ZIP Code): Avista Corporation ATTN: Warren Clark P.O. Box 3727 Spokane, WA 99220-3727		9. ORGANIZATION AND ADDRESS U.S. Department of Energy Bonneville Power Administration ATTN: Kelly G. Johnson - TPC/TPP-4 P.O. Box 61409 Vancouver, WA 98666-1409		
7. TECHNICAL CONTACT Michael Busby	PHONE NUMBER 509-495-2541	10. BPA TECHNICAL CONTACT Joelle Brown	PHONE NUMBER 360-619-6212	
8. ADMINISTRATIVE CONTACT Warren Clark	PHONE NUMBER 509-495-4186	11. BPA ADMINISTRATIVE CONTACT Steve Shink	PHONE NUMBER 509-358-7424	

12. TITLE/BRIEF DESCRIPTION OF WORK TO BE PERFORMED UNDER THIS AGREEMENT

MOVE AVISTA LOADS TO AVISTA BALANCING AREA

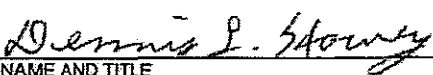
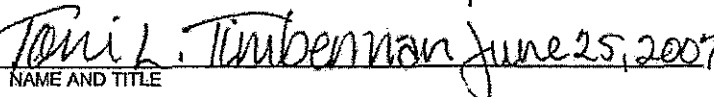
The Bonneville Power Administration (Bonneville) and Avista Corporation (Avista) have developed a plan of service to electronically move Avista loads that are physically located in Bonneville's balancing authority area into Avista's balancing authority area.

Under this Reimbursable Agreement (Agreement), Bonneville and Avista hereby agree to install revenue metering and telemetry equipment, and make computer software and database changes required to electronically move Avista's load from BPA's balancing authority area to Avista's balancing authority area. Details of Avista's and Bonneville's responsibilities are provided in the attached Division of Responsibilities Statement.

Bonneville and Avista shall make their best effort to complete the work associated with this Agreement by June 30, 2009.

The following document is attached to and becomes part of this Agreement:

- Division of Responsibilities Statement

15. AMOUNT TO BE PAID BY BPA	16. AMOUNT TO BE PAID TO BPA \$117,200 (estimated)
17. SUBMIT SIGNED AGREEMENT TO U.S. Department of Energy Bonneville Power Administration ATTN: Kelly G. Johnson - TPC/TPP-4 8100 NE Parkway Drive, Suite 50 Vancouver, WA 98662	18. ACCOUNTING INFORMATION (For BPA Use Only)
	19. SUBMIT INVOICE TO (Name and Address) Avista Corporation, ATTN: Warren Clark P.O. Box 3727 Spokane, WA 99220-3727
PARTICIPANT	
20. APPROVED BY (Signature) 	DATE (MM/DD/YY) 6/27/07
NAME AND TITLE Dennis Howey Chief Electrical Engineer	BPA
	21. APPROVED BY (Signature) 
	DATE (MM/DD/YY) June 25, 2007
	NAME AND TITLE Toni L. Timberman Senior Transmission Account Executive

Agreement No. 07TX-12603

DIVISION OF RESPONSIBILITIES STATEMENT

The Bonneville Power Administration (Bonneville) and Avista Corporation (Avista) have developed a joint plan to install revenue metering and telemetry equipment required to electronically move Avista's load from Bonneville's balancing authority area to Avista's balancing authority area. This Reimbursable Agreement (Agreement) documents the duties and responsibilities of Avista and Bonneville related to the design, construction, ownership, operations and maintenance of the revenue metering, telemetry equipment and communication equipment associated with this project.

I. GENERAL PROVISIONS AGREED TO BY BONNEVILLE AND AVISTA

- A. Bonneville will develop a design that will electronically move Avista's loads at each of the 10 Points of Delivery (POD) provided in Table 1 below, from BPA's balancing authority area to Avista's balancing authority area.
- B. Avista's loads at each POD will be moved in the order shown in Table 1. The order of moves may be changed upon written mutual agreement. Such agreement shall not be unreasonably withheld.
- C. Avista and Bonneville will coordinate and agree on the dates to complete the moves. Bonneville and Avista will use good faith efforts to adhere to the move dates agreed to by the parties. Initially, the revenue metering, telemetry equipment, software and databases will be installed or modified to move the load at the Dover POD from Bonneville's balancing authority area to Avista's balancing authority area by October 1, 2007. Thereafter, the revenue metering, telemetry equipment, software and databases will be installed or modified to move the load at the next FOD listed in Table 1 no sooner than two months following the preceding POD. The Parties may, upon written mutual agreement, combine the moves of loads at multiple PODs that the Parties agree can be completed by the same date.
- D. At any time during this project Avista may notify Bonneville of its intent to stop moving the loads at the PODs shown in Table 1 to Avista's balancing authority area. Upon receipt of such notice, Bonneville will stop work on the project and proceed with final invoicing for all work completed through the date of the notice, as described in Section V below.
- E. Avista will provide Bonneville with the equipment specified in Section II.A.2 of this Agreement. All equipment supplied to Bonneville by Avista shall meet Bonneville requirements.

