

A G E N D A

**GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C Street SW – Commission Meeting Room
Ephrata, Washington
COMMISSION MEETING
Tuesday, June 13, 2023**

An Executive Session may be called at any time for purposes authorized by the Open Public Meetings Act

- 8:30 a.m.** Executive Session
- 9:00 a.m.** Commission Convenes
Review and Sign Vouchers
- 9:30 a.m.** Reports from staff
- 12:00 Noon** Lunch
- 1:00 p.m.** Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of May 23, 2023

2. Regular Agenda

9018 – Resolution Amending Grant PUD’s Customer Service Policy.

9019 – Resolution of the Commission of Public Utility District No. 2 of Grant County, Washington, providing for the issuance of Electric System Revenue refunding Bonds of the District in the aggregate principal amount not to exceed \$55,000,000.00 for the purpose of refunding certain outstanding Electric System Bonds; and delegating authority to approve the final terms of the Bonds.

9020 – Resolution of the Commission of Public Utility District No. 2 of Grant County, Washington, providing for the issuance of one or more series of Priest Rapids Hydroelectric Project revenue and refunding bonds of the District in the aggregate principal amount not to exceed \$180,000,000.00 for the purpose of financing improvements to the District’s Priest Rapids Hydroelectric Project and defeasing and/or refunding certain outstanding Priest Rapids Project revenue bonds; and delegating authority to approve the final terms of the Bonds.

9021 – Resolution Memorializing Rex Buck, Jr., Wanapum Leader

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 7 to Contract 130-08756 with North Sky Communications, LLC, increasing the not-to-exceed contract

amount by \$16,300,000.00 for a new contract total of \$87,000,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 7. (3447)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 9 to Contract 430-4151 with Jack R Benjamin and Associates increasing the not-to-exceed contract price by \$1,000,000.00 for a new contract total of \$3,000,00.00, extending the contract completion date to June 30, 2025 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 9. (3448)

3. Review Items For Next Business Meeting

XXXX – Resolution Adopting a Non-Travel Meals Policy.

XXXX – Resolution Amending Grant PUD’s Travel Policy and Superseding All Prior Resolutions Relating to Grant PUD’s Travel Policy.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10427R with Nokia Networks “Nokia of America Corporation” in an amount not-to-exceed \$3,663,606.42. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 1 to Contract 430-08476 with Moss Adams LLP, increasing the not-to-exceed contract amount by \$726,000.00 for a new contract total of \$1,926,000.00, revising the rate schedule, extending the contract completion date to July 1, 2026, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 1. (xxxx)

4. Calendar

5. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

REGULAR MEETING OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

May 23, 2023

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 596 502 173# with the following Commissioners present: Tom Flint, Vice-President; Terry Pyle, Secretary; Larry Schaapman, Commissioner and Judy Wilson, Commissioner. Nelson Cox was absent due to personal business.

The meeting was called to order at 8:30 a.m. Due to no need for an executive session, the Commission recessed and 8:32 a.m. and resumed at 9:00 a.m.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:02 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: Colville Confederated Tribe First Salmon Ceremony scheduled for May 25; comments and questions from Commissioner Wilson regarding proposed Customer Service Policy update; concerns from Commissioner Flint regarding a Russian olive tree re-growing up a power pole and request for tree trimming contract terms in responding to continued regrowth of previously trimmed vegetation; process for rebidding rejected contract awards and public release of contract value; and customer appreciation relayed from Commissioner Pyle regarding earlier than anticipated new service connection.

Eric Johnson, Senior Safety Coordinator, provided the Safety report.

Tyler DeLong, Line Office Supervisor, and Brian Barrows, Fleet Maintenance Manager, provided an equipment purchase overview.

Jeremy Conner, Project Manager, provided an overview of the North Sky contract and associated Change Orders.

Aaron Kuntz, Senior Manager of EPMO, presented the EPMO report.

Amy Thompson, Financial Analyst, and Mark Buchta, Senior Financial Analyst, provided a review of the upcoming bond transaction.

The Commission attended a lunch meeting with Grant County Commissioners.

Todd Thomas, Quincy, Washington, President of Sunland Estates Homeowner Association, and co-owner of West Coast Dock, LLP, addressed the Commission on behalf of West Coast Dock, LLC requesting their liability insurance be reduced.

Commissioner Schaapman noted a tour he attended with both Ron Alexander, Managing Director of Power Delivery, and potentially impacted landowners of the proposed Route 4B for the Wanapum to Mountain View transmission line.

Motion was made by Mrs. Wilson and seconded by Mr. Pyle excusing the absence of Commissioner Cox. After consideration, the motion was approved by unanimous vote of the Commission.

Consent agenda motion was made by Mr. Schaapman and seconded by Mrs. Wilson to approve the following consent agenda items:

Payment Number	131626	through	132022	\$28,491,608.30
Payroll Direct Deposit	216831	through	217628	\$2,430,775.59
Payroll Tax and Garnishments	20230511A	through	20230517B	\$1,071,776.03

Meeting minutes of May 9, 2023.

After consideration, the above consent agenda items were approved by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Pyle authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-11843 with Anixter Inc., in an amount not-to-exceed \$1,152,549.00 and in effect for a three-year term from date of execution. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Pyle and seconded by Mr. Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 7 to Contract 130-09724 with Quanta Infrastructure Solutions Group, LLC., increasing the not-to-exceed contract amount by \$31,913,638.00 for a new contract total of \$104,188,895.27, extending the contract completion date to March 31, 2025 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 7. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Pyle authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 170-11931 with Altec Industries, Inc. in an amount not-to exceed \$1,052,118.00 plus applicable sales tax. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission recessed at 1:50 p.m.

The Commission resumed at 2:00 p.m.

A Financial Statement Suite was presented to the board with the following presenters presenting on specific topics:

- Jennifer Sager, Senior Manager of Accounting, reviewed the Finance/Business Services Quarterly Finance Report (QFR).
- Charles Meyer, Senior Manager of Enterprise Technology, reviewed the Enterprise Technology Quarterly Finance Report (QFR).
- Jennifer Sager, Senior Manager of Accounting, reviewed the Finance/Internal Services Quarterly Finance Report (QFR).
- Randi Hovland, Executive Services Supervisor/Clerk of the Board, reviewed the Executive Services Quarterly Finance Report (QFR).
- Chris Roseburg, Senior Manager of Operational Excellence, reviewed the Business Advancement Quarterly Finance Report (QFR).
- Chuck Allen, Senior Manager of External Affairs and Communications, reviewed Customer Services and Communications Quarterly Finance Report (QFR).
- Cary West, Senior Manager of Customer Solutions, reviewed the Customer/Market Analytics Quarterly Finance Report (QFR).
- Thomas Stredwick, Senior Manager of Employee Experience, reviewed the Employee Services Quarterly Finance Report (QFR).
- Terry McKenzie, Senior Manager of Wholesale Fiber, reviewed the Fiber Quarterly Finance Report (QFR).
- Ron Alexander, Managing Director of Power Delivery, reviewed the Power Delivery Quarterly Finance Report (QFR).
- Ben Pearson, Senior Manager of Hydro Generation, reviewed the Power Production Quarterly Finance Report (QFR).

- Dale Campbell, Senior Manager of Power Production Engineering, reviewed the Power Production capital budget versus actuals report.
- Ron Alexander, Managing Director of Power Delivery, reviewed the Power Delivery capital budget versus actuals report.
- Jennifer Sager, Senior Manager of Accounting, and John Mertlich, Senior Manager of FP&A, reviewed the Internal Services capital budget versus actuals report.
- Charles Meyer, Senior Manager of Enterprise Technology, reviewed the Enterprise Technology capital budget versus actuals report.
- Terry McKenzie, Senior Manager of Wholesale Fiber, reviewed the Wholesale Fiber capital budget versus actuals report.

The Commission recessed at 3:20 p.m.

The Commission resumed at 3:30 p.m.

John Mertlich, Senior Manager of FP&A; Jennifer Sager, Senior Manager of Accounting; Amy Thompson, Financial Analyst; and Mark Buchta, Senior Financial Analyst presented the Financial Reports.

There being no further business to discuss, the Commission adjourned at 4:20 on May 23 and reconvened on Thursday, June 8 at 8:00 a.m. at Grant County Fairgrounds, 3953 Airway Dr NE, Moses Lake, Washington for the purpose of holding a Safety Day and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the May 23, 2023 meeting officially adjourned at 3:30 p.m. on June 8, 2023.

ABSENT

Nelson Cox, President

ATTEST:

Terry Pyle, Secretary

Tom Flint, Vice President

Larry Schaapman, Commissioner

Judy Wilson, Commissioner

REGULAR AGENDA

For Commission Review – 05/23/2023

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD'S CUSTOMER SERVICE POLICY

Recitals

1. Grant PUD is authorized by RCW 54.16.040 to regulate and control the use, distribution, rates, service, charges and price of energy; and
2. Grant PUD's Chief Customer Officer and staff are of the opinion that the revised Customer Service Policies are in the best interest of Grant PUD.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the changes to sections 2, 4, 5, 6, 9 and 10, as set forth in the attached Exhibit A are hereby approved and adopted and shall be effective September 1, 2023.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 13th day of June, 2023.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

May 10, 2023

TO: Rich Wallen, General Manager

VIA: Dave Churchman, Chief Customer Officer (*outgoing*)
Ty Ehrman, Chief Customer Officer (*incoming*)

FROM: Cary West, Senior Manager of Customer Solutions *CSW*

SUBJECT: Customer Service Policy and related Fees Schedule updates

Purpose: To update the Customer Service Policy and related Fees Schedule from its last version dated April 23, 2019 (Resolution 8916).

Discussion: Various updates to the Customer Service Policy and related Fees are needed or desired since the last version. These updates are primarily driven around Customer Solutions, Energy Services, Power Delivery and Large Power Solutions business operations.

The only notable change following the Commission workshop held on March 21, 2023, includes reinstating the 25% discount for line extensions for the Residential and Irrigation customer classes as noted in the Related Fee Schedule. For Residential customers under Rate Schedule 1 (excluding plat developers), the 25% discount, up to a maximum \$2,500 discount, remains intact. For Irrigation customers under Rate Schedule 3, the 25% discount, up to a maximum \$10,000 discount, remains intact.

Recommended Policy changes by section and related rationale are noted in the following table:

Section #	Section Description	Change Description	Change Rationale
2.1.1	Metering Point	Callout of account aggregation for billing purposes for LPS customers.	To match current structure.
2.8	Disconnecting Services	Distinction between remote and non-remote meter disconnections.	With AMI, we now have both remote and non-remote meter disconnections.
2.9.1	Customer Obligations	Callout for customer to notify Grant PUD of no longer needing life support designation.	Clarity on responsibility.
	Material Sales to Customers	Section removed from Customer Service Policy.	Covered in separate Procurement Policy.
2.14	Revenue Protection and Power Diversion	May bill up to 3x damages.	Tampering 1x (Damage to District) vs. Power Diversion 3x (Revenue Protection).
	Loan Program	Section removed from Customer Service Policy.	No longer offer a loan program.

Section #	Section Description	Change Description	Change Rationale
3.1	Demand Response	Added new section for Demand Response viability.	Demand Response is an emphasis going forward and is a Big 3 in 2023 goal.
4.0	Line Extension Policy for Customer Services Under 500 KW	Removed distinction between Simple and Complex WO's.	Simplifying language for Simple and Line Extensions.
4.2	Underground Line Extensions	Callout of Grant PUD and Customer responsibilities for work and material costs.	Adds clarity on responsibility.
4.3.1	Permanent Service	Improve language from "shall" to "reserves the right"	Adds clarity.
4.3.3	Construction Temporary Service	Added metered temp service with a one-time fee for up to 12 months.	Move from unmetered to metered service under the designated rate schedule. Covers costs of labor and energy consumption.
4.4	Service Requirements by Rate Class	Added reference pursuant to Grant PUD Construction Standards	Adds clarity.
4.5.1	Line Extension Fees	Simple Service fee for both Electric and Fiber connection. For Line Extensions, Customer pays 100% estimated cost. For work orders exceeding \$20k, true-up provision applies. Also, added refund ability provision.	Improved cost accounting and revenue collections. Removed 25% subsidy for Complex WOs unless a Residential under Rate Schedule 1 (excluding plat developers) and Irrigator customers under Rate Schedule 3 in which case the subsidy remains intact.
4.12	Manufactured Home / Mobile Home Parks	Added reference pursuant to Grant PUD Construction Standards and callout of Connection Point.	Adds clarity.
5.2.1	Overhead Service Laterals	Meter pole ownership callout for Customer.	Adds clarity.
5.3.2	Wiring	Customer responsibility for wiring/conduit materials cost.	Shifting direct material costs to customer.
	Demand Metering	Removed as no longer needing callout certain services to have a demand metering capability.	All Grant PUD meters now have demand metering capability.
6.1	Meter Reading	Added AMI reference for daily meter reading and capability for remote connection and disconnection.	To match current AMI ability/process.

Section #	Section Description	Change Description	Change Rationale
6.2	Adjustment of Billing Errors	Incorporate over/underbillings lookback periods into said Policy and ability to offer interest free payment arrangement for hardships not to exceed the lookback period.	Lookback period of 6 years for underbillings pursuant to RCW 4.16.040.
6.3	Billing Periods	Remove mention of pro-rated reads as no longer needed with daily reads with AMI.	No longer an issue with AMI.
	Non-Metered Service	Section removed from Customer Service Policy.	Obsolete.
6.9	BudgetPay	Re-titled to current branded name "BudgetPay" and replaced generic "Level Billing Plan".	To match current Branding.
6.12	After-Hours Fee	Refers to Call Center days/hours for CSR related assistance and Power Delivery days/hours for on-site assistance for service crews.	To match current operational days/hours for business lines, respectively.
6.13	Deposits	Added "may be" required.	Matches current Deposits initiative.
6.13.2	Interest on Deposits	Interest rate applied to be made available upon request.	If requested by customer.
6.17.1	Disconnect Fee	Removed "ordered".	Fee will apply when disconnection has been executed.
6.19	Eligibility for Special Low Income Rate Discounts	Increases eligibility from 150% to 200% of the poverty guidelines. Adds requalification every 3 years and allows for option for in home energy audits for discount customers.	Matches CETA % threshold for low income. Adding reverification and in-home audits will help with fairness and compliance.
6.20	Net Metering Billing	Annual banked kWh reset to be on 3/31, not 4/30.	Matches RCW 80.60.030.
6.21	Renewable Energy System Cost Recovery	Removed sub-bullet details as applicable RCW 82.16.120 is referenced.	No need to callout sub-bullets; just refer to RCW.
9.1.1	Concentration Risk	Added 5% threshold against the service request queue.	To match updated RS17 parameters.
9.1.2	Business Risk	Added clarifying language for unrecoverable costs due to...	To match updated RS17 parameters.

Section #	Section Description	Change Description	Change Rationale
9.2	Periodic Review by Assessment Team	Added clarifying language.	To match current process.
9.3	Evolving Industry Entry and Exit Criteria	Added Inclusion language.	To match updated RS17 parameters.
9.4	Rate 17 Design	Changed review period to 2 years instead of 1 year.	Matches review period in Section 9.2.
9.5	Commission Reporting	Changed reporting period to 2 years instead of 1 year.	Matches review period in Section 9.2.
9.7	Attestations	Added clarifying language for Customer responsibility.	Adds clarity.
10.0	Revisions	Moved Revisions section from Table of Contents to end of Policy.	Better placement.

Justification: Updating the Customer Service Policy and related Fees Schedule ensures proper fee charges to applicable work as performed by Grant PUD for our retail customers. Additionally, updates are needed to clarify and improve underlying business processes for various compliance and performance measures.

Financial Considerations: The related Fees Schedule has been updated to match current labor and materials costs.

