

POWER PURCHASE AGREEMENT

BETWEEN

SISKIYOU COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT

AND

PACIFIC POWER & LIGHT COMPANY

THIS AGREEMENT, entered into on this 14th day of March, 1983, is between Siskiyou County Flood Control and Water Conservation District, hereinafter referred to as "Seller," and Pacific Power & Light Company, a Maine corporation, hereinafter referred to as "Pacific."

RECITALS:

Seller will own and operate a 5,000 kilowatt (kW) hydroelectric facility for the generation of electric power at the Box Canyon Dam on the Sacramento River, near Mt. Shasta, California ("Facility"); and

Seller wishes to sell, and Pacific wishes to purchase, the Net Metered Output from the Facility. The average annual energy production is estimated to be 21,600,000 kilowatt-hours (kWh).

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

ARTICLE I: DEFINITIONS

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

(A) "Base Net Metered Output" means the minimum amount of Net Metered Output Seller shall deliver to Pacific each month of each Contract Year pursuant to Article III(D).

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

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

(D) "Deficiency Energy" means the amount of Base Net Metered Output which Seller, pursuant to Article III, covenants to deliver during any Contract Year, but fails to deliver in that Contract Year. The calculation of Deficiency Energy, if any, shall be made at the conclusion of each Contract Year.

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

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

or

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

(F) "Facility" is the 5,000 kW hydroelectric facility for the generation of electric power, including the dam, penstock, powerhouse, turbine, generator, and Seller's Interconnection Equipment.

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

(H) "Point of Delivery" is the location where Pacific's and Seller's electrical facilities are connected on support structure inside Seller's transformation substation.

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

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

ARTICLE II: TERM

Subject to the provisions of Article XXIII, this Agreement shall become effective when executed by both the parties hereto, and shall end on December 31, 2020.

ARTICLE III: DELIVERY OF POWER

(A) Commencing on January 1, 1986, and for the term of this Agreement, Seller shall make available from the Facility a minimum of 4,320,000 kWh of Net Metered Output during each Contract Year, provided, however, that such minimum for the first Contract Year shall be reduced pro

rata to reflect the Commercial Operation Date. Subject to Article XVI, Seller shall make available and Pacific shall purchase all Net Metered Output from the Facility.

(B) Seller shall deliver to Pacific the amounts of Base Net Metered Output for the contract years set forth in subparagraph (D), below and, commencing on the Commercial Operation Date, Pacific shall pay Seller therefor the prices specified in Article IV regardless of whether such deliveries actually are made during such Contract Year; provided, however, that should Seller deliver less than 50 percent of the annual Base Net Metered Output in four consecutive Contract Years, Pacific may suspend its payment obligation to Seller under this Paragraph.

(C) Should Seller fail to deliver in full the amount of Base Net Metered Output specified in subparagraph (D) below, in any Contract Year, Seller shall deliver such Deficiency Energy at no charge to Pacific during the first portion of the following Contract Year. Deliveries of Deficiency Energy shall not be included in determining Seller's deliveries of Base Net Metered Output in any Contract Year. In the event that the amount of Deficiency Energy from any immediately prior Contract Year is not delivered in the following Contract Year, the amount of any Deficiency Energy remaining at the end of such following Contract Year shall become overdue and shall be carried forward to the succeeding Contract Year, and Seller shall deliver 114.9 percent of the overdue Deficiency Energy in the first Contract Year thereafter in which it is possible to deliver the overdue Deficiency Energy (subject to the condition that all energy delivered shall be credited first to make up any overdue Deficiency Energy), provided,

however, that Seller shall have the option to pay Pacific for any overdue Deficiency Energy at the price shown in Article IV(C) for the Contract Year next following the Contract Year in which such Deficiency Energy was accumulated. In the event that Seller elects to pay Pacific for the Deficiency Energy accumulated in any Contract Year, such Contract Year shall not be considered in the suspension of Pacific's payment obligations pursuant to subparagraph (B) above.