DIVISION OF RESPONSIBILITIES STATEMENT

<u>TABLE 1</u>			
<u>Order of Move</u>	<u>Point of Delivery</u>	<u>Order of Move</u>	<u>Point of Delivery</u>
1	Dover	6	Deer Park
2	Milan	7	Loon Lake
3	Colbert	8	Spirit
4	Mead	9	Noxon
5	Priest River	10	Wilbur

II. CONSTRUCTION RESPONSIBILITIES**A. Bonneville, at Avista's expense, shall:**

1. Develop designs for all Bonneville owned facilities that will require new equipment or equipment modifications to facilitate the move of Avista's loads at the PODs shown in Table 1 from Bonneville's balancing authority area to Avista's balancing authority area.
2. At Bonneville's Bell Substation, install one RFL telemetry shelf, one 25 watt, 48 Vdc power supply, ten RFL 9845 cards, and two 4 wire E&M cards provided by Avista in accordance with Section to II.B.5.
3. Provide and install additional analog and digital input cards and reconfigure Bonneville's Bell Substation SCADA RTU to send the interchange signals received from Avista to Bonneville's Dittmer and Munro Control Centers.
4. Make computer software and database changes at Bonneville's Dittmer and Munro Control Centers needed to move the loads at each of the PODs shown in Table 1 from Bonneville's balancing authority area to Avista's balancing authority area. The software and database changes will be made at each POD after Avista and Bonneville have agreed on the date to move the load at the POD.
5. Amend Network Integration Transmission Service Agreement 05TX-12101 (Network Agreement) to reflect the balancing authority area change for each POD. The Network Agreement shall be amended prior to the effective date of the move of the load at each of the PODs, as appropriate.
6. Perform joint testing with Avista of the revenue meters, telemetry, communication equipment and data exchange for each of the PODs that move Avista's load from Bonneville's balancing authority area to Avista's balancing authority area.

DIVISION OF RESPONSIBILITIES STATEMENTB. Avista, at its expense, shall:

1. Develop designs for all Avista owned facilities that will require new equipment or equipment modifications to facilitate the move of Avista's loads at the PODs shown in Table 1 from Bonneville's balancing authority area to Avista's balancing authority area.
2. Provide and install revenue meters, RFL telemetry equipment and communications equipment at each of the PODs shown in Table 1 and at Avista's Control Center needed to move load at each of the PODs to Avista's Control Center. The MW signal that represents the real-time MW interchange quantity will be Frequency Shift Keying (FSK) signal scaled from 10-30 Hz.
3. Ensure that all of the PODs shown in Table 1 have meter accuracy current transformers (CT) and potential transformers (PT). The CTs will be designed for a 0.3 % accuracy at burdens B-0.1 through B-2. The PTs will be designed for a 0.3 % accuracy class at burdens W, X, Y, and Z inclusive. The revenue meter will be capable of telephone access and be compatible with MV-90 software.
4. Provide a 2-wire telephone circuit at all of the PODs shown in Table 1 to permit Avista and Bonneville to access and retrieve the hourly revenue metering data at each PODs shown in Table 1.
5. Provide Bonneville with one complete RFL telemetry shelf, one 25 watt 48 Vdc power supply, ten RFL 9845 cards and two 4 wire E&M cards for installation at Bonneville's Bell Substation.
6. Determine the circuit configuration for the MW signals at each of the ten PODs, and provide Bonneville with documentation needed for the circuit configurations.
7. Design, provide and install SCADA RTU and communications circuits to collect and send the Loss of Meter Potential (LOMP), kV, MW, MVAR and MWH data from each of the ten PODs shown in Table 1 to Avista's Control Center.
8. Design, provide and install SCADA, communications and telemetry equipment at Avista's Control Center needed to collect LOMP, kV, MW, MVAR and MWH data from each of the ten PODs shown in Table 1.
9. Design, provide and install telemetry and communications equipment at Avista's Control Center and Avista's Northeast Substation needed to make the 10 - 30 Hz interchange MW signals available to Bonneville over the existing OC-3 fiber connection between Bonneville and Avista.
10. Make software changes to computer systems at Avista's Control Center that are needed to move Avista's load from each of the ten PODs shown in Table 1 from Bonneville's balancing authority area to Avista's balancing authority area.
11. Provide Bonneville with kV, MW and MVAR data through Inter-Control Center Communications Protocol (ICCP), and provide MWH data through Electric Industry Data Exchange (EIDE) system; except MWH data shall

DIVISION OF RESPONSIBILITIES STATEMENT

be provided through CASSO until EIDE is available directly between Avista and Bonneville.