Policy Change History (last updated): April 23, 2019 (Resolution 8916).

Legal Review: See attached email.

Recommendation: Commission approval of the Customer Service Policy and related Fees Schedule.

CUSTOMER SERVICE POLICIES

CUSTOMER SERVICE POLICIES	1
1.0 PREAMBLE.....	1
1.1 DEFINITION OF TERMS	2
2.0 GENERAL POLICIES	7
2.1.1 Metering Point.....	7
2.1.2 Determination of Applicability.....	7
2.2 RATE SCHEDULES.....	7
2.2.1 Rate Schedule Exceptions	7
2.3 NEW LOADS.....	8
2.4 EXCLUSIVE SOURCE AND RESALE	8
2.5 GRANT PUD'S OBLIGATIONS.....	8
2.5.1 Limitations of Damages.....	8
2.6 CUSTOMER'S OBLIGATIONS	9
2.6.1 Increased Load	9
2.6.2 Balancing of Load	9
2.6.3 Total Harmonic Distortion (THD).....	9
2.6.4 Surge Protection	9
2.7 APPLICATION FOR SERVICE	9
2.8 DISCONNECTING SERVICES.....	10
2.9 LIFE SUPPORT SYSTEMS	11
2.9.1 Customer Obligations.....	11
2.10 DAMAGE TO GRANT PUD FACILITIES	11
2.11 DISCLOSURE OF PUBLIC RECORDS.....	11
2.12 SERVICE OUTSIDE GRANT COUNTY.....	11
2.13 UNDERGROUND FACILITIES	11
2.14 REVENUE PROTECTION AND POWER DIVERSION	12
2.15 INFORMAL CONFERENCE / HEARINGS.....	13
3.0 CONSERVATION	14
3.1 DEMAND RESPONSE.....	14
3.2 RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND IRRIGATION ASSISTANCE.....	14
4.0 LINE EXTENSION POLICY FOR CUSTOMER SERVICES UNDER 500 KW	15
4.1 OVERHEAD LINE EXTENSIONS	15
4.2 UNDERGROUND LINE EXTENSIONS	15
4.3 TYPES OF SERVICE.....	16
4.3.1 Permanent Service.....	16
4.3.2 Non-Permanent Service.....	16
4.3.3 Construction Temporary Service.....	16
4.4 SERVICE REQUIREMENTS BY RATE CLASS	16
4.5 CALCULATION OF CHARGES	17

4.5.1	Line Extension Fees.....	17
4.5.2	Line Extension Fee Payments	18
4.6	MODIFICATION OF FACILITIES	18
4.7	REBUILDING EXISTING LINES	19
4.8	TRANSMISSION FACILITIES.....	19
4.9	SUBSTATIONS.....	19
4.10	DISTRIBUTION POWER LINES.....	19
4.10.1	Area Feeder Lines.....	19
4.10.2	Distribution Power Lines That Are Not Area Feeders	19
4.11	EXTENSIONS TO RESIDENTIAL/COMMERCIAL SUBDIVISIONS.....	20
4.11.1	Approved Subdivisions.....	20
4.11.2	Services within a Subdivision.....	20
4.12	MANUFACTURED HOME / MOBILE HOME PARKS.....	20
4.13	UNUSED IRRIGATION SERVICE FACILITIES	21
5.0	SERVICE AND METER REGULATIONS.....	22
5.1.1	Determination of Availability.....	22
5.1.2	Compliance with Regulations and Codes	22
5.1.3	Access to and Care of Grant PUD Property.....	22
5.1.4	Customer Responsibility	22
5.1.5	Separate Services.....	22
5.1.6	Backup and Maintenance Power	23
5.1.7	Station Service - Customer Owned.....	23
5.2	SERVICE LATERAL AND POINT OF CONNECTION.....	23
5.2.1	Overhead Service Laterals.....	23
5.2.2	Underground Service Laterals	23
5.3	SERVICE ENTRANCE INSTALLATION AND EQUIPMENT	24
5.3.1	Responsibility of Customer/Grant PUD.....	24
5.3.2	Wiring.....	24
5.3.3	Protective Devices	24
5.3.4	Protective Equipment on Motor Installations.....	24
5.3.5	Service Connection.....	24
5.4	METER LOCATIONS.....	24
5.4.1	Placement of Meters	24
5.4.2	Meter Height Requirements	25
5.4.3	Line Side/Load Side Placement of Equipment.....	25
5.4.4	Conditions Adversely Affecting Meters	25
5.4.5	New Installation - Instrument Transformers	26
5.4.6	Placement of Meter Bases	26
5.4.7	Meter Violation	26
5.5	METERING EQUIPMENT.....	26
5.5.1	Standards for Metering Equipment	26

5.5.2	Power Factor Metering	26
5.5.3	Pulse Metering Data Connection	26
5.6	INTERCONNECTION OF CUSTOMER-OWNED NET METERING SYSTEMS	27
5.6.1	Application, Fees and Agreement	27
5.6.2	Certification of Completion	27
5.6.3	Unauthorized Connections	27
5.6.4	Metering	27
5.6.5	Future Modification or Expansion.....	27
5.6.6	Grant PUD System Capacity.....	28
5.6.7	Customer Owned Protection	28
5.6.8	Interconnection Costs	28
6.0	METER READING, BILLING AND COLLECTING	29
6.1	METER READING	29
6.2	ADJUSTMENT OF BILLING ERRORS.....	29
6.3	BILLING PERIODS	29
6.4	NON-METERED SERVICE.....	29
6.5	DETERMINATION OF DEMAND	29
6.6	PAYMENT	30
6.7	RETURN CHECK FEE.....	30
6.8	PAYMENT OPTIONS.....	30
6.9	BUDGETPAY	30
6.10	LATE PAYMENT CHARGES	30
6.11	ACCOUNT SERVICE CHARGE	30
6.12	AFTER-HOURS FEE	30
6.13	DEPOSITS.....	30
6.13.1	Current Credit Rating	31
6.13.2	Interest on Deposits	31
6.14	NEW OR ADDITIONAL DEPOSIT REQUIREMENTS	31
6.15	TERMINATION OF SERVICE.....	31
6.16	DELINQUENCY-DISCONTINUANCE OF SERVICE.....	31
6.16.1	Right to Disconnect.....	31
6.16.2	Due Process	32
6.17	DISCONNECT FOR NON-PAYMENT	32
6.17.1	Disconnect Fee	32
6.17.2	Moratorium.....	32
6.18	LANDLORD/TENANT ARRANGEMENTS.....	32
6.19	ELIGIBILITY FOR SPECIAL LOW INCOME RATE DISCOUNTS.....	32
6.20	NET METERING BILLING	33
6.21	RENEWABLE ENERGY SYSTEM COST RECOVERY	34
7.0	STREET LIGHTING SERVICE	35
7.1	AVAILABILITY.....	35

7.2	SPECIFICATIONS	35
7.3	LINE EXTENSION POLICY - STREET LIGHTS	35
7.3.1	Underground Service to Street Lights	35
7.4	TERMINATION OF SERVICE	35
7.5	CONTINUITY OF SERVICE	35
8.0	LARGE POWER CUSTOMER ELECTRIC SERVICE ABOVE 500 KW/KVA	37
8.1	NEW LARGE ELECTRIC SERVICE	37
8.2	CUSTOMER RESPONSIBILITIES.....	37
8.3	FACILITIES	38
8.4	CUSTOMER CONTRIBUTION FOR CONNECTION	38
8.5	REDUNDANT FACILITIES	38
8.5.1	Redundant Distribution.....	38
8.5.2	Redundant Transformer	38
8.5.3	Redundant Transmission	39
9.0	EVOLVING INDUSTRY	40
9.1	RISK CONSIDERATIONS FOR INCLUSION	40
9.1.1	Concentration Risk.....	40
9.1.2	Business Risk.....	40
9.1.3	Regulatory Risk.....	40
9.2	PERIODIC REVIEW BY ASSESSMENT TEAM	40
9.3	INCLUSION IN THE EVOLVING INDUSTRY RATE CLASS.....	40
9.4	RATE 17 DESIGN.....	41
9.5	COMMISSION REPORTING	41
9.6	APPLICATION AND QUEUE	41
9.7	ATTESTATIONS	41
9.8	LOAD SPLITTING AND METERING	41
9.9	DETECTION AND ENFORCEMENT	42
9.10	PENALTIES	42
9.11	INFORMAL CONFERENCE / HEARINGS.....	42
10.0	REVISIONS.....	43

CUSTOMER SERVICE POLICIES

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

1.0 PREAMBLE

These Customer Service Policies (“CSP”s) have been adopted by Public Utility District No. 2 of Grant County, Washington (“District” or “Grant PUD”) in accordance with Grant PUD’s mission, vision and values. The CSP is subject to revision by Grant PUD Board of Commissioners (Commission) at any time to meet these objectives. These policies are to serve as a guide to the employees of Grant PUD to provide the best possible service to our customers using uniform and equitable consideration. Construction details and specifications will conform to current state and national regulations governing such matters and are intended to comply with any state, regional, and local statutes. The CSP shall be considered to be amended whenever a law, regulation, statute, ordinance or equivalent changes so as to comply with such change until the CSP is updated.

Grant PUD reserves the right to disconnect the supply of electric energy, capacity, and ancillary services in the event the Customer fails to comply with any policies, provisions or any agreement the Customer has with Grant PUD. Service may be disconnected by Grant PUD at any time to prevent fraudulent use or to protect its property.

Grant PUD encourages and invites public input regarding Grant PUD Rate Schedules and policies. Grant PUD will make reasonable efforts to notify the public of changes to the CSP. Such notification may include press releases, public announcements, notices with Customer billings, or posts on Grant PUD’s website. Agenda information and commission meeting schedules can be found at grantpud.org.

1.1 DEFINITION OF TERMS

The following terms shall have the meanings as defined below:

Term	Definition
Account	The physical premises and Meter or Metering Point record plus the measurement, billing and payment information and other data associated with the Electric Service provided to the Customer at the Premises.
Area Feeder	A primary distribution circuit constructed to provide for general area load growth and system reliability, the cost of which is borne entirely by Grant PUD and included in Grant PUD's rate base. (See Section 4.10.1)
Backbone Facilities	Those facilities within a subdivision required to provide Electric Power to the property line of each lot or tract. Said facilities include transformers when multiple lots or tracts are to be served from a single transformer and the location of transformers can be established at the time Backbone Facilities are installed.
Billing Demand	The billing determinant for capacity that uses the highest kW demand after adjusting for Power Factors below 95%. Can be based on the metered kWh, computed, or fixed monthly amount.
Billing Determinant	The unit used to calculate a bill such as kilowatt-hours.
Connection Point	The designated point on the Customer's property where their secondary service is connected to Grant PUD's facilities. This would be at the weatherhead for an overhead service and at a secondary termination point (moped(pedestal)/vault/transformer) for an underground service.
Construction Temporary Service	A temporary service providing power to a construction site for a limited period of time.
Construction Temporary Service Fee	The fee paid for a Construction Temporary Service for a limited period of time.
Customer	Any individual, group, partnership, corporation, firm or government agency who has applied for or is accepting Electric and Fiber services from Grant PUD.
Customer Contribution	An amount paid by a Customer that is adding incremental load to Grant PUD's Electric System which reduces or eliminates the shifting of long-term costs to other Customers or Customer classes for the provision of Electric Power to the new load.
Demarcation Point	A designated point on the Customer's property, at which Grant PUD's Facilities end and the Customer's Facilities begin. This can be for either an overhead or underground primary metered service.
Distribution System	That part of Grant PUD's Facilities operated nominally at 13.2 kV and 12.47 kV voltage levels and used to distribute and deliver Electric Power to the Demarcation Point.
Domestic Electric Service or Domestic Service	Single phase electric connection to Grant PUDs Distribution System for deliveries of Electric Power under a Rate Schedule exclusively to single family dwellings, individual apartments, condominiums and farms.

Term	Definition
Effective Electric Service Date	The date upon which a Customer accepts delivery of Electric Power under a Rate Schedule at the Account Premises by having the power turned on (made available) and the service placed in or transferred to their name.
Electric Power	The physical electric energy and capacity provided by Grant PUD, including all ancillary services, independent of the Rate Schedule under which the Customer is receiving Electric Service.
Electric Service	Electric Power delivered to a Customer under a Rate Schedule.
Electric Service Connection Agreement	An agreement between Grant PUD and the Customer, which must be signed by the Customer when applying for a Line Extension from Grant PUD.
Electric Service Suspension Notice	A reminder letter, sent separately from the billing statement, to inform Customers of past due amounts and provide instructions to prevent their service from being disconnected for non-payment.
Electric System	Grant PUD's infrastructure used to generate, transmit, and deliver Electric Power to its Customers.
Estimated Extension Cost	The estimated cost, based on current Grant PUD standard unit values, for a line extension. The estimate includes all material, labor, transportation, and applicable overheads with credit for any salvage.
Evolving Industry	Evolving Industry (or EI) is the class covered by Rate Schedule 17.
Facilities Plan	The document that contains detailed information about the electric Facilities Grant PUD is constructing intended to deliver Electric Power to a Customer.
Facility or Facilities	The physical land, equipment, wire, cable and appurtenances in a location or a group of locations.
False Call Fee	A charge paid by a customer that requests Grant PUD service and is not prepared when Grant PUD arrives on site at the requested timeframe.
Fiber Subscriber	A person or entity that is receiving access to Telecommunication Services from a Service Provider.
Grant PUD Construction Standards	A set of rules, drawings, guidelines, and specifications for construction of Electric Power Facilities, established by the Grant PUD Standards group. These standards secure uniform construction methods, optimize safety, serviceability, appearance, and economy and comply with or exceed local, state and federal regulations.
Hearing Officer	Commission-appointed person responsible for adjudicating contested bills not resolved to the Customer's satisfaction working through the Customer Care Team(s).
Identified Uses	The industry, functions, applications or uses included in Rate Schedule 17 as determined by the Rate Schedule 17 review process.
Industry	Grant PUD classifies industries based on activities that represent a means of production, target a market, produce a product and/or provide a service. Activities are grouped together such that the risk characteristics of the grouped activities are similar and can be analyzed as a single industry. It is possible for a Customer to participate in multiple Industries.

Term	Definition
Irrigation Electric Service	Electric Service used specifically for irrigation, orchard temperature control or soil drainage loads only not exceeding 2,500 horsepower. Electric Power delivered under the Irrigation Rate Schedule(s) may only be used as described in the Rate Schedule including any supporting ancillary equipment needed.
Large Electric Service	Electric Service provided to Large Power Customers.
Large Electric Service Application	Application form for Large Power Customers (available at grantpud.org) used to request new or additional Electric Service from the Grant PUD. While all Customers are required to inform Grant PUD of all material load changes, Large Power Customers must use this form to inform Grant PUD.
Large Power Customer	Customers with electric loads exceeding 500 kW/kVA who accept Electric Power under a Rate Schedule 7, 14, 15, 16, 17, 85, 94 or a written agreement for Electric Power deliveries with Grant PUD that is not delivered under a current Rate Schedule.
Line Extension	Any customer projects requiring the outlay of materials and labor in excess of the limitations of a Simple Service shall be considered a Line Extension. These extensions require an electrical design prior to construction and may involve right-of-way requirements in excess of those provided for by the Service Connection Agreement. Facilities that are designated as part of an Area Feeder are not included in the definition of Line Extension.
Line Extension Fee	The applicable Customer paid fees for a Line Extension. (Refer to Section 4.5.1.)
Net Metering Application	The application provided by the Customer to Grant PUD, on Grant PUD's form, which provides the design of the Net Metering system and initiates the interconnection process.
Net Metering Interconnection Agreement	An agreement provided by Grant PUD to the Customer setting forth the terms and conditions for allowing a Customer to interconnect an energy producing Customer-owned resource. Customers may not connect a Net Metering System without written approval by Grant PUD and execution of a Net Metering Interconnection Agreement.
Net Metering System	As defined in RCW 80.60.010, means a fuel cell, a facility that produces electricity and used and useful thermal energy from a common fuel source, or a facility for the production of electrical energy that generates renewable energy, and that: <ul style="list-style-type: none"> (a) Has an electrical generating capacity of not more than one hundred (100) kilowatts; (b) Is located on the customer-generator's premises; (c) Operates in parallel with the electric utility's transmission and distribution facilities; and Is intended primarily to offset part or all of the customer-generator's requirements for electricity.
New Large Load	An increase of any load(s) over 10 average MW of a Customer's annual average load (average MW) above the Customer's highest annual average load since 2010.
Orchard Temperature Control	Frost control fans or pumps used in the heating or cooling of orchards.