(D) The amount of Base Net Metered Output required for each month of each Contract Year are set forth below:

<u>Contract Year</u>	<u>Monthly Base Net Metered Output (kWh)</u>	<u>Contract Year</u>	<u>Monthly Base Net Metered Output (kWh)</u>
1986	1,691,000	2003	1,261,000
1987	1,671,000	2004	1,231,000
1988	1,650,000	2005	1,200,000
1989	1,627,000	2006	1,170,000
1990	1,607,000	2007	1,139,000
1991	1,583,000	2008	1,109,000
1992	1,560,000	2009	1,078,000
1993	1,535,000	2010	1,047,000
1994	1,509,000	2011	1,016,000
1995	1,484,000	2012	986,000
1996	1,458,000	2013	956,000
1997	1,431,000	2014	924,000
1998	1,404,000	2015	895,000
1999	1,377,000	2016	865,000
2000	1,349,000	2017	835,000
2001	1,320,000	2018	806,000
2002	1,290,000	2019	777,000

ARTICLE IV: PRICES

The following prices are established for all deliveries of energy and capacity hereunder; provided, however, that nothing in this subparagraph shall be construed as affecting or limiting the Seller's

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obligation to make deliveries in each Contract Year as established in Article III hereof.

(A) Nonfirm Energy

Prior to the later of the Commercial Operation Date or January 1, 1986, Pacific shall pay Seller for all deliveries of Net Metered Output Pacific's then effective price for nonfirm energy.

(B) Capacity Prices

Commencing upon the later of Commercial Operation Date or January 1, 1986, and for each Contract Year thereafter, Pacific shall pay \$7.94 per month for each kW of Demonstrated Capacity. Subject to change by mutual agreement of the parties hereto based upon the actual performance of the Facility, the Demonstrated Capacity for the first 12 months of deliveries hereunder is assumed to be 3,522 kW. If after the first 12 months of deliveries hereunder the calculated Demonstrated Capacity is greater or less than the Demonstrated Capacity assumed for the first 12 months of deliveries, all previous capacity payments which were determined by using such assumed Demonstrated Capacity shall be adjusted retroactively to reflect underpayments or overpayments, and shall include interest at the monthly prime rates published by the Morgan Guaranty Trust Company of New York for the months in which such overpayments or underpayments were made.

(C) Energy Prices

Commencing upon the later of the Commercial Operation Date or January 1, 1986, Pacific shall pay for each kWh of Net Metered Output the energy prices for the Contract Years set forth below:

<u>Contract Year</u>	<u>Energy Price Cents/kWh</u>
1986	6.90
1987	6.98
1988	7.07
1989	7.17
1990	7.26
1991	7.37
1992	7.48
1993	7.60
1994	7.73
1995	7.86
1996	8.00
1997	8.15
1998	8.31
1999	8.47
2000	8.65
2001	8.84
2002	9.04
2003	9.25
2004	9.48
2005	9.72
2006	9.97
2007	10.24
2008	10.52
2009	10.82
2010	11.14
2011	11.48
2012	11.83
2013	12.21
2014	12.62
2015	13.04
2016	13.49
2017	13.97
2018	14.48
2019	15.02
2020	15.59

ARTICLE V: PAYMENTS AND COMPUTATIONS

(A) Pacific shall provide Seller with computations of Net Metered Output on a monthly basis and shall concurrently therewith make

payments therefor in accordance with the terms and conditions of Article IV, at the address specified in Article VI, below.

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

ARTICLE VI: NOTICES

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

To Seller: Director of Public Works
Siskiyou County
305 Butte Street
Yreka, CA 96097

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

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

ARTICLE VII: FACILITY DESIGN AND CONSTRUCTION

(A) Seller shall design, construct, install, own, operate, and maintain the Facility. Seller shall provide Pacific with electrical data concerning its Facility sufficient to allow Pacific to make stability and protection studies. All specifications and changes in specifications, including new or additional equipment, shall be subject to Pacific's

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

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

ARTICLE VIII: INTERCONNECTION

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

(B) Connection of Seller's Interconnection Equipment to

Pacific's system shall be by or under the direction of Pacific.

(C) In the event that it is necessary for Pacific to perform any services or install any facilities and equipment on Pacific's system to accommodate Seller's deliveries, or to reinforce Pacific's system for purposes of this Agreement, Seller shall reimburse Pacific for all of Pacific's costs associated therewith, in accordance with the rules for repayment established by the appropriate state regulatory commission having jurisdiction. Seller shall also reimburse Pacific for Pacific's operation and maintenance costs resulting from Pacific's installation of facilities and equipment under this Paragraph.