III. OWNERSHIP, OPERATION AND MAINTENANCE

- A. Avista will own, operate and maintain all of the revenue metering, telemetry and communications equipment installed under Section II.B above, except the RFL telemetry shelf, 48 Vdc power supply, RFL 9845 cards and 4 wire E&M cards provided to Bonneville for installation at Bell Substation under Sections II.A.2, and B.5, which Bonneville shall own, operate and maintain.
1. Avista shall provide the Bonneville SPC district engineer at Bell Substation at least one week prior notice of Avista's calibration of the revenue meters. Avista shall calibrate the revenue meters thereafter at two-year intervals and provide Bonneville with copies of the test records.
 2. Avista is responsible for assuring the accuracy of the revenue meters at each POD in accordance with Bonneville's "Technical Requirements for Interconnection to the Bonneville Transmission Grid" or its successor. Avista shall notify the Bonneville SPC district engineer at Bell Substation of any meter trouble, and in a timely fashion shall replace or repair any metering component found to be defective or responsible for inaccurate metering.
 3. Avista shall permit Bonneville direct, unrestricted, read-only access to the revenue meter without charge.
- B. Bonneville shall own, operate and maintain all of the equipment installed under Section II.A. The Bonneville SPC district engineer shall witness and/or participate in Avista's calibration of the revenue meters, provided under III.A.1, at his discretion.

IV. PROJECT SCHEDULE

Avista and Bonneville will use good faith efforts to start the work to move Avista's loads at the Dover POD to Avista's balancing authority area by October 1, 2007, as specified in Section I.C of this Agreement, and complete the moves of Avista's loads at the remaining PODs shown in Table 1 by June 30, 2009.

DIVISION OF RESPONSIBILITIES STATEMENT**V. FINANCIAL TERMS AND CONDITIONS**

Bonneville's cost of performing the work specified in Section II.A above shall be Bonneville's actual cost, plus an overhead rate of 55% for labor and 26% for materials. The overhead rate recovers indirect costs for Bonneville's project office plus Bonneville's contractual support costs, including contract negotiation, billing and accounting functions, and contract management.

The estimated cost of the project is \$117,200, which Avista shall advance to Bonneville to be held in an account established for this Agreement.

Bonneville may request additional funds to be advanced for deposit in the account to complete the work at any time during performance of the project. The request shall be in writing, and Avista shall advance such additional funds within 30 days of Bonneville's written request. Bonneville may temporarily stop work until Avista supplies the requested additional funds. If Avista does not advance such additional funds by the due date or, if at any time before completion of the project Avista elects to stop work under this Agreement, Bonneville will cease all work and restore, at Avista's expense, government facilities and/or records (1) to their condition prior to work under this Agreement, or (2) to some other mutually agreeable condition.

Within a reasonable time after completion of the project, Bonneville shall make a full accounting to Avista showing the actual costs plus overhead rate charged against the account. Bonneville shall either remit any unexpended balance in the account to Avista or bill Avista for any costs in excess of the deposits in the account. Avista shall pay any excess costs within 30 days of the billing.

Payments not received within 30 days of the invoice date will accrue interest on the amount due from the invoice date to the date paid, at a rate of 12% per annum.

**AVISTA UTILITIES
2010 CAPITAL PROJECTS**

ER No.: 2492

Project Name: Other Small Transmission Projects: System Install Autotransformer Diagnostic Monitor

Pro Forma Amount: \$102,000

Expended to date: \$31,555

2010 Transfer to Plant Date: June 2010 (\$50,000) and November 2010 (\$52,000)

Project Description:

This project provides for the installation of a Serveron dissolved gas analysis monitor on autotransformer #1 at Beacon 230kV Substation. Dissolved gas analysis is a key tool in evaluating the health of the transformer. This monitor allows for gas sampling to be made multiple times per day and the data is a key tool in evaluating the health of the transformer. In addition, alarms are provided for set points which permit a high degree of protection before a failure typically occurs. The recent CS2 transformer replacement is an example of this technology application.