Term	Definition
Ownership Costs	A monthly charge required to be paid by the Customer for Non-Permanent service. The charge reflects costs associated with Grant PUD owning, operating and maintaining the Non-Permanent facilities. This charge is for use of the facilities only and does not include Electric Service. The charge is calculated using standard Grant PUD accounting practices.
Premises	The building and land that constitutes the location where a Customer will be accepting Electric Power under a Rate Schedule and this Customer Service Policy. Premises is both singular and plural.
Rate Schedule	Any Commission approved method to calculate a Customer's bill for Electric Service for a given time frame, determined by service dates. The methods describe the billing components such as minimum fees, basic charges, cost of the various billing determinants such as energy use and billing demand. Rate Schedules can be found at grantpud.org .
Renewable Energy	As defined in RCW 80.60.010, means "energy generated by a facility that uses water, wind, solar energy, or biogas from animal waste as a fuel".
Secondary Service	The wire providing service from Grant PUD's facilities to a Customer's meter.
Simple Service	Any Customer project that only requires a Customer's secondary service wire to be connected to Grant PUD's existing facilities. This would include any inspections needed as well as making the final connection and setting the meter.
Simple Service Fee	A Customer paid charge that is collected for a Simple Service.
Start of Electric Service	The date and time when a Customer starts accepting deliveries of Electric Power under an approved Rate Schedule.
Termination Charge	A Customer paid amount to reflect the Grant PUD's costs to remove Line Extension Facilities no longer being used by the Customer. The amount to be paid by the Customer shall reflect the cost of labor to remove the Line Extension plus a pro-rated portion of any unsalvageable equipment and materials.
Up and Down Charge	Customer paid amount for Grant PUD to providing install or construct non-permanent Facilities for the delivery of Electric Service on short-term, interim or provisional basis. The charge shall be based on all
VAR kVAR MVAR	A technical term that refers to the component of the Electric Power that is not used to perform work such as rotating the shaft of an electric motor but provides the component that maintains voltage and provides the magnetic field required to turn an Electric motor's shaft. Sometimes this term is also referred to as 'reactive power'. The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVAR means kilovolt-ampere reactive and MVAR means megavolt- ampere reactive.
VARh kVARh MVARh	The amount of reactive power, measured in VAR delivered in one hour. The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVARh means kilovolt-ampere reactive hour and is often used to calculate Billing Determinants by Grant PUD and MVARh means megavolt-ampere reactive hour, more commonly used in wholesale electric markets.

Term	Definition
Volt-ampere (VA) (kVA, MVA)	<p>The product of the current and voltage of a load. Represents the total burden the load places on the Electric System. Often referred to as 'apparent power' it is generally the limiting characteristic of Facilities.</p> <p>The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVA means kilovolt-ampere and MVA means megavolt-ampere.</p>
Watt kW MW	<p>The measurement of power in the International System of Units (SI) the equivalent of horsepower in the English measurement system. Watts are the component of volt-amperes that perform work such as rotate the shaft of an electric motor or produce light from a light bulb.</p> <p>The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kW means kilowatt and MW means megawatt.</p>
kWh	<p>Kilowatt-hour and is the most common billing determinant used by Grant PUD representing the amount of Electric Power, measured in thousands of watts delivered in one hour. The prefix k stands for one thousand (1,000).</p>

2.0 GENERAL POLICIES

2.1 RATE APPLICABILITY

2.1.1 Metering Point

The rates of Grant PUD are based upon the supply of service to the entire premises through a single metering point. Separate metering points will be billed individually unless aggregated for Large Power Customer Electric Service Above 500 kW/kVa. Refer to Section 8.0.

2.1.2 Determination of Applicability

Grant PUD shall determine the applicable rate schedule to be applied for each Customer load based on available information. In the case of multiple Customer meters or facilities, Grant PUD reserves the right to aggregate Customer loads and meter reads for purposes of determining the applicable rate schedule. If over time a Customer's electrical usage or load characteristics change in a way that would qualify the Customer to be on a different rate schedule, it shall be the obligation of the Customer to notify Grant PUD of such changes. Changes in applicable rate schedules will be made on a prospective basis only.

If a Customer exceeds the billing demand limit of their current rate schedule they may be moved to the appropriate schedule for future billings. If the Customer has been below the billing demand limit of their current rate schedule for a period of at least (12) consecutive calendar months they may request Grant PUD move them to the rate schedule appropriate for their current billing demand.

2.2 RATE SCHEDULES

The rates of Grant PUD are based upon a balance between electric service requirements, environmental considerations, and cost. Rate schedules have been adopted by Grant PUD's Commission to establish charges for service according to classification of Customers. Copies of the rate schedules are available upon request.

Schedule No. 1	Domestic Service
Schedule No. 2	General Service
Schedule No. 3	Irrigation Service
Schedule No. 6	Street Lighting Service
Schedule No. 7	Large General Service
Schedule No. 13	Alternative Energy Resources
Schedule No. 13SS	Specified Source Purchase
Schedule No. 13REC	Renewable Energy Certificate Purchase
Schedule No. 14	Industrial Service
Schedule No. 15	Large Industrial Service
Schedule No. 16	Agricultural Food Processing Service
Schedule No. 17	Evolving Industry Service
Schedule No. 85	Agricultural Food Processing Boiler Service
Schedule No. 94	New Large Load Service

2.2.1 Rate Schedule Exceptions

Service may be supplied to Customers not coming within the scope of the regular rate schedules of Grant PUD; provided that such service shall be covered by separate contract and shall be approved by the Commissioners of Grant PUD.

2.3 NEW LOADS

Service to New Large Loads will only be made pursuant to Rate Schedule No. 94, New Large Load Service.

2.4 EXCLUSIVE SOURCE AND RESALE

Unless otherwise provided by special contract, service will be rendered only to those loads which secure their source of electric power exclusively from Grant PUD. Unless otherwise provided in the contract, the Customer shall not resell the electric energy purchased from Grant PUD.

2.5 GRANT PUD'S OBLIGATIONS

Grant PUD will attempt to provide, but does not guarantee, a regular and uninterrupted supply of service. Grant PUD may suspend the delivery of electric service for the purpose of making repairs or improvements to its system. Grant PUD will attempt to provide reasonable advance notice of such suspension to the Customer. Repairs or improvements that can be scheduled will be scheduled, when feasible, at such time as to minimize impact to Grant PUD Customers. In making repairs and improvements to Grant PUD's electrical system, Grant PUD will do so with diligence and complete them as soon as reasonably practicable in accordance with prudent utility practice. Electric Service is inherently subject to interruption, suspension, curtailment and fluctuation. In no event, however, shall Grant PUD be liable to its Customers or any other persons for any damages to person or property arising out of, or related to, any interruption, suspension, curtailment or fluctuation in service if such interruption, suspension, curtailment or fluctuation results in whole or part from any of the following:

- A. Causes beyond Grant PUD's reasonable control including, but not limited to, accident or casualty, fire, flood, drought, wind, acts of the elements, court orders, insurrections or riots, generation failures, lack of sufficient generating capacity, breakdowns of or damage to equipment/facilities of Grant PUD or of third parties, acts of God or public enemy, strikes or other labor disputes, civil, military or governmental authority, electrical disturbances originating on or transmitted through electrical systems with which Grant PUD's system is interconnected and acts or omissions of third parties.
- B. Repair, maintenance, improvement, renewal or replacement work on Grant PUD's electrical system, which work, in the sole judgment of Grant PUD, is necessary or prudent.
- C. Automatic or manual actions taken by Grant PUD, which in its sole judgment are necessary or prudent to protect the performance, integrity, reliability or stability of Grant PUD's electrical system or any electrical system with which it is interconnected. Such actions shall include, but shall not be limited to, the operation of automatic or manual protection equipment installed in Company's electrical system, including, without limitation, such equipment as automatic relays, generator controls, circuit breakers, and switches. Automatic equipment is preset to operate under certain prescribed conditions, which in the sole judgment of Grant PUD, threaten system performance, integrity, reliability and stability.
- D. Actions taken to conserve energy.

The limitation of liability provisions set forth above and in Section 2.5.1 shall apply notwithstanding any negligence of Grant PUD, unless the actions of Grant PUD are determined to be intentional or shall constitute gross negligence.

2.5.1 Limitations of Damages

In no event shall Grant PUD have any obligation or liability for any lost profits, consequential, incidental, indirect, special, or punitive damages of any type arising out of, or in any way connected to, Grant PUD's supply electricity or any interruption, suspension, curtailment or fluctuation thereof regardless of the causes thereof.

2.6 CUSTOMER'S OBLIGATIONS

2.6.1 Increased Load

In the event the Customer desires to increase load, the Customer shall request new service from Grant PUD. If the Customer fails to notify Grant PUD and Grant PUD's equipment is damaged as a result of such increase in load, the Customer shall reimburse for all repair and replacement costs to Grant PUD.

2.6.2 Balancing of Load

Except in the case of three-phase four-wire delta services, the current unbalance in three-phase services shall not exceed 10 percent of the current, which would be required at maximum load under balanced conditions.

2.6.3 Total Harmonic Distortion (THD)

1. The application of any nonlinear load by the Customer (e.g., static power converters, arc furnaces, adjustable speed drive systems, etc.) shall not cause voltage and/or current Total Harmonic Distortion (THD) levels greater than the levels as recommended by IEEE standard 519-1992, or subsequent revision, on Grant PUD's electric system at the point of power delivery to the Customer's facility. Grant PUD will determine the appropriate SCR (short circuit ratio) at the Customer's facility for the purpose of applying IEEE 519.
2. The Customer shall disclose to Grant PUD all nonlinear loads prior to connection. Grant PUD may test the Customer's load to determine the THD levels.
3. It shall be the responsibility of the Customer to assure that the THD requirements are met, including the purchase of necessary filtering equipment. Any load found not in compliance with this policy shall be corrected immediately by the Customer at the Customer's expense. If not corrected, Grant PUD may terminate service to the Customer's facility.
4. The Customer shall be liable for all damages, losses, claims, costs, expenses and liabilities of any kind or nature arising out of, caused by, or in any way connected with the application by the Customer of any nonlinear load operating with maximum THD levels in excess of the values stated in paragraph 1. The Customer shall hold harmless and indemnify Grant PUD from and against any claims, losses, costs of investigation, expenses, reasonable attorneys' fees, damages and liabilities of any kind or nature arising out of, caused by, or in any way connected with the application by the Customer of any nonlinear load operating with maximum THD levels in excess of the values stated in paragraph 1.

2.6.4 Surge Protection

The Customer shall be responsible to provide surge protection for all voltage sensitive equipment such as electronic appliances or devices.

2.7 APPLICATION FOR SERVICE

Grant PUD will accept application for electric service over the telephone or by personal visit to any of Grant PUD's Local Offices and the following shall apply:

- A. All applicants for electric service shall provide Grant PUD with service and billing information as required and agree to Grant PUD's terms and conditions for service.
- B. Acceptance of service shall subject the Customer to compliance with the terms of the applicable rate schedule, Grant PUD's Customer Service Policies, Grant PUD Workbooks and Initiatives. The Customer is responsible for all electricity used until notification of the change in occupancy has been received by Grant PUD.

- C. All applicants shall provide the following information or documentation:
 1. A full name, mailing address and service address where services are to be delivered.
 2. Full name of any occupants over 18 years of age living where services are to be delivered who are authorized to conduct transactions on the account.
 3. Proof of identity, such as a valid social security number and/or government-issued picture identification. Other identification may be accepted at Grant PUD's discretion provided it convincingly proves the identity of the prospective Customer.
 4. At least one active primary telephone number and email address (if available) where the Customer can be contacted.
 5. Whether service termination would create a danger to the health of any occupant(s) residing therein.

2.8 DISCONNECTING SERVICES

Customers requesting service disconnects must contact Grant PUD by telephone or in person. Grant PUD will execute service disconnects according to the following:

- A. At the time a Customer requests service disconnect Grant PUD will attempt to verify (1) the individual's identity by personal recognition, social security number, driver's license or other identification, (2) the authority of the individual to request the disconnect when there is reason to question the identity of the requesting party, (3) the name and mailing address of the occupant of the residence where electric service is to be terminated, and (4) whether any occupant would be endangered by the termination of service. If Grant PUD obtains information that the residence is being occupied by someone other than the person making the termination request, Grant PUD will inform such person that services may not be discontinued until the occupant is given a minimum period of five days to put service in his/her own name.
- B. If Grant PUD has no reason to believe that the premises are occupied by a person other than the one making the request, or that any occupant's health will be endangered, Grant PUD may proceed to terminate electric service. However, before service is terminated, the employee executing the non-remote disconnect will make a reasonable effort to inspect the property for which termination has been requested in order to ascertain whether the property is occupied by persons other than the one making the termination request or to determine whether extenuating circumstances, such as conditions endangering life or property, may result from the disconnect. If such circumstances appear to exist, or if Grant PUD has actual notice or reason to believe that someone other than the person requesting the termination is residing at the premises, then a five-day notice will be left at the premises and the disconnect will be held in abeyance until an investigation can be made by the Local Office.
- C. Where Grant PUD does not have reasonable belief after inspection that someone other than the person requesting termination occupies the premises, or that extenuating circumstances exist, such as life or property-endangering conditions, Grant PUD may terminate service. However, in the event Grant PUD fulfills the request to terminate utility service, it may post on the door of the property a notice which will inform any occupants of the premises that they may request immediate restoration of the utility service.
- D. For single-family units or individually-metered multi-family units, if the premises are occupied by a person other than the Customer of record, Grant PUD will upon request transfer electric service into the occupant's name. With respect to such transfer of service:

the occupant will not be responsible for any charges accrued prior to the date notice of opportunity to place service in the user's name is provided (except where occupant has agreed by lease to pay for electrical service, in which case charges will begin on the date the tenancy began).

- E. For residential buildings containing more than one dwelling unit in which service is not individually provided, a five-day notice will be provided giving the occupants an opportunity to put service in their own name(s).
- F. Refer to Section 6.18 of these policies for disconnects for nonpayment.

2.9 LIFE SUPPORT SYSTEMS

Grant PUD is unable to guarantee constant or continuous electric service. Grant PUD will make reasonable effort to notify all known electrically supplied life support system Customers of planned power outages, in advance, giving the date, time and estimated length of planned power outages.

2.9.1 Customer Obligations

It shall be the responsibility of the Customer to furnish Grant PUD by phone or in writing a telephone number and/or email address which will enable timely contact by Grant PUD 24 hours per day, 365 days per year and to notify Grant PUD of any change in telephone number and/or email address; and of any change in the medical situation of the person on life support services. If a customer no longer has life support, it shall be the responsibility of the customer to notify Grant PUD.

2.10 DAMAGE TO GRANT PUD FACILITIES

Each individual, group, or organization shall pay Grant PUD for all damages to, or destruction of, property of Grant PUD where such is caused by the individual, group, or organization, except that Grant PUD will not require payment for accidental damage to poles resulting from weed and brush burning. Customer shall be responsible to reimburse Grant PUD for any damage to Grant PUD transformers or other Grant PUD facilities, caused by Customer overloading said facilities.