ARTICLE IX: SYSTEM EMERGENCY

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

ARTICLE X: OPERATION, PROTECTION, AND CONTROL

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

(B) Seller shall operate and maintain the Facility in a safe manner and in accordance with the National Electric Safety Code currently in effect.

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

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

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

(F) Seller shall remedy any demonstrated harmonic distortions on Pacific's system attributable to the operation of the Facility which result in objectionable service to Pacific's other customers. Should Seller's actions to remedy such harmonic distortions be inadequate, Pacific may without liability disconnect the Facility from Pacific's system. During such period of disconnection, Pacific's obligation to make payments to Seller shall be suspended.

(G) Seller agrees that in the event of and during a period of a shortage of energy or capacity on Pacific's system as declared by Pacific

in its sole discretion, Seller shall, at Pacific's request and within the limits of reasonable safety requirements as determined by Seller, use its best efforts to provide requested energy or capacity, and shall, if necessary, delay any Scheduled Maintenance Periods.

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

ARTICLE XI: METERING

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

(B) Pacific shall provide, install, own, and maintain meters to record flows to Pacific. Such meters shall be located at a mutually agreed upon designated location(s) and shall record and indicate the

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

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

(D) If any of the inspections or tests provided for herein disclose an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the period of three (3) months immediately preceding the removal of such meter from service for test, or from the time the meter was in service since last tested, but not exceeding three (3) months, in the amount the meter shall have been shown to be in error by such test. Any

correction in billing resulting from a correction in the meter records shall be made in the next monthly bill rendered, and such correction, when made, shall constitute full adjustment of any claim between Seller and Pacific arising out of such inaccuracy of metering equipment.

ARTICLE XII: LIABILITY AND INSURANCE

(A) Seller agrees to protect, indemnify, and hold harmless Pacific, its directors, officers, employees, agents, and representatives, against and from any and all loss, claims, actions, or suits, including costs and attorneys' fees, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction of property belonging to Pacific or others, resulting from, or arising out of or in any way connected with the Facility, including all facilities on Seller's side of the Point of Delivery, or Seller's operation and/or maintenance, excepting only such injury or harm as may be caused solely by the fault or negligence of Pacific, its directors, officers, employees, agents, or representatives.

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

limits of liability reduced without thirty (30) days' prior written notice to Pacific. A copy of each such insurance policy, certified as a true copy by an authorized representative of the issuing insurance company or, at the discretion of Pacific, in lieu thereof, a certificate in form satisfactory to Pacific certifying to the issuance of such insurance, shall be furnished to Pacific. Initial limits of liability for all requirements under this Section (B) shall be \$1,000,000 single limit, which limits may be required to be increased by Pacific's giving Seller two years' notice. Such increase shall not exceed fifteen percent (15%) per year.

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

(D) Prior to connection of Seller's generation to Pacific's system, Seller shall provide Pacific copies of all insurance policies at the address listed in Article VI.

ARTICLE XIII: LAND RIGHTS

Seller hereby grants to Pacific for the term of this Agreement all necessary rights of way and easements to install, operate, maintain, replace, and remove Pacific's metering and other facilities necessary or useful to this Agreement, including adequate and continuing access rights on property of Seller. Seller agrees to execute such other grants, deeds

or documents as Pacific may require to enable it to record such rights of way and easements. If any part of Pacific's facilities is installed on property owned by other than Seller, Seller shall, if Pacific is unable to do so without cost to Pacific, procure from the owners thereof all necessary permanent rights of way and easements for the construction, operation, maintenance, and replacement of Pacific's facilities upon such property in a form satisfactory to Pacific. At Seller's request, Pacific shall, to the extent it is legally able, acquire such rights of way at Seller's cost.

ARTICLE XIV: COMMUNICATIONS

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

ARTICLE XV: MAINTENANCE

(A) Seller may shut down the Facility for Scheduled Maintenance Periods not to exceed thirty (30) days each Contract Year at such times as are approved in advance by Pacific. Seller shall propose to Pacific Scheduled Maintenance Periods for each Contract Year by the preceding February 1, and within sixty (60) days of Pacific's receipt of such proposal, Pacific shall inform Seller of the acceptability or unacceptability of the proposed periods.