Offsets:

This transmission plant investment is included in the production property adjustment, which adjusts rate year costs to match test year loads. There are no other identifiable O&M cost reductions for 2010 investments.

Timeline:

The monitor has been purchased and has been received. The engineering and installation is expected to be completed by July 2010.

Additional Information:

- Costs pg. 2
- Capital Project Request (CPR) Form pg. 3
- Purchase Orders (Confidential) and remaining costs pg. 4-7

Note:

During the course of Avista's pending general rate case, updated information will be available for audit.

AVISTA UTILITIES
ER 2492
COSTS THROUGH MARCH 15, 2010

					2010
					Transaction Amt SUM
Er	Project Number	Project Desc	Expenditure Category	Expenditure Type	
2492	02805432	Bea instl auto xfmr DGA monit	AFUDC	535 AFUDC - Debt	293.70
				540 AFUDC - Equity	375.64
			Overhead	505 Capital Overhead - A & G	387.11
				506 Cap Overhead - Functional	12,903.71
				530 Stores/Material Loading	2,921.59
			Voucher	880 Materials & Equipment	14,673.25
		Sum			<u>31,555.00</u>



CAPITAL PROJECT REQUEST FORM
(CPR)

Request Type New		Project(s) 02805432	
Project Title/Count 09805292		'Parent' Code BEA09B	
ER 2492	Budget Category 5-Maintenance	Service Code ED-Electric Direct	Project Title (30 Characters) Beacon - Install AutoXFMR DGA Monitor
Long Project Name (100 Characters) Beacon 230kV substation - install Serveron Dissolved Gas Analysis Monitor on autotransformer#1.			
Approved Budget X	Will This Project Include Retirement of Materials or Equipment? No	Long Project Name Count 94	ER Sponsor M08
Billing	Revenue Type Select	BI Number XS903	WMS Job #
Billing Contact		Rate Jurisdiction AN-Allocated North	
Location 028-Washington		Project Start Date	

Project Description (Include Purpose and Necessity - 240 Characters)
 This project provides for the installation of a Serveron dissolved gas analysis monitor on autotransformer #1. Dissolved gas analysis is a key tool in evaluating the health of the transformer. This monitor allows for gas sampling to be made multiple times per day and the data is communicated to the user. In addition, alarms are provided for set points which permits a high degree of protection before a failure typically occurs. The recent CS2 transformer replacement is an example of this technology application.

CONSTRUCTION			Budget Authorized	\$62,000
Office Use only	FERC	Estimated Amount	As Built Amount	
Task	3XXXXX	By FERC Number	By FERC Number	Office Use Only
300100	300100	\$2,000	02805432	Project Set Up By
107300	353000	\$55,000	09805292	Approved By
107428	397000	\$5,000		

GROSS ADDITIONS			\$62,000	APPROVALS	
Cost of Removal By FERC (3XXXXX)				Signature	DATE
				<i>[Signature]</i>	10/13/09
				Print Name: S.Wilson	
				Signature	
				<i>[Signature]</i>	10/13/09
				Print Name: M. Magruder	
Total Removal				Signature	
				<i>[Signature]</i>	10/13/09
				Print Name: Rick Vermorel	
Salvage By FERC (3XXXXX)				Signature	
				Print Name	
Total Salvage				Signature	
Total Removal Less Salvage				Print Name	

Non Standard Work Breakdown Structure Needed (Optional)

Peer Task	Project Contact & Extension
Sub Task	APPROVAL SIGNATURE(S) REQUIRED
	To \$99,999 - Director
	\$100,000-\$499,999 - VP or GM Utility
	\$500,000-\$2,999,999 - Sr Vice President/CFO
	\$3,000,000-\$9,999,999 - President/CEO/COO
	Over \$10,000,000 - Board Chair
	Out-of-Budget - Capital Budget Committee

Date Prepared: _____

THE PROJECT SPONSOR IS RESPONSIBLE FOR CLOSING THIS JOB IMMEDIATELY UPON COMPLETION OF WORK. SIGN THIS FORM COMPLETE AS BUILT INFO AND FORWARD TO UTILITY ACCOUNTING.

TOTAL COST OF PROJECT	\$62,000	Date Work Completed
Questions: contact Project and Fixed Asset Accounting (Sue ext-4472 or Howard ext-2936)		Foreman/ Supervisor

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PURCHASE ORDERS AND REMAINING COSTS Pgs. 4 - 7.