2.11 DISCLOSURE OF PUBLIC RECORDS

Public records of Grant PUD are available for inspection and copying. Policies and procedures related to disclosure of public records are available on Grant PUD's Web site or can be requested by contacting our offices.

2.12 SERVICE OUTSIDE GRANT COUNTY

Grant PUD will only serve loads outside of Grant County in areas that are covered under Agreements with the serving utility for the area. Service shall be in accordance with the terms of the Agreement. Requests for service outside of Grant County in areas not covered under an Agreement will be considered on an individual basis by Grant PUD's Commissioners. Refer to Section 4.5, Calculation of Charges, for Customer cost obligations for service outside Grant County.

2.13 UNDERGROUND FACILITIES

Grant PUD will install electrical facilities underground at Grant PUD expense in the following situations:

- A. Substation underground feeder get-a-ways.
- B. When determined by Grant PUD that applicable electrical codes or public safety considerations require placement of electrical facilities underground.
- C. Transmission lines and Area Feeders where it is more economically beneficial to Grant PUD to place electrical facilities underground. In making this determination, Grant PUD will consider capital investment costs, projected operations and maintenance costs, and public safety consideration.

- D. Except as otherwise specifically provided above or in Section 4.2 of these Customer Service Policies, all costs incurred by Grant PUD in connection with placement of electrical facilities underground shall be the responsibility and paid by the Customer or municipality requesting or requiring underground service.

2.14 REVENUE PROTECTION AND POWER DIVERSION

The purpose of Grant PUD's Revenue Protection Policy is to reduce or eliminate revenue loss due to metering defects and power diversion. The policy establishes a program for the prevention, detection and responsive action to be taken with regard to power diversion on Grant PUD's system.

The significant elements of this policy include the following:

- A. Meter Seals. All Grant PUD meters and associated equipment utilized for billing purposes will be sealed. Included will be meters utilized for measuring KWH, KW, KVARH, potential and current transformer enclosures and test switches.
- B. Meter Sealing Fee. If a service has been reconnected which has been previously disconnected or a meter seal has been cut on an active service WITHOUT PRIOR AUTHORIZATION from Grant PUD, a fee will be charged to the Customer, owner, or person in control of the premises, refer to fee schedule. Prior authorization may be obtained from Grant PUD. Additional fees shall be assessed if power diversion has occurred.
- C. Meter Testing. Grant PUD meters utilized for billing purposes will be tested periodically to assure all meters operate within the accuracy limits established for each type and class of meter.
- D. Power Diversion/Theft of Power. Diversion of power, as defined in RCW 80.28.240, is strictly prohibited. The Customer, owner, or person in control of the premises will be presumed liable for all losses, damages and costs related to such actions.
- E. Violations. Grant PUD may seek prosecution for any power diversion, destruction of Grant PUD property and other violations of law affecting delivery of its services, and will pursue collection for any losses, damages and costs related to such actions to the full extent provided by law.
- F. Investigations. Grant PUD personnel will determine if power diversion has occurred. A preliminary investigation shall include an evaluation of the Customer's account history, examination of on-site conditions by appropriate personnel and other pertinent information.
- G. Notice. After the investigation is complete and Grant PUD determines that power diversion has occurred, the Customer shall be notified that power diversion has occurred and:
1. The Customer has been assessed all of the damages, if any, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including, but not limited to, costs and expenses for investigation, disconnection, reconnection and service calls;
 2. The Customer may be billed up to triple the amount of actual damages as provided by RCW 80.28.240; and
 3. That all sums due must be paid within 30 days unless other arrangements acceptable to Grant PUD are made;
 4. If a civil action becomes necessary, Grant PUD shall seek to recover its costs of suit, reasonable attorneys' fees and expert witness fees; and

- H. Connection and Disconnection. Grant PUD may refuse to connect or may disconnect service to a Customer for unlawful current diversion, theft of power or other violation of Grant PUD's Customer Service Policy, until all charges, losses and damages have been paid in full or other arrangements acceptable to Grant PUD have been made. Grant PUD will attempt to give the Customer reasonable advance notice of the disconnection including the reasons for the disconnection and the time of the disconnection.

2.15 INFORMAL CONFERENCE / HEARINGS

Customers having questions about or disputing the application of these policies billings or Rate Schedules may request an informal conference with a Grant PUD representative by calling a Grant PUD Customer Solutions Supervisor or Manager. The informal conference may be conducted by telephone or in person at the Customer's request. The Customer may present any information which the Customer deems relevant to the matter. If, following the informal conference, the Customer wishes to pursue the matter, the Customer may request a hearing with Grant PUD's designated Hearing Officer. The hearing will be scheduled at a mutually convenient time and the Hearing Officer shall render his or her decision in writing as soon as practical.

3.0 CONSERVATION

Grant PUD recognizes the value of conservation and retail energy services. Therefore, the Energy Services Department shall pursue cost-effective energy conservation resources. A current list of all available programs is available from Grant PUD's Energy Services Department. Any use of Grant PUD funds for conservation purposes shall be in accordance with applicable laws.

3.1 DEMAND RESPONSE

Grant PUD recognizes that wholesale electric prices and various operational constraints can materially impact its overall cost to serve its customers. The ability to work with Customers to schedule or manage when electric power is consumed (Demand Response) provides value to all Customers, not just the participants. Grant PUD staff may develop rate schedules to capture seasonal, monthly, weekly, daily, or hourly value. In addition, Grant PUD may work with certain customers or groups of customers to develop Demand Response arrangements such as avoiding placing incremental load on or reducing loads on Grant PUD's electric system for safety improvement, economic benefit, operational flexibility, or reliability purposes provided the arrangement is designed to reduce Grant PUD's power costs or generates incremental value for all its Customers. Customers who are able to participate in Demand Response will typically receive the benefit in the form of a billing credit unless specific arrangements are made prior to entering into the activity.

3.2 RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND IRRIGATION ASSISTANCE

Any Customer of Grant PUD, in these sectors, is eligible for conservation assistance to the extent Grant PUD has the necessary equipment and expertise to provide it. Rebates and /or cost sharing will be offered as provided by Washington State Law and to the extent funding is available and cost effective to Grant PUD.

4.0 LINE EXTENSION POLICY FOR CUSTOMER SERVICES UNDER 500 KW

A Line Extension is an addition or modification of electrical equipment and/or an increase in the size or length of Grant PUD's existing electrical facilities to serve new customer electric load within Grant PUD's service area. Line Extensions are categorized as consisting of either Overhead or Underground electrical facilities or a combination of both.

Grant PUD will extend or modify its facilities through Simple Service or Line Extensions to Permanent, Non-Permanent or Construction Temporary Services. Facilities will be extended to provide service under applicable Rate Schedules in accordance with Grant PUD Construction Standards. Customer supplied fiber optic conduit is for Grant PUD fiber optic cable only. Each line extension will be subject to evaluation as to feasibility, permanence, and compatibility with Grant PUD's system. Final determination as to specific conditions applicable to the extension, type of construction, route and design shall be made solely by Grant PUD.

Customer compliance with Grant PUD Policies and Construction Standards are a condition of service. The Customer is required to sign a Service Connection Agreement for any proposed Line Extension and pay any applicable Line Extension Fees.

4.1 OVERHEAD LINE EXTENSIONS

When Grant PUD determines overhead facilities should be installed to serve a Customer, at the Customer's expense, Grant PUD will provide and install all materials and equipment necessary to provide said service from its existing facilities to the Connection Point in accordance with current Grant PUD Construction Standards. Grant PUD will own and maintain all overhead Secondary Services after they are energized.

4.2 UNDERGROUND LINE EXTENSIONS

When the District determines underground facilities should be installed to serve a Customer, the installation shall be made on the same basis as overhead and in conformance with all other District policies and standards applicable to underground service (refer to Section 4.11 for Customer obligations for Backbone Facilities).

Grant PUD will own and maintain all underground Secondary Services providing power to any single family home, any single unit manufactured/mobile home, any irrigation service fed directly from a pole to the meter (if meter is within twenty feet of the pole), and any single structure duplex. The Customer will own all underground Secondary Services providing power to commercial buildings, multi-family buildings, mobile home parks, and potentially others not mentioned here.

Examples

- A. Single house on an individual lot – Grant PUD owns the secondary wire from the connection point to the meter.
- B. Single mobile home on an individual lot – Grant PUD owns the secondary wire from the connection point to the meter.
- C. One duplex on an individual lot – Grant PUD owns the secondary wire from the connection point to the meter.
- D. Irrigation service for a crop – Grant PUD owns the secondary wire from the pole to the metering equipment as long as the metering equipment is within twenty feet of the pole.
- E. Small or large commercial building on an individual lot – Customer owns the secondary wire from the connection point to the metering equipment.
- F. Two or more duplexes on the same lot – Customer owns the secondary wire from the connection point to the metering equipment.
- G. Any service inside of a mobile home park – Customer owns the secondary wire from the connection point to the metering equipment.

- H. Multi-unit building on an individual lot – Customer owns the secondary wire from the connection point to the metering equipment.
- I. One meter controlling landscape lighting and sprinkler system at an entrance to a plat – Customer owns the secondary wire from the connection point to the metering equipment.

4.3 TYPES OF SERVICE

4.3.1 Permanent Service

For Line Extensions to permanent electric loads, all of the following conditions must be met:

- A. The need for electricity is intended to be permanent in the location applied for.
- B. The property owner must sign a Service Connection Agreement.
- C. The Customer must furnish all necessary permits, licenses and other governmental approvals required in connection with the line extension.
- D. When deemed necessary by Grant PUD, the Customer shall provide perpetual easements, permits and/or licenses required in connection with the line extension.
- E. For all water pumping loads, excluding domestic wells, Grant PUD reserves the right to require the Customer to provide a written permit from the agency having jurisdiction over the water to be pumped.
- F. The Customer shall make payment of the Line Extension Fee as specified in Section 4.5.1.

Service to electric loads meeting all of the conditions as set forth above shall be considered permanent.

4.3.2 Non-Permanent Service

When a Customer requesting a Line Extension cannot meet the conditions set forth in Section 4.3.1 above, non-permanent service may be extended under the following conditions:

- A. The Customer must sign a Service Connection Agreement.
- B. The Customer must pay the estimated Up and Down Charge and a monthly facility charge equal to Grant PUD’s Ownership Cost for the line extension as specified in Section 4.5.1. The facility charge shall continue until the Customer notifies Grant PUD to discontinue the service or when all permanency requirements are met.
- C. In the event all permanency requirements are met, the costs for the extension shall be computed according to the applicable Line Extension Policy for permanent service (Section 4.3.1) less credit for facilities charges.

4.3.3 Construction Temporary Service

Where sufficient distribution facilities already exist, the Customer may install a metered temporary service, for the purpose of construction only. Service shall be provided for a Construction Temporary Service for a one-time designated fee to be determined by Grant PUD. Subsequent usage will be billed at the appropriate rate schedule up to one year. At the end of one year, Grant PUD will either remove the service or charge the customer the simple service connection fee and consider the service permanent.

Service may be extended for one six-month period with re-application and payment of a second Construction Temporary Service Fee. Such flat fee will be charged against the Customer’s account. Where no distribution facilities exist, refer to Section 4.3.2 for construction of Non-Permanent Service.

4.4 SERVICE REQUIREMENTS BY RATE CLASS

- A. Schedule 1, Domestic Service

Domestic service is defined in Grant PUD rate schedules as single-phase service to single family dwellings, individual apartments or farmhouse. In addition to all other requirements for Line Extension as set forth by Section 4.0, a Customer(s) applying for said extension

for Domestic Service shall:

1. Provide and install all material, trenching, etc., necessary for electric service from the load being served to the designated Connection Point.

Refer to Section 4.11 for Customer requirements for residential (domestic) subdivisions and Section 4.12 for manufactured home parks.

B. Schedule 2, General Service

General Service is defined in Grant PUD rate schedules as single phase or three-phase service to electric loads not to exceed 500 kW (as measured by billing demand) for general service lighting, heating and power requirements, excluding irrigation service.

In addition to all other requirements for Line Extension as set forth by Section 4.0, a Customer(s) applying for said extension for General Service shall:

1. Provide and install all material, trenching, etc., as necessary for electric service from the load being served to the designated Connection Point.

Refer to Section 4.11.1 for Customer requirements for commercial subdivisions that qualify under this rate schedule.

C. Schedule 3, Irrigation Service

Irrigation Service is defined in Grant PUD rate schedules as electric service to irrigation, orchard temperature control or soil drainage loads not to exceed 2,500 horsepower and other miscellaneous power needs including lighting.

In addition to all other requirements for Line Extension as set forth by Section 4.0, a Customer(s) applying for said extension for Irrigation Service shall:

1. Provide and install all material, trenching etc., as necessary for electric service from the load being served to the designated Connection Point.
2. Provide and install a District-approved concrete pad for all padmount transformers 750 KVA and larger.

D. Large Electric Service

Refer to Section 8 for additional Customer requirements for Large Electric Service above 500 kW.

4.5 CALCULATION OF CHARGES

4.5.1 Line Extension Fees

A. Permanent Service:

The Customer shall pay a Line Extension fee (refer to fee schedule) for services located within Grant County, unless service qualifies for a Simple Service (See Definition of Terms, Section 1.1). The Line Extension fee may be refundable upon termination of the request, less any amounts already expended or committed by Grant PUD in relation to the Line Extension request.

For Line Extension estimates in excess of \$20,000, the Customer shall be responsible for the actual cost of the project. A Customer Service Contract must be signed when the initial estimate is paid. When the project is complete and all project costs have been accumulated, Grant PUD will either refund or invoice any differential between the actual and estimated costs to the customer.

When more than one rate schedule could apply, the maximum will be established by the rate schedule which gives the lowest billing for energy usage.

The minimum payment for any Line Extension shall be equal to the Simple Service Fee.

Customers applying for Permanent Service to an electric load outside Grant County shall be

required to pay 100% of the Estimated Extension Cost.

B. Simple Service Fees:

The Customer shall pay a non-refundable Simple Service Electric fee, refer to fee schedule.

The Customer shall pay a non-refundable Simple Service Fiber fee, refer to fee schedule.

C. Non-Permanent Service:

The Customer shall pay a non-refundable Up and Down Charge for Non-Permanent Service equal to the estimated cost of furnishing, installing and removing the required facilities, less any salvage value, for service inside or outside of Grant County. In addition, the Customer shall pay a monthly facility charge equal to Grant PUD's Ownership Costs. (See Definition of Terms, Section 1.1)

D. Construction Temporary Service:

The Customer shall pay a non-refundable Construction Temporary Service Fee, refer to fee schedule.

E. Permit Fees:

In addition to payment of the appropriate Line Extension Fee, any charges levied by any agency for permits, surveys, easements, licenses, etc. necessary for the Line Extension, shall be paid for by the Customer.

4.5.2 Line Extension Fee Payments

Charges for Simple Services, both Overhead and Underground, shall be included in the Customer's energy usage bill for the service. Charges for Line Extensions are due prior to scheduling construction.

Exception: Customers applying for Line Extensions to Backbone Facilities and/or Customers with an account(s) requiring a deposit under Section 6.14, shall be required to pay prior to energizing the service.

For projects with an estimated cost in excess of \$20,000, the Customer shall be responsible for the actual cost of the project. A Customer Service Contract must be signed when the initial estimate is paid. When the project is complete and all project costs have been accumulated, Grant PUD will provide to the Customer an itemized invoice reflecting all project costs incurred. Grant PUD will either refund or invoice any differential between the actual and estimated costs to the Customer. Final payment will be due 25 days after the invoice date. Permanent Service will be subject to disconnection if full payment is not received by the due date.