(B) In the event the Facility must be shut down for unscheduled maintenance, Seller shall notify Pacific immediately of the necessity of such shutdown, the time when such shutdown has occurred, or will occur, and the anticipated duration of such shutdown. Seller shall take all

reasonable measures and exercise its best efforts to avoid unscheduled maintenance and to limit the duration of such shutdowns.

ARTICLE XVI: CONTINUITY OF SERVICE

Pacific may require Seller to curtail, interrupt, or reduce deliveries of energy or capacity in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of Pacific's equipment or any part of its system or if Pacific determines that curtailment, interruption, or reduction is necessary because of emergencies, operating conditions on its system, or as otherwise required by prudent electrical practices. In such circumstances, Pacific shall not be obligated to accept deliveries of energy or capacity hereunder.

ARTICLE XVII: QUALIFYING FACILITY STATUS

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

ARTICLE XVIII: FORCE MAJEURE

As used in this Agreement, "Force Majeure" means unforeseeable causes beyond the reasonable control of and without the fault or negligence of the party claiming Force Majeure, and specifically excludes non-availability of streamflows to operate Seller's Facility. If either party is rendered wholly or partly unable to perform its obligations under this Agreement because of Force Majeure, that party shall be excused from

whatever performance is affected by the Force Majeure to the extent so affected, provided that:

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

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

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

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

ARTICLE XIX: LIABILITY; DEDICATION

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

ARTICLE XX: SEVERAL OBLIGATIONS

Except where specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the parties are intended to be several and not joint or collective. Nothing contained in this

Agreement shall ever be construed to create an association, trust, partnership, or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to either party. Each party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XXI: WAIVER

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

ARTICLE XXII: CHOICE OF LAWS

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

ARTICLE XXIII: GOVERNMENTAL JURISDICTION AND AUTHORIZATION

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

(B) This Agreement shall not become effective until the Public Utilities Commission of the State of California approves all terms and

provisions hereof without change or condition and declares that all payments to be made hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

ARTICLE XXIV: SUCCESSORS AND ASSIGNS

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

ARTICLE XXV: MODIFICATION

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

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

SISKIYOU COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

PACIFIC POWER & LIGHT COMPANY

By [Signature]
CHAIRMAN OF THE BOARD OF SUPERVISORS
Title SISKIYOU COUNTY, CALIFORNIA

By [Signature]
Vice President

This instrument is a
correct copy of the original
on file in this office

ATTEST: MAR 18 1963
NORMA PRICE

County Clerk and ex-officio Clerk of
the Board of Supervisors in and for
the County of Siskiyou.

AMENDMENT NO. 1 TO POWER PURCHASE AGREEMENT

BETWEEN

BOX CANYON LIMITED PARTNERSHIP

AND

PACIFIC POWER & LIGHT COMPANY

THIS AMENDMENT NO. 1 is entered into this 20th day of December, 1990. Siskiyou County Flood Control and Water Conservation District ("District") and Pacific Power & Light Company ("Pacific") previously have entered into a Power Purchase Agreement dated March 14, 1983 ("Agreement"). Subsequently, the Agreement was assigned by District to the Siskiyou Power Authority, which later assigned the Agreement to Box Canyon Limited Partnership ("Seller"). Pacific and Seller amended the Agreement by a Letter Agreement dated January 12, 1987 ("Letter Agreement"). Pacific and Seller wish to amend the Agreement to incorporate the terms of the Letter Agreement and to make other changes.

Now, THEREFORE, the parties agree to amend the Agreement as follows:

ARTICLE I: DEFINITIONS

Paragraph (A) is amended to read in its entirety as follows:

"(A) "Base Net Metered Output" means the minimum amount of Net Metered Output Seller shall deliver to Pacific pursuant to Article III(B);"

Paragraph (G) is amended to read in its entirety as follows:

"(G) "Net Metered Output" is all energy and capacity produced by the Facility as determined at the Point of Delivery and less a reduction as provided in Article V(A) for transformer losses."

ARTICLE III: DELIVERY OF POWER

Paragraphs (B), (C) and (D) are deleted in their entirety and replaced by the following new paragraph (B):

SCHEDULE A

REQUIRED EQUIPMENT STANDARDS

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

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

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

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