Payment of the Line Extension Fee is in addition to any energy use, deposits, or outstanding invoices that may be due. Political subdivisions of the State of Washington and Agencies of the Federal Government may make payment after Grant PUD facilities are installed provided Grant PUD has received written agreement that payment will be made in full upon completion of Grant PUD work.

4.6 MODIFICATION OF FACILITIES

Modifications are those changes to existing electrical facilities required to allow for installation of new facilities requested by a Customer. Upon request from an individual Customer Grant PUD will modify its facilities provided:

A. The Customer signs and submits a Service Connection Agreement.

B. The Customer pays the pro-rated Termination Charge for the modified facilities in addition to the appropriate Line Extension Fee for the new facilities.

C. The modifications comply with current Customer Service Policies and Grant PUD Construction Standards.

4.7 REBUILDING EXISTING LINES

When it becomes necessary to rebuild existing line to serve added electric load, the cost of the rebuild shall be considered as part of the Estimated Extension Cost for the new load except when the line is designated to be an Area Feeder. (See Section 4.10.1)

4.8 TRANSMISSION FACILITIES

Transmission facilities required to provide for general area load growth and basic system reliability will be constructed entirely at Grant PUD expense as part of an overall development plan.

4.9 SUBSTATIONS

Substations required to provide for general area load growth and basic system reliability will be constructed entirely at Grant PUD expense as part of an overall development plan.

4.10 DISTRIBUTION POWER LINES

4.10.1 Area Feeder Lines

Primary distribution lines designed to provide for general electric load growth and system reliability are designated as “Area Feeders”. These lines are constructed at Grant PUD expense, included in the rate base and limited to the following:

- A. Incorporated Cities and Towns

Primary lines along all platted streets and alleys inside or adjoining the city limits shall be designated as Area Feeders.
- B. Developed Irrigation Blocks

Primary lines along all county road and state highway rights-of-way inside or adjoining developed irrigation blocks shall be designated as Area Feeders.
- C. Proposed Irrigation Blocks

When, in the opinion of Grant PUD, the road plan and canal construction schedule has been established, all distribution lines along county road and state highway rights-of-way shall be designated as Area Feeders. When requested by a Customer to provide service inside the proposed irrigation block more than one year prior to scheduled delivery of irrigation water, Grant PUD will construct the necessary area feeders, the size and location being in accordance with the feeder plan for the block. The Customer requesting the service shall enter into an agreement to pay the annual interest on Grant PUD’s estimated investment for the Area Feeder(s). Said agreement shall continue for ten (10) years or until irrigation water is delivered to the block.

When no road plan or canal construction schedule has been established, Grant PUD will construct requested lines to serve Customer loads without consideration of the area becoming an irrigation block and the estimated construction costs shall be included as part of the Estimated Extension Cost.
- D. Sandwells Irrigation Block

Primary lines along all established and legally recorded county road and state highway rights-of-way inside or adjoining the Sandwells area shall be designated as Area Feeders. (Refer to Grant PUD maps for boundaries of the Sandwells area.)
- E. Other

Certain distribution facilities that extend into areas of anticipated development or that are for the purpose of system reliability may be designated as Area Feeders at the sole discretion of Grant PUD.

4.10.2 Distribution Power Lines That Are Not Area Feeders

Essentially, a “Non-Area Feeder” is any primary distribution line not meeting the criteria established

by Section 4.10.1. Additionally, Extensions (Backbone Facilities) into residential and commercial subdivisions shall not be considered Area Feeders. Construction costs for distribution lines that are not designated, as Area Feeders shall be included as part of the Estimated Extension Cost except as follows:

- A. When it is deemed necessary by Grant PUD to add a distribution system neutral conductor to an existing power line, Grant PUD will pay 100% of the construction cost for the addition of the system neutral.

4.11 EXTENSIONS TO RESIDENTIAL/COMMERCIAL SUBDIVISIONS

4.11.1 Approved Subdivisions

Grant PUD will extend electric service to any new city or county approved subdivision according to the following conditions:

- A. The Customer must provide a Backbone Facility design in accordance with Grant PUD Construction Standards, subject to Grant PUD approval.
- B. The Customer must pay the appropriate Line Extension Fee as required by Section 4.5.1, prior to construction.
- C. All trenching, conduit, transformer boxes, pads, junction boxes, sand bedding and backfill shall be provided and installed by the Customer in accordance with Grant PUD Construction Standards.
- D. The costs for Off-Site Facilities or Line Extensions outside the boundaries of a residential or commercial subdivision necessary for providing service to the subdivision, will be included as part of the Estimated Line Extension Costs for the subdivision.

4.11.2 Services within a Subdivision

Grant PUD facilities installed in addition to a Backbone Facility to serve individual Customers shall be considered a separate Extension and subject to the appropriate Section(s) of Line Extension Policy 4.0.

Where Backbone Facilities have not been provided for by a developer, any Customer(s) requesting service within the subdivision shall be responsible for the necessary Backbone Facilities in accordance with Line Extension Policy, Section 4.11, as if he/she were the developer.

4.12 MANUFACTURED HOME / MOBILE HOME PARKS

Line Extensions will be made to new manufactured home parks and additions will be made to existing mobile home/manufactured home parks under the following conditions:

- A. If the Line Extension is considered to be permanent, construction will be done in accordance with the Line Extension Policy, Section 4.11.1.
- B. Grant PUD will consider a Line Extension permanent in cases where the Customer makes a substantial permanent investment in other improvements. This requirement will be satisfied when initial improvements include permanent water and sewer facilities, graded and paved or graveled streets and electric service entrance capability at each manufactured home or mobile home space.
- C. Grant PUD will provide the appropriate electrical system to the Connection Point(s). For an individual manufactured/mobile home, the Connection Point will be at the moped/pedestal, and Grant PUD will own and maintain the underground conduit and secondary service wire up to the meter after the service is energized. For manufactured/mobile homes within a mobile home park, the Connection Point will either be at the transformer or at the moped/pedestal and will be dependent on the design. For manufactured/mobile homes within a mobile home park, the Customer will own and maintain the underground conduit and secondary service wire from the Connection Point to the meter(s) after the service is energized.

4.13 UNUSED IRRIGATION SERVICE FACILITIES

Grant PUD-owned irrigation service facilities may be removed by Grant PUD at any time following disconnection for nonpayment of arrears from a previous irrigation billing season.

5.0 SERVICE AND METER REGULATIONS

5.1 AVAILABILITY AND CONDITIONS OF SERVICE

5.1.1 Determination of Availability

The availability of service for the equipment to be used shall be determined by Grant PUD before proceeding with the wiring or the installation of equipment. Grant PUD shall advise the Customer of the available phase and voltage for that service, and of any required reduced voltage motor starting equipment to protect the service to its other customers (see Section 5.3.3).

5.1.2 Compliance with Regulations and Codes

The Customer's wiring and equipment shall comply with State, Municipal and Grant PUD regulations, the National Electrical Code and the National Electrical Safety Code. Grant PUD reserves the right to discontinue service at any time, or refuse to connect where such service will adversely affect the service to its Customers, or where the Customer has not complied with said regulations and codes, or where the Customer's equipment or wiring are found to be defective or dangerous, until the same are repaired to the satisfaction of Grant PUD; however, Grant PUD is not obligated to inspect the Customer's electrical property and assumes no liability for the condition of, or resultant damage or injury from, the Customer's electrical property.

5.1.3 Access to and Care of Grant PUD Property

Grant PUD shall have the right, through its employees or other agents, to enter upon the premises of the Customer at all times for the purpose of reading, inspecting, repairing or removing the metering devices, appliances and wiring owned by Grant PUD. The Customer shall provide space for, and exercise proper care to protect Grant PUD property on the Customer's premises. Such property shall include, but is not limited to, meters, instrument transformers, wires and other facilities installed by Grant PUD. In the event of damage to Grant PUD property, the Customer, owner, or person in control will be presumed to be liable for the cost to repair or replace Grant PUD property, which is damaged or destroyed. If power diversion has occurred, Grant PUD may recover additional costs, expenses, and damages as provided under Customer Service Policy 2.14 or other applicable law. Additionally, the Customer shall have such rights to conferences with Grant PUD personnel as are provided in Customer Service Policy 2.14.

5.1.4 Customer Responsibility

Nothing in these Policies shall be construed as placing upon Grant PUD any responsibility for the condition of the Customer's wiring or equipment, and Grant PUD shall not be held liable for any loss or damage resulting from defects in the Customer's installation and shall not be held liable for damage to persons or property arising from the use of the service on the premises of the Customer.

5.1.5 Separate Services

Grant PUD will not totalize metering of separate services. Where Grant PUD contracts to furnish separate transformers to provide multiple services or multiple voltages for the mutual benefit of Grant PUD and the Customer, metering and billing shall be either by separate services at low voltage or consolidated at high voltage and include transformation losses.

Separate Customers shall have separate metering and separate accounts, subject to the conditions set forth in Section 2.1.1. Grant PUD will not allow two or more separate customers to combine or totalize metering.

5.1.6 Backup and Maintenance Power

Backup power and maintenance power will be provided by Grant PUD upon request, to Cogeneration and Small Power Production Facilities as defined under the Public Utilities Regulatory Policies Act of 1978. Grant PUD shall provide excitation power during interconnected parallel operations with Cogeneration and Small Power Production Facilities of 100 kW or less.

5.1.7 Station Service - Customer Owned

Station Service Power for Customer-owned generating facilities will be provided by Grant PUD only when the facility is not generating power.

5.2 SERVICE LATERAL AND POINT OF CONNECTION

The route of the service and the location of the service connection and metering equipment shall be determined by Grant PUD. Any wiring not complying with these Policies and installed without first determining the location of the service connection and/or meters will have to be brought into compliance with these Policies upon notification by Grant PUD.

5.2.1 Overhead Service Laterals

- A. For overhead service, the service entrance shall be so located that the secondary service wires installed by Grant PUD will reach the service entrance by attachment at one location only on the building.
- B. The point of service attachment of an overhead service on the building shall be of sufficient height to provide the required ground clearance for secondary service drop conductors. A service mast or other approved structure to terminate secondary service conductors or reinforcement of the building for adequate anchorage shall be provided and installed by the Customer or their contractor. Grant PUD will supply, for installation by the Customer, anchor bolts for service attachments to concrete, masonry, or other buildings where necessary.
- C. Only one set of service entrance conductors will be connected to any one overhead secondary service drop except by special approval of Grant PUD.
- D. Grant PUD will supply and install, as part of the Customer extension costs, meter poles for overhead services. The meter pole shall then be owned and maintained by the Customer.
- E. Permission must be obtained before attachments are made to Grant PUD owned poles. Attachments to Grant PUD owned poles shall be done strictly in accordance with Grant PUD specifications.

5.2.2 Underground Service Laterals

- A. In general, a building or other premises will be supplied through only one underground service lateral. Where the use of multiple service entrance conductors is necessary, the means and location of connection to the underground service lateral shall be determined by Grant PUD.
- B. The Customer is responsible for trench, conduit, sand bedding and backfill in accordance with Grant PUD specifications.
- C. Where conductors are buried directly in the earth, supplementary mechanical protection may be required by Grant PUD.
- D. Each underground installation shall be in accordance with specifications and drawings available from Grant PUD.

5.3 SERVICE ENTRANCE INSTALLATION AND EQUIPMENT

5.3.1 Responsibility of Customer/Grant PUD

All service entrance equipment, instrument transformer enclosures, meter enclosures, meter sockets, conduits and raceways are the responsibility of the Customer and shall be of a type approved by Grant PUD. The instrument transformers secondary circuit conductors will be supplied and installed by Grant PUD.

5.3.2 Wiring

The Customer shall provide and install all wiring between the Connection Point and the metering equipment with said installation subject to the provisions of Section 5.1.2. When the use of multiple conduits is necessary, the weatherheads shall be grouped such that none is more than 18 inches from the point of service attachment on the building. Underground wiring shall be buried enclosed in conduit (i.e. direct buried cable is not allowed).

5.3.3 Protective Devices

Suitable protective devices on the Customer's premises may be required whenever Grant PUD deems such installation necessary to protect its property or that of its other Customers.

Grant PUD may require installation of reduced voltage starting equipment by the Customer in cases where across the line motor starting would result in excessive voltage disturbances to other Customers or to Grant PUD's system. Grant PUD will furnish the Customer with written motor starting requirements based on the motor horsepower information given at the time of formal application for service. These requirements will be furnished only to the Customer. Construction and/or energization of Grant PUD Facilities to serve motor loads will not occur until the Customer acknowledges receipt of said requirements by signing and returning the motor starting requirements letter.

5.3.4 Protective Equipment on Motor Installations

On motor installations, adequate relays or other approved protective equipment to guard any and all motors against damage due to excessive under voltage and to protect three-phase motors against damage from single-phasing operation shall be the responsibility of the Customer. Three-phase motors equipped for restarting after a service interruption should be protected against any line condition resulting in single-phase service to the motors (single-phasing). Automatic restarting on 50 HP and larger motors must be approved by Grant PUD prior to installation.

It is recommended that three thermal over-current devices (for three-phase motors) and, in addition, dual element time delay fuses or circuit breakers of suitable rating be installed as minimum protection.

5.3.5 Service Connection

Service connections will be made only after it has been determined Grant PUD Construction Standards have been met and the Customer's electrical equipment/installation has been approved by a Washington State Electrical Inspector. Said equipment must display the State of Washington "Safe Wiring Decal", legibly filled out and readily accessible.

A False Call Fee will apply when a customer requests Grant PUD service and is not prepared when Grant PUD arrives on site at the requested timeframe, refer to fee schedule.

5.4 METER LOCATIONS

5.4.1 Placement of Meters

Grant PUD encourages placement of meters as close as possible to the designated Connection Point. In any event, meters or metering equipment shall be placed in locations that allow Grant

PUD free and safe access for installing, removing, testing, and reading. Metering equipment shall not be installed over open pits, moving machinery or hatchways. There shall be ample clearance from any such openings or hazardous locations and there shall be at least three (3) feet of unobstructed space between the nearest point of said metering equipment and any obstructions.

- A. Metering for residences shall be installed on the outside of the building, not enclosed, and readily accessible for meter reading and maintenance. (See Section 5.4.7)
- B. Metering equipment for commercial and industrial service shall be installed on the outside of the building in accordance with Section 5.4.1.A (above) except where prior approval of other locations has been granted by Grant PUD.
- C. Metering equipment for Irrigation service shall be outside of any buildings and may be installed on Grant PUD's transformer pole when such installation will provide improved access to the metering. For underground secondary service fed directly from a pole, meter location shall not exceed 20' distance from pole.

5.4.2 Meter Height Requirements

Meter bases or meter enclosures shall be located at such a height that the center of the meter when installed will not be more than six (6) feet, nor less than five (5) feet above finished grade, an accessible permanent platform or landing; except as follows:

- A. Meters for a special application may be installed at a height of less than five (5) feet in power rooms, if installed in a factory-built, metal cabinet approved by Grant PUD before fabrication.
- B. Outdoor factory-built multiple meter load centers for multifamily apartment buildings having seven (7) or more meters may be installed with up to four (4) vertical rows of meter sockets. (See Section 5.4.6) Mounting height shall be established by consulting with Grant PUD before proceeding with each such installation. The Customer shall plainly and permanently mark each meter location designating the portion of the building it serves before the service is connected.
- C. Meter height shall be measured from finished grade in meter pole applications.
- D. Meters on underground systems may be installed less than five (5) feet above finished grade at pad-mount transformer locations or in pedestals approved for the purpose.
- E. Where a written variance has been obtained from Grant PUD.

5.4.3 Line Side/Load Side Placement of Equipment

Metering equipment shall be installed on the line side of the main service switch or service panel, except on multiple meter installations where a main disconnecting means is required by Code. When meters are installed on the load side of the main disconnect as indicated above, they shall be installed on the line side of the individual subservice disconnect. The meters shall be connected directly to the main disconnect or through a bus gutter suitable for sealing. The Customer shall plainly and permanently mark each meter location, designating the portion of the building it serves before the service is connected.

5.4.4 Conditions Adversely Affecting Meters

Meters shall be installed in locations free from vibrations, condensation, or where live steam or hot liquids are used. They shall not be installed where such conditions exist which would adversely affect their operation. Metering equipment shall be located so it will not be in the path of water from eaves, rainspouts, or drains.

5.4.5 New Installation - Instrument Transformers

On new installations, meters used in connection with instrument transformers shall not be separated from the instrument transformer enclosures by a wall or partition. Secondary circuits of instrument transformers shall not be run in the same conduit or raceway with any other circuits. (See 5.5.5)

5.4.6 Placement of Meter Bases

There shall be a minimum of four (4) inches clearance between the meter base and service switch enclosure and/or any physical obstruction which might interfere with the installation of the meter or use of a test jack in the meter base.

Where a subdivision of the service requires the use of more than one meter, the meters shall be grouped and the space between sockets shall be not less than three (3) inches. On initial construction ganged meter troughs having two (2) or more meter sockets should be the bussed type.

5.4.7 Meter Violation

When any changes, alterations, additions or obstruction are made on the Customer's premises resulting in violation(s) of these meter requirements, the Customer shall correct the violation(s) at his expense or pay a monthly meter obstruction fee until said violation is corrected, refer to fee schedule.

5.5 METERING EQUIPMENT

5.5.1 Standards for Metering Equipment

Grant PUD establishes standards for metering equipment. The Customer's compliance with such standards shall be a condition of service.

5.5.2 Power Factor Metering

Grant PUD shall install reactive (Power Factor) metering on all Large Electric Service loads expected to operate such that the power factor will be below 95% lagging or leading. Nothing in the above shall preclude Grant PUD from installing reactive metering on any service, regardless of rate schedule or demand, when deemed necessary by Grant PUD. Meters for measurement of reactive power shall have registers for both leading and lagging power factors for the purpose of billing demand adjustments.

5.5.3 Pulse Metering Data Connection

Upon written request and execution of a letter agreement, Grant PUD will install and maintain Current Transformer (CT) metering, capable of KYZ output, as defined by Grant PUD Construction Standards for Industrial and Large General Customers subject to the following terms conditions:

- A. The Customer shall be responsible for paying in advance, all of Grant PUD's estimated costs for labor, materials, overheads and equipment needed for the installation and upon demand shall promptly reimburse Grant PUD for all repairs and maintenance costs incurred by it from time to time.
- B. Grant PUD will not synchronize the KYZ output to the meter demand timing.
- C. Grant PUD will retain ownership of all meters and equipment installed by it.
- D. The Customer shall be solely responsible for installation, operation, and maintenance of data logging equipment from Grant PUDs installed isolation relay(s). The Customer shall also provide voltage potential for the data logging equipment.
- E. The Customers communication equipment from the isolation relay(s) to the Customer's data logging equipment must be approved in advance by Grant PUD.
- F. Grant PUD shall have the right to work on the meter, including de-energization, without notice to or permission by the Customer. In the event the meter is removed and/or

replaced, Grant PUD may attempt, but will not guarantee, reconnection at the isolation relay(s).

- G. Grant PUD shall have no liability whatsoever or for any damages of any type to Customer resulting from or arising from the installation, operation or use of the KYZ output or from any malfunction thereof.

5.6 INTERCONNECTION OF CUSTOMER-OWNED NET METERING SYSTEMS

Grant PUD will allow net metering systems meeting Grant PUD's Construction Standards to interconnect on a first-come, first-served basis to Grant PUD's distribution system under the following terms and conditions:

5.6.1 Application, Fees and Agreement

Customer shall submit a Net Metering Application to Grant PUD prior to installing the generating facility along with an application fee, refer to fee schedule. Upon Grant PUD's approval of the Customer's Net Metering Application, Customer shall sign a Net Metering Interconnection Agreement. After Grant PUD's approval of the Net Metering Interconnection Agreement, Customer may at Customer's expense install the approved Net Metering System or modify as necessary or directed by Grant PUD Customer's generating facility in existence on Customer's property prior to the date these policies were enacted.

5.6.2 Certification of Completion

Upon the Customer's completion of the Net Metering System installation or modification, the Customer shall submit to Grant PUD a Certificate of Completion on a form provided by Grant PUD. Such form shall include evidence of inspection and approval of the Net Metering System by the State Electrical Inspector. Interconnection work to Grant PUD's distribution system will commence following receipt of the Certificate of Completion.

5.6.3 Unauthorized Connections

For the purposes of public and employee safety, any non-approved generation interconnections discovered will be immediately disconnected from Grant PUD's system.

5.6.4 Metering

Grant PUD shall install a kilowatt-hour meter, or meters as the installation may determine, capable of registering the bi-directional flow of electricity at a level of accuracy that meets all applicable standards, regulations and statutes. If Grant PUD requires separate metering to measure the energy produced by the generating facility, such equipment shall be installed at the Customer's expense.

5.6.5 Future Modification or Expansion

Prior to any future modification or expansion of the Customer-owned generating facility, the Customer will obtain Grant PUD approval. Grant PUD reserves the right to require the Customer, at the Customer's expense, to provide corrections or additions to existing electrical devices in the event of modification of government or industry regulations and standards.

5.6.6 Grant PUD System Capacity

The cumulative generating capacity of net metering systems shall be limited to 0.25% of Grant PUD's peak demand during 1996. Additionally, interconnection of Customer-owned generation to individual distribution feeders will be limited to 10% of the feeder's peak capacity. Additional generation interconnection to individual distribution feeders may be allowed beyond these stated limits at Grant PUD's discretion.

5.6.7 Customer Owned Protection

It is the responsibility of the Customer to protect their facilities, loads and equipment and comply with the requirements of all appropriate standards, codes, statutes and authorities. The Customer's Net Metering System must include, at the Customer's expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the National Electrical Code (NEC), National Electrical Safety Code (NESC), the Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories (UL).

5.6.8 Interconnection Costs

Customer shall be responsible for all additional costs above and beyond the application fee, if any. Such costs will be based on actual costs, including overheads. For example additional costs may be incurred for transformers, production meters, and Grant PUD testing, qualification, and approval of non UL 1741 listed equipment.

6.0 METER READING, BILLING AND COLLECTING

6.1 METER READING

Meters will normally be read daily via advanced metering infrastructure.

If for any reason a reading cannot be obtained, the billing may be based on estimating energy use and demand, and subject to later correction.

Grant PUD's current technology has the ability to read, connect and disconnect meters remotely. The deployed technologies are Grant PUD's standards. If a Customer declines to adhere to Grant PUD's standards, refer to fee schedule and Opt-Out Agreement.

6.2 ADJUSTMENT OF BILLING ERRORS

Grant PUD may adjust any billing when it has been determined that an error in billing has been made and a correction is in order. Grant PUD may revise such bill on the basis of the best evidence available.

If the billing error is favorable to the Customer, Grant PUD will credit or refund the Customer's account for overcharges back to the date of when the billing error occurred and up to the date of discovery of the billing error.

If the billing error is unfavorable to the Customer, Grant PUD will charge the Customer's account for undercharges to the date of when the billing error occurred or six years (whichever lookback period is shorter) up to the date of discovery of the billing error. Grant PUD may establish an interest-free monthly payment arrangement for the undercharged amount for a Customer with a financial hardship as a result of the billing adjustment. The term of the payment arrangement term will not exceed the number of months of the lookback period.

6.3 BILLING PERIODS

The normal monthly billing period is 30 days. However, due to weekends and holidays, monthly billing periods may range from 26 to 34 days. Monthly charges for shorter or longer periods will be prorated on the basis that such fractional period bears to 30 days.

6.4 NON-METERED SERVICE

Non-metered service may be supplied when the connected load is known and average monthly energy consumption can be accurately calculated.

6.5 DETERMINATION OF DEMAND

Where Grant PUD rate is based on kW demand, the Metered/Billing Demand shall be calculated to the nearest thousandth (0.001) of a kW. Inaccurate demand readings caused by meter failure or loads with constantly changing demands may require the demand to be calculated by Grant PUD, taking into consideration installed capacity necessary to serve the load and abnormal effects on Grant PUD's system. Power factor metering data (if available) and/or the load history or load checks would also be used to compute the demand.

Grant PUD shall, if requested by Customer in advance, waive demand reads in one two-hour period for the sole purpose of Customer testing equipment. Grant PUD will not waive demand reads for this purpose more than one time in any 12-month period.

If monthly demand charges are based on Customer's highest demand, as provided by Grant PUD's then applicable rate schedule, a number of such recording periods equal to the first two hours following a system outage, not related to a failure in the Customer's Facility, shall be disregarded if noted by Grant PUD or if requested by the Customer.

6.6 PAYMENT

All monthly bills for service rendered and minimum charges are due and payable when rendered and become delinquent if not paid within 25 days.

6.7 RETURN CHECK FEE

A return check fee may be assessed to a Customer's account for which payment has been received by any check or legal tender which is subsequently returned to Grant PUD by the bank, refer to fee schedule.

6.8 PAYMENT OPTIONS

Customers may make payments to Grant PUD by cash, check, credit cards, debit cards, automated checking and savings account withdrawal and other Grant PUD approved electronic means.

6.9 BUDGETPAY

Rate Schedule 1 and 2 Customers may request to have BudgetPay. Monthly payments are due even if the account reflects a credit balance. BudgetPay accounts are subject to all other applicable articles of these policies. Copies of Grant PUD's level billing plan option is on file and is available upon request.

6.10 LATE PAYMENT CHARGES

If payment hasn't been received by Grant PUD on or before the due date, a late payment fee shall be assessed on the unpaid balances, refer to fee schedule.

6.11 ACCOUNT SERVICE CHARGE

During Grant PUD's normal business hours, an account service fee will be made for a service transfer or a turn on, refer to fee schedule.

6.12 AFTER-HOURS FEE

Any Customer requested service requiring Call Center service call-out (excluding power outages) outside of regular Call Center hours (visit www.grantpud.org for listed hours) will incur an after-hours fee. Refer to fee schedule.

Any Customer requested service requiring an on-site service call-out (excluding power outage response) outside of normal work hours (6:00am and 4:00pm Monday – Thursday), an after-hours fee will be applied. Exceptions may apply on Friday's if service crews are scheduled to work. Refer to fee schedule.

6.13 DEPOSITS

Deposits may be required for Customers. If the Customer fails to comply with or make any of

the payments required by Grant PUD, or fails to maintain other security in lieu of a cash deposit the Customer will not be provided service or may be disconnected in accordance with Grant PUD's disconnect for non-payment policy. The full amount of the deposit, plus the disconnect for non-payment fee, will be required prior to turning the service back on.

6.13.1 Current Credit Rating

Credit activity for every Customer account is rated via a point system. Prior to any deduction, each account has a Current Credit Rating of 1,000. Credit activity at any service under the account may affect the credit point total.

Deductions will remain in effect for 12 months from the date incurred for Domestic Services and 18 months for all other services unless otherwise noted.

Customers will return to a credit rating score of 1,000 when all adverse credit activity deductions have expired according to the above schedule.

6.13.2 Interest on Deposits

Deposits will earn interest and will be calculated and accrued monthly. The applicable interest rate applied is available upon request.

6.14 NEW OR ADDITIONAL DEPOSIT REQUIREMENTS

Grant PUD may require a new or additional deposit for Customers whose service(s) experience significant electrical load changes or develop credit problems.

ADEQUATE ASSURANCE OF FUTURE PAYMENT

When a Customer files a bankruptcy petition, the Customer's existing service(s) will be closed and new service(s) established. If any of the Customer's accounts are delinquent at the time of such filing, Grant PUD may require a new or additional deposit or other adequate assurance of future payment pursuant to 11 USC Section 366. Payment of the deposit or other assurance of future payment will be required within twenty (20) days of the date of the order for relief as provided in 11 USC Section 366.

6.15 TERMINATION OF SERVICE

Upon termination of service, Grant PUD will refund to the Customer the amount currently on deposit plus accumulated interest after deducting all amounts due Grant PUD.

6.16 DELINQUENCY-DISCONTINUANCE OF SERVICE

6.16.1 Right to Disconnect

The right to discontinue service when delinquent may be exercised whenever and as often as delinquency shall occur and neither delay nor omission on the part of Grant PUD to enforce this rule at any one or more times shall be deemed as a waiver of its rights to enforce the same at any time, so long as the delinquency continues.

Except where prohibited by law, Grant PUD reserves the right to refuse, to limit or to disconnect service to any Customer having a delinquent balance and may transfer the delinquent balance to the Customer's active account for collection purposes.

The Customer Service Representative may make payment arrangements with the Customer for a payment schedule for the bill. However, Grant PUD shall not be required to enter into a payment schedule with a Customer who has not fully and satisfactorily complied with the terms of a previous payment schedule.

6.16.2 Due Process

Except in the case of emergencies and exceptional circumstances, as determined by Grant PUD, notice will be given to the Customer or occupant warning of discontinuance of service to allow the opportunity for reconciliation of an account and cancel a disconnect for non-payment.

6.17 DISCONNECT FOR NON-PAYMENT

This section will apply to all disconnects for non-payment except as otherwise specified.

6.17.1 Disconnect Fee

Whenever service has been disconnected for non-payment or fraudulent use, a disconnect fee will be charged to the account, refer to fee schedule. The disconnect fee may be waived for Customers who under Washington law qualify for medical or public assistance and when reconnection payment is funded by a private, non-profit funding agency subject to 501(C)(3) tax exemption.

For re-connection outside of Grant PUD's normal business hours for services that have been disconnected for non-payment refer to Section 6.13.

6.17.2 Moratorium

Grant PUD's disconnect for non-payment policy is set forth in Section 6.18 and shall be subject to the requirements of RCW 54.16.285.

6.18 LANDLORD/TENANT ARRANGEMENTS

Landlords of rental residences may arrange with Grant PUD for service to the designated rental to remain energized and to be transferred to the landlord when tenants request termination of service by signing up for Landlord Service. The landlord shall be responsible for any basic charges and energy consumption prior to the transfer of the service to a new tenant.

In most cases where the Landlord is the Customer and requests termination of service to a rental residence or fails to pay for such service, Grant PUD may notify the tenant by hanging a door tag stating that the tenant has five (5) days to put the account into their name and the Landlord will be assessed a fee, refer to fee schedule. Requests for termination of utility service by a landlord, for the purpose of evicting a tenant, is prohibited by RCW 59.18.300.

6.19 ELIGIBILITY FOR SPECIAL LOW INCOME RATE DISCOUNTS

Grant PUD offers a Low-Income Senior Citizen rate discount and a Low-Income Disabled rate discount for qualifying residential Customers as defined in Rate Schedule 1.

To be eligible for either of these rate discounts, the total household income including Customer's spouse or co-tenant(s) must be equal to or less than 200% of the poverty guidelines as updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).

Eligibility requirements for low-income rate discounts are as follows:

- A. **LOW-INCOME SENIOR CITIZEN DISCOUNT:** In addition to meeting the household income eligibility criteria as stated above, Customer must be 62 years or older prior to or

during the month in which the discount will be applied.

- B. **LOW-INCOME DISABLED DISCOUNT:** In addition to meeting the household income eligibility criteria as stated above, Customer must obtain certification from a Physician or Mental Health Professional that Customer meets the disability criteria defined in RCW 74.18.020, RCW 71A.10.020 or RCW 46.16.381. Such certification must be on Grant PUD's approved form.

Only one low-income rate discount shall be applied to Customer's account regardless of whether they qualify for both rate discounts. Rate discounts will be applied only to the residential service serving as the Customer's primary dwelling. Eligibility will be verified in writing by either Grant PUD staff, Department of Social and Human Services or other Grant PUD-approved assistance agency.

Changes in the customers income or location will require reverification of the eligibility requirements. The low-income discount rate shall expire, three (3) years from the date the discount was applied but may be allowed to continue for additional three (3) year periods provided the customer provides reverification of the eligibility requirements. Customers unable to verify eligibility requirements within 30 days of Grant PUD's request or upon expiration of the discount will be removed from the rate discount program.

Grant PUD reserves the right to schedule a no cost home energy assessment at the premise where the discount is applied. If the customer refuses the home energy assessment, the customer discount will be removed within 30 days upon failure to allow the assessment.

6.20 NET METERING BILLING

Pursuant to RCW 80.60.030, Customers participating in Grant PUD's Net Metering Program shall be billed and credited in accordance with the following:

- A. Grant PUD shall measure the net electricity produced or consumed by the Customer during each billing period, in accordance with normal metering practices.
- B. If the electricity supplied by Grant PUD exceeds the electricity generated by the Customer and fed back to Grant PUD during the billing period, or any portion thereof, then the Customer shall be billed for the net electricity supplied by Grant PUD together with the appropriate Basic charge paid by the Customers in the same rate class.
- C. If the electricity generated by the Customer and distributed back to Grant PUD during the billing period, or any portion thereof, exceeds the electricity supplied by Grant PUD, then the Customer shall be:
1. billed for the appropriate Basic charge or minimum charge as other customers in the same rate class for that billing period; and
 2. credited for the net excess kilowatt-hours generated during the billing period, with this kilowatt-hour credit appearing on Customer's bill for the following billing period
- D. On March 31st of each calendar year, any remaining unused kilowatt-hour credit accumulated by the Customer during the previous year shall be granted to Grant PUD, without any compensation to the Customer.
- E. Customer shall pay any amount owing for electric service provided by Grant PUD in accordance with applicable rates and policies. Nothing in this Section shall limit Grant PUD's rights under applicable Rate Schedules, City Ordinances, Customer Service Policies, and General Provisions.

6.21 RENEWABLE ENERGY SYSTEM COST RECOVERY

Customers participating in Grant PUD's Net Metering Program may be eligible each fiscal year for an investment recovery incentive for each kilowatt-hour generated by the Customer provided Customer complies with RCW 82.16.120.

7.0 STREET LIGHTING SERVICE

7.1 AVAILABILITY

Street Lighting Service will be made available in accordance with Rate Schedule 6, Street Lighting Service and the terms and conditions of these Customer Service Policies, as they now exist or may be hereafter amended.

7.2 SPECIFICATIONS

For qualified applicants, Grant PUD will provide and install a system of unmetered street lighting facilities for dusk to dawn operation. Conventional Street Lighting consists of overhead or underground conductors with mast arms and luminaries mounted on wood, concrete, or metal poles. Decorative Street Lighting units consist of a decorative post and two decorative arms, each with a single acorn globe. Modified arm units consist of two decorative arms, each with a single acorn globe, modified to fit on existing street light standards. When streetlights are installed, the Customer shall pay a monthly charge based on the facilities provided as specified in Rate Schedule 6.

7.3 LINE EXTENSION POLICY - STREET LIGHTS

Grant PUD will construct and supply the necessary lighting equipment to include single-phase transformers and secondary voltage facilities to effect delivery of street lighting service upon written request and authorization from qualifying customers. Primary facilities that do not qualify as an Area Feeder and are installed by Grant PUD to provide power for the aforementioned secondary facilities, shall be provided in accordance with Line Extension Policy, Section 4.0 and the appropriate Line Extension Fee paid by the Customer.

7.3.1 Underground Service to Street Lights

Underground Service will be provided where practicable. The Customer is responsible for trenching, conduit, sand bedding and backfilling. For decorative street lighting, the Customer shall also supply and install any mounting bases required. If Grant PUD provides the trenching, the full cost will be charged to the Customer at the time of construction.

7.4 TERMINATION OF SERVICE

The Customer shall continue to pay for service to all types of streetlights until such time as a written request for termination, signed by an authorized individual, is received by Grant PUD. Upon termination the Customer shall pay a Termination Charge reduced by; (a) 20% for Conventional Street Lighting; or (b) 5% for Decorative Street Lighting, for each full twelve (12) month period since installation of the facilities.

7.5 CONTINUITY OF SERVICE

Grant PUD does not guarantee continuity of service and shall not be liable for any interruption of street light service or damage resulting therefrom which is caused by vandalism, normal equipment failure, accidents, acts of God, unavailability of power supply to meet Grant PUD's load requirements, the necessity for making repairs or changes in Grant PUD's equipment and facilities, or by any other cause reasonably beyond Grant PUD's control.

Grant PUD has determined it is not cost effective or practicable to patrol at night to find streetlights that are not functioning properly and/or are damaged. Because of this Grant PUD depends on the Customer and the general public to notify Grant PUD that streetlights are not functioning properly

and/or are damaged. Grant PUD will, within a reasonable time after notification, make necessary repairs to restore street lighting service.

8.0 LARGE POWER CUSTOMER ELECTRIC SERVICE ABOVE 500 KW/KVA

Customers with loads in excess of 500 kW/kVA are considered Large Power Customers and can take Electric Service from Grant County PUD under the following Rate Schedules:

Rate Schedule 7	Large General Service
Rate Schedule 14	Industrial Service
Rate Schedule 15	Large Industrial Service
Rate Schedule 16	Agricultural Food Processing Service
Rate Schedule 17-B	Evolving Industry Service
Rate Schedule 85	Agricultural Food Processing Boiler Service
Rate Schedule 94	New Large Load Service

Rate Schedules can be found at grantpud.org.

A Large Power Customer’s presence on Grant PUD’s Electric System has material impacts on it. In addition to design considerations for deliverability of large amounts of Electric Power, there are also rate impacts caused by the magnitude of capital and incremental O&M required to connect and serve Large Power Customers. This Section 8 describes the policies that shall be used to implement the Large Power Customer Rate Schedules including mitigating the shifting of long- term costs to other Rate Schedules.

8.1 NEW LARGE ELECTRIC SERVICE

Those desiring Electric Service in excess of 500 kW/kVA on Grant PUD’s Electric System must provide Grant PUD a completed Large Electric Service Application along with a nonrefundable application fee (see Grant PUD’s Fee Schedule). Applications for non-Evolving Industry uses shall be placed into the “Large Electric Service Queue” and processed prior to the Evolving Industry Queue.

Applications submitted for Evolving Industry uses as defined per Rate Schedule 17, shall be placed into a separate queue (Evolving Industry Queue) on a first-come-first-served basis. The Evolving Industry Queue is independent of the Large Electric Service Queue for all other Rate Schedules. The Evolving Industry queue shall be processed after the Large Electric Service Queue is processed, unless the Evolving Industry Customer’s requests coincides with a Large Electric Service Queue expansion or study.

8.2 CUSTOMER RESPONSIBILITIES

The Customer shall work with Grant PUD staff to identify Facilities Customer may construct for itself or Grant PUD for the delivery of Electric Power. Grant PUD requires the Customer comply with all applicable Grant PUD standards, laws, codes and regulations when constructing Facilities and allow Grant PUD to approve and inspect Metering Facilities and the first Customer Facility protective device beyond the Demarcation Point.

The Customer shall also provide the appropriate transfer(s) of property and the appropriate rights and easements to Grant PUD to allow it to construct and operate Grant PUD Facilities required to provide Electric Service to the Customer.

8.3 FACILITIES

Grant PUD will generally supply Large Electric Service requests of 2000 kW/kVA and below at three phase secondary voltage. Grant PUD's standard secondary nominal voltages are 120/208V and 277/480V. Industrial customers requesting Electrical Service above 2000 kW/kVA shall be provided primary voltage metered service at nominal 13.2kV three phase.

Unless otherwise agreed to in writing between Grant PUD and the Customer, Grant PUD will establish the Demarcation Point.

8.4 CUSTOMER CONTRIBUTION FOR CONNECTION

Grant PUD shall perform the necessary studies to determine what Facilities need to be constructed, reconfigured, upgraded or refurbished as the Large Electric Service Application moves through the queue. Upon completion of the studies the Customer shall be briefed on the results of such studies and the amount of a Customer Contribution shall be estimated.

Assuming the Customer wishes to continue, it shall execute an agreement that includes the details for the Facilities Plan, provisional power, design, and proposed schedule along with the Customer Contribution amount ("Facilities Agreement"). The Customer Contribution is calculated to prevent the shifting of long-term costs within a rate class or group or to other rate classes or groups.

The Customer Contribution is calculated by Grant PUD staff. Customers requiring 20 MVA or less use a prescriptive method to calculate the Customer Contribution. Customers requiring more than 20 MVA of new service require more detailed study.

Should the Customer cancel the project, a portion or all of the Customer Contribution may be returned to the Customer provided that the refunding does not, in Grant PUD's sole discretion, shift costs to others.

8.5 REDUNDANT FACILITIES

Prudent utility practice ensures that Facilities are adequate to provide Electric Service to Customers safely, reliably and cost effectively but does not provide redundancy to any particular Customer. If the Customer has a need for a greater level of redundancy than provided by Grant PUD, it can request such redundancy for its Electric Service. Any Facilities provided by Grant PUD to increase redundancy shall in no way modify or alter Grant PUD's obligations or limitations of liability provided in Section 2.

Because redundant facilities are by definition unloaded and available for use at any time, the Customer Contribution required to avoid shifting costs to others may be significant. The Facilities Agreement associated with redundant Electric Service shall specify the required Customer Contribution. If Grant PUD, in its sole discretion, identifies that there are on-going operating costs that need to be recovered related to the redundant unloaded facilities, it shall work with the Customer to identify such costs and establish a Rate Schedule or execute contracts to provide payment to prevent shifting long-term costs to others.

Redundant Electric Service Facilities fall into three broad categories as described below.

8.5.1 Redundant Distribution

Includes the provision of a second distribution feeder to serve the Customer's Facilities. Redundant distribution may or may not come from two different substations.

8.5.2 Redundant Transformer

Provides additional substation capacity through additional unloaded equipment such that the

failure of one transformer will not cause the Customer an Electric Service interruption. Redundant transformers may or may not be in the same substation.

8.5.3 Redundant Transmission

Consists of an alternate source of transmission connected to a substation or substations where the alternate source comes from a different transmission yard breaker.

9.0 EVOLVING INDUSTRY

To retail Customers whose load activity and/or industry meets the requirements of an Evolving Industry (EI Criteria).

9.1 RISK CONSIDERATIONS FOR INCLUSION

9.1.1 Concentration Risk

Potential for significant load concentration within Grant PUD's service territory resulting in a meaningful aggregate impact and corresponding future risk to Grant's revenue stream. Evaluation would begin to occur when industry concentration of existing and service request queue customer loads exceeds 5% of Grant PUD's total load and service request queue.

9.1.2 Business Risk

The risk of stranding Grant PUD assets constructed to serve a Customer or causing unrecoverable costs due to cessation or significant reduction of electric consumption arising from an Industry's general business environment.

9.1.3 Regulatory Risk

Risk of detrimental changes to regulation with the potential to render the industry inviable within a foreseeable time horizon.

9.2 PERIODIC REVIEW BY ASSESSMENT TEAM

At least every two years a team will review which Customers, customer types, or uses of electricity are to be included in the Evolving Industry Rate Class. The Evolving Industries Assessment Team shall use prudent business and utility practices to establish criteria and classify load activities and industries as belonging to the Evolving Industry Rate Class.

The Evolving Industry Assessment Team shall include Grant PUD staff representing the following departments and sections (or their successors) of Grant PUD:

- A. Large Power Solutions
- B. Customer Solutions
- C. Engineering
- D. Rates & Pricing
- E. Finance/Accounting

The Evolving Industry Assessment Team shall be selected by the PUD's executive management.

Grant PUD posts the list of Industries or Identified Uses that qualify for Rate Schedule 17 on its website at www.grantpud.org.

The Evolving Industry Assessment Team shall review and value the costs and risks associated with serving Evolving Industries and provide any recommended changes to the Commission. Risk elements considered include, but are not limited to, future transmission requirements, impact to Grant PUD equipment, increased power supply cost risk, and potential stranded asset risk.

9.3 INCLUSION IN THE EVOLVING INDUSTRY RATE CLASS

A load activity and/or industry shall be included in the Evolving Industry Rate Class if it meets the

criterion of section 9.1.1., Concentration Risk, and also meets the criteria of either section 9.1.2. or section 9.1.3., Business Risk and Regulatory Risk, respectively.

A load activity and/or industry shall be removed from the Evolving Industry Rate Class if and only if it no longer meets the criteria of 9.1.2. and 9.1.3.

9.4 RATE 17 DESIGN

Rate Schedule 17 is designed to consider risks associated with the Evolving Industry class in order to minimize cost shifting to other Customer classes.

Rate 17 includes factors common to any Customer class such as allocated operating and capital costs, a risk premium, and any Commission policy direction applicable to Rate 17 that may include specific additional charges or adders. The risk premium portion of the rate may include but not be limited to risks such as future transmission / infrastructure requirements, loading and utilization of Grant PUD equipment, potential increase or additional volatility in power supply cost, risk of under or unutilized (stranded) assets, and future revenue volatility or loss.

The risk component of Rate Schedule 17 will be reviewed at least every two years and may be adjusted up or down by the Commission in accordance with changes to the risk profile.

9.5 COMMISSION REPORTING

When the Evolving Industry Assessment Team determines that an industry meets the Rate 17 criteria, staff will provide a memo for Commission review and action. Likewise, when staff determines that an industry no longer meets the criteria of Rate 17, staff will provide notice to the Commission for Commission review and action. The memos are part of the public packet posted to Grant PUD's website. Customers and stakeholders may comment to the Commission in public session regarding the change.

The Evolving Industry Assessment Team will also at least every two years update the Commission, independent of whether or not any changes are being made to the Evolving Industry Rate class, with a summary of the evaluation of the risk premium of Rate Schedule 17. Based upon this information the Commission will consider the need for rate changes and may modify Rate 17.

9.6 APPLICATION AND QUEUE

Customers desiring to apply for new or increased service shall apply as described in Section 2.7 and Section 8.1 of this Customer Service Policy.

9.7 ATTESTATIONS

Any new or existing customers placed under the Evolving Industry Rate Schedule 17 shall provide an attestation demonstrating they do not qualify or meet the criteria to be served under this rate schedule as a condition of Grant PUD to provide Electric Service under a different rate schedule.

Once established, if a Customer changes its business such that it no longer meets the Rate Schedule 17 Evolving Industry criteria, the customer may be required to affirm their attestation that they are not participating in an Evolving Industry and no load on its Premises is participating in any Evolving Industry. If a customer changes its business such that it does meet the Rate Schedule 17 Evolving Industry criteria the customer is required to inform the PUD of the change in status. Failure to inform the PUD may result in penalties as described in section 9.8.

9.8 LOAD SPLITTING AND METERING

If residential Customers on Rate Schedule 1 are participating in an Evolving Industry or plan to

participate in an Evolving Industry, the entire load at that Premises will be billed in accordance with Rate Schedule 17. Grant PUD, in its sole discretion, may allow the Customer to split the loads provided however, the customer is required to reimburse Grant PUD for all costs associated with providing the additional metering.

If a Large Power Customer has a portion of their load that qualifies for Rate Schedule 17, Grant PUD, in its sole discretion, may allow the Customer to split the loads provided however, the customer is required to reimburse Grant PUD for all costs associated with providing the additional metering.

9.9 DETECTION AND ENFORCEMENT

The PUD shall monitor Customers in the normal course of business just as it does for diversion of service and unsafe conditions. Grant PUD will use various means it has available to collect information and make observations about its Customers to ensure each Customer is on the correct Rate Schedule.

Industries tend to have similar usage patterns which may identify certain Premises where a change of Rate Schedules would be appropriate. Grant PUD shall reconfirm the self-attestation made by the Customer.

Grant PUD will make reasonable efforts to contact the Customer and discuss Grant PUD's findings and shall ask the Customer for assurances that they are not participating in the Evolving Industry. Should the Customer refuse to provide adequate assurances that it is not participating in an Evolving Industry, Grant PUD shall assume the Customer is participating in the Evolving Industry and convert the Customer to Rate Schedule 17 until the Customer ceases to participate in the Evolving Industry or demonstrates that it is not.

9.10 PENALTIES

Grant PUD has the authority to enforce its Rate Schedules and intends to do so to the full extent allowed by the law. Customers found to have knowingly deceived and/or found to have been charged under an incorrect Rate Schedule based on Customer representations will be processed the same way as diversion in Section 2.15 of this Customer Service Policy and subject to penalties. Grant PUD reserves the option to assess damages from the date Grant PUD estimates the customer's Rate Schedule should have changed, as allowed in Section 2.1.2, and pursue any uncollected applicable charges.

9.11 INFORMAL CONFERENCE / HEARINGS

Customers who have a dispute regarding the application of this Customer Service Policy may request an informal conference as described in Section 2.16 herein. If the Customer wishes to pursue the matter further, Section 2.16 also describes how to request a hearing.

10.0 REVISIONS

Section	Description	Revised	Resolution
1.0	PREAMBLE	04/23/19	8916
1.1	DEFINITION OF TERMS	04/23/19	8916
2.0	GENERAL POLICIES	08/09/82	4150
2.1.1	Metering Point	03/20/06	7952
2.1.2	Determination of Applicability	09/26/11	8575
2.2	RATE SCHEDULES	11/12/13	8696
2.2.1	Rate Schedule Exceptions	08/14/18	8890
2.3	NEW LOADS	12/22/03	7671
2.4	EXCLUSIVE SOURCE AND RESALE	11/01/04	7746
2.5	GRANT PUD'S OBLIGATIONS	06/23/98	7223
2.5.1	Limitations of Damages		
2.6	CUSTOMER'S OBLIGATIONS	06/23/98	7223
2.6.1	Increased Load	08/14/18	8890
2.6.2	Balancing of Load	06/23/98	7223
2.6.3	Total Harmonic Distortion (THD)	11/01/04	7746
2.6.4	Surge Protection	10/27/08	8296
2.7	APPLICATION FOR SERVICE	06/23/98	7223
2.8	DISCONNECTING SERVICES	06/23/98	7223
2.9	LIFE SUPPORT SYSTEMS	04/16/85	
2.9.1	Customer Obligations	11/01/04	7746
2.10	DAMAGE TO GRANT PUD FACILITIES	06/23/98	7223
2.11	DISCLOSURE OF PUBLIC RECORDS	11/19/01	7491
2.12	SERVICE OUTSIDE GRANT COUNTY	02/10/92	
2.13	UNDERGROUND FACILITIES	05/23/05	7821
2.14	REVENUE PROTECTION AND POWER DIVERSION	10/24/17	8859
2.15	INFORMAL CONFERENCE / HEARINGS	06/23/98	7223
3.0	CONSERVATION	06/23/98	7223

Section	Description	Revised	Resolution
3.1	RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND IRRIGATION ASSISTANCE	11/19/01	7491
4.0	LINE EXTENSION POLICY FOR CUSTOMER SERVICES UNDER 500 KW	08/14/18	8890
4.1	OVERHEAD LINE EXTENSIONS	09/29/97	7145
4.2	UNDERGROUND LINE EXTENSIONS	11/19/01	7491
4.3	TYPES OF SERVICE	11/28/05	7896
4.3.1	Permanent Service	09/29/97	7145
4.3.2	Non-Permanent Service	05/23/05	7821
4.3.3	Construction Temporary Service	08/14/18	8890
4.4	SERVICE REQUIREMENTS BY RATE CLASS	10/24/17	8859
4.5	CALCULATION OF CHARGES	09/29/97	7145
4.5.1	Line Extension Fees	09/29/97	7145
4.5.2	Line Extension Fee Payments	09/29/97	7145
4.6	MODIFICATION OF FACILITIES	09/29/97	7145
4.7	REBUILDING EXISTING LINES	09/29/97	7145
4.8	TRANSMISSION FACILITIES	09/29/97	7145
4.9	SUBSTATIONS	09/29/97	7145
4.10	DISTRIBUTION POWER LINES	09/29/97	7145
4.10.1	Area Feeder Lines	09/29/97	7145
4.10.2	Distribution Power Lines That Are Not Area Feeders	09/29/97	7145
4.11	EXTENSIONS TO RESIDENTIAL/COMMERCIAL SUBDIVISIONS	01/03/11	8527
4.11.1	Approved Subdivisions		
4.11.2	Services within a Subdivision		
4.12	MANUFACTURED HOME / MOBILE HOME PARKS		
4.13	UNUSED IRRIGATION SERVICE FACILITIES		
5.0	SERVICE AND METER REGULATIONS		
5.1.1	Determination of Availability	11/28/05	7896
5.1.2	Compliance with Regulations and Codes		
5.1.3	Access to and Care of Grant PUD Property		
5.1.4	Customer Responsibility		

Section	Description	Revised	Resolution
5.1.5	Separate Services		
5.1.6	Backup and Maintenance Power		
5.1.7	Station Service - Customer Owned		
5.2	SERVICE LATERAL AND POINT OF CONNECTION	06/23/98	7223
5.2.1	Overhead Service Laterals	06/23/98	7223
5.2.2	Underground Service Laterals	12/22/03	7671
5.3	SERVICE ENTRANCE INSTALLATION AND EQUIPMENT		
5.3.1	Responsibility of Customer/Grant PUD	06/23/98	7223
5.3.2	Wiring		
5.3.3	Protective Devices	06/23/98	7223
5.3.4	Protective Equipment on Motor Installations		
5.3.5	Service Connection		
5.4	METER LOCATIONS		
5.4.1	Placement of Meters		
5.4.2	Meter Height Requirements		
5.4.3	Line Side/Load Side Placement of Equipment		
5.4.4	Conditions Adversely Affecting Meters	12/05/94	6798
5.4.5	New Installation - Instrument Transformers	10/24/17	8859
5.4.6	Placement of Meter Bases	11/19/01	7491
5.4.7	Meter Violation	11/28/05	7896
5.5	METERING EQUIPMENT	05/08/06	7974
5.5.1	Standards for Metering Equipment		
5.5.2	Power Factor Metering	02/26/07	8098
5.5.3	Pulse Metering Data Connection	02/26/07	8098
5.6	INTERCONNECTION OF CUSTOMER-OWNED NET METERING SYSTEMS	10/24/17	8859
5.6.1	Application, Fees and Agreement	02/26/07	8098
5.6.2	Certification of Completion	02/26/07	8098
5.6.3	Unauthorized Connections	02/26/07	8098
5.6.4	Metering	02/26/07	8098

Section	Description	Revised	Resolution
5.6.5	Future Modification or Expansion	02/26/07	8098
5.6.6	Grant PUD System Capacity	02/26/07	8098
5.6.7	Customer Owned Protection	05/28/13	8677
5.6.8	Interconnection Costs	08/30/99	7308
6.0	METER READING, BILLING AND COLLECTING	08/30/99	7308
6.1	METER READING	08/30/99	7308
6.2	ADJUSTMENT OF BILLING ERRORS	08/30/99	7308
6.3	BILLING PERIODS	11/01/04	7746
6.4	NON-METERED SERVICE	05/24/04	7710
6.5	DETERMINATION OF DEMAND	10/24/17	8859
6.6	PAYMENT	05/28/13	8677
6.7	RETURN CHECK FEE	05/28/13	8677
6.8	PAYMENT OPTIONS	10/24/17	8859
6.9	BUDGETPAY	10/24/17	8859
6.10	LATE PAYMENT CHARGES	10/24/17	8859
6.11	ACCOUNT SERVICE CHARGE	01/04/10	8446
6.12	AFTER-HOURS FEE	06/04/07	8130
6.13	DEPOSITS	04/08/14	8720
6.13.1	Current Credit Rating	04/08/14	8720
6.13.2	Interest on Deposits	04/08/14	8720
6.14	NEW OR ADDITIONAL DEPOSIT REQUIREMENTS	04/08/14	8720
6.15	TERMINATION OF SERVICE	04/08/14	8720
6.16	DELINQUENCY-DISCONTINUANCE OF SERVICE	04/08/14	8720
6.16.1	Right to Disconnect	04/08/14	8720
6.16.2	Due Process	10/24/17	8859
6.17	DISCONNECT FOR NON-PAYMENT	11/19/01	7491
6.17.1	Disconnect Fee	10/24/17	8859
6.17.2	Moratorium	02/11/08	8203
6.18	LANDLORD/TENANT ARRANGEMENTS	02/26/07	8098

Section	Description	Revised	Resolution
6.19	ELIGIBILITY FOR SPECIAL LOW INCOME RATE DISCOUNTS	08/26/14	8743
6.20	NET METERING BILLING	02/10/92	6501
6.21	RENEWABLE ENERGY SYSTEM COST RECOVERY	02/10/92	6501
7.0	STREET LIGHTING SERVICE	12/28/87	5674
7.1	AVAILABILITY	02/10/92	6501
7.2	SPECIFICATIONS	02/10/92	6501
7.3	LINE EXTENSION POLICY - STREET LIGHTS	12/28/87	5674
7.3.1	Underground Service to Street Lights		
7.4	TERMINATION OF SERVICE		
7.5	CONTINUITY OF SERVICE		
8.0	LARGE POWER CUSTOMER ELECTRIC SERVICE ABOVE 500 KW/KVA	04/23/19	8916
8.1	NEW LARGE ELECTRIC SERVICE	04/23/19	8916
8.2	CUSTOMER RESPONSIBILITIES	04/23/19	8916
8.3	FACILITIES	04/23/19	8916
8.4	CUSTOMER CONTRIBUTION FOR CONNECTION	04/23/19	8916
8.5	REDUNDANT FACILITIES	04/23/19	8916
8.5.1	Redundant Distribution	04/23/19	8916
8.5.2	Redundant Transformer	04/23/19	8916
8.5.3	Redundant Transmission	04/23/19	8916
9.0	EVOLVING INDUSTRY	03/26/19	8915
9.1	RISK CONSIDERATIONS FOR INCLUSION	03/26/19	8915
9.1.1	Concentration Risk	03/26/19	8915
9.1.2	Business Risk	03/26/19	8915
9.1.3	Regulatory Risk	03/26/19	8915
9.2	PERIODIC REVIEW BY ASSESSMENT TEAM	03/26/19	8915
9.3	EVOLVING INDUSTRY ENTRY AND EXIT CRITERIA		
9.4	RATE 17 DESIGN	03/26/19	8915
9.5	COMMISSION REPORTING	03/26/19	8915
9.6	APPLICATION AND QUEUE	03/26/19	8915

Section	Description	Revised	Resolution
9.7	ATTESTATIONS	03/26/19	8915
9.8	LOAD SPLITTING AND METERING	03/26/19	8915
9.9	DETECTION AND ENFORCEMENT	03/26/19	8915
9.10	PENALTIES	03/26/19	8915
9.11	INFORMAL CONFERENCE / HEARINGS	03/26/19	8915
10.0	REVISIONS	04/01/23	[PENDING]

Style Definition: TOC 1

CUSTOMER SERVICE POLICIES

CONTENTS

Description		Page	Revised
CUSTOMER SERVICE POLICIES			1
1.0	PREAMBLE		1
1.0	PREAMBLE	1-1	4/23/19 Res. 8916
1.1	DEFINITION OF TERMS		2
1.1	DEFINITION OF TERMS	1-2	4/23/19 Res. 8916
2.0 GENERAL POLICIES			13
2.0	GENERAL POLICIES	2-1	8/9/82 Res. 4150
2.1.1	Determining RATE APPLICABILITY		13
2.1.1	Determining RATE APPLICABILITY	2-1	8/9/82 Res. 4150
2.1.2	Determination of Applicability		13
2.1.2	Determination of Applicability	2-1	3/20/06 Res. 7952
2.2	RATE SCHEDULES		13
2.2	RATE SCHEDULES	2-1	11/12/13 Res. 8696
2.2.1	Rate Schedule Exceptions		13
2.2.1	Rate Schedule Exceptions	2-1	08/14/18 Res. 8890
2.3	NEW LOADS		13
2.3	NEW LOADS	2-2	12/22/03 Res. 7671
2.4	EXCLUSIVE SOURCE AND RESALE		2
2.4	EXCLUSIVE SOURCE AND RESALE	2-2	11/1/04 Res. 7746
2.5	DISTRICT'S OBLIGATIONS		2
2.5	DISTRICT'S OBLIGATIONS	2-2	6/23/98 Res. 7223
2.6	EXCLUSIVE SOURCE AND RESALE		2
2.6	EXCLUSIVE SOURCE AND RESALE	2-2	
2.6.1	Limitations of Damages		2
2.6.1	Limitations of Damages	2-2	
2.6.2	Increased Load		2
2.6.2	Increased Load	2-3	6/23/98 Res. 7223
2.6.3	Balancing of Load		2
2.6.3	Balancing of Load	2-3	6/23/98 Res. 7223
2.6.4	Total Harmonic Distortion (THD)		4
2.6.4	Total Harmonic Distortion (THD)	2-3	11/1/04 Res. 7746
2.6.5	Surge Protection		4
2.6.5	Surge Protection	2-3	10/27/08 Res. 8296
2.7	APPLICATION FOR SERVICE		4
2.7	APPLICATION FOR SERVICE	2-3	6/23/98 Res. 7223
2.8	DISCONNECTING SERVICES		4
2.8	DISCONNECTING SERVICES	2-4	6/23/98 Res. 7223
2.9	LIFE SUPPORT SYSTEMS		4
2.9	LIFE SUPPORT SYSTEMS	2-5	4/16/85
2.9.1	Customer Obligations		4
2.9.1	Customer Obligations	2-5	11/1/04 Res. 7746
2.10	DAMAGE TO DISTRICT FACILITIES		4
2.10	DAMAGE TO DISTRICT FACILITIES	2-5	6/23/98 Res. 7223
2.11	Surge Protection		4
2.11	Surge Protection	2-5	01/03/11 Res. 8627
2.12	APPLICATION FOR SERVICE CUSTOMERS		4
2.12	APPLICATION FOR SERVICE CUSTOMERS	2-5	11/19/01 Res. 7491
2.13	DISCONNECTING SERVICES		5
2.13	DISCONNECTING SERVICES	D 2/10/92	
2.14	DISCLOSURE OF PUBLIC RECORDS		5
2.14	DISCLOSURE OF PUBLIC RECORDS	2-5	5/23/05 Res. 7821
2.15	LIFE SUPPORT SYSTEMS		6
2.15	LIFE SUPPORT SYSTEMS	S 10/24/17 Res. 8859	
2.16	SERVICE OUTSIDE GRANT COUNTY		6
2.16	SERVICE OUTSIDE GRANT COUNTY	2-5	6/23/98 Res. 7223
2.17	Customer Obligations		6
2.17	Customer Obligations	U	
2.18	UNDERGROUND FACILITIES		6
2.18	UNDERGROUND FACILITIES	2-6	6/23/98 Res. 7223
2.19	DISCLOSURE OF PUBLIC RECORDS		6
2.19	DISCLOSURE OF PUBLIC RECORDS	R	
2.20	EVECTE PROTECTION AND POWER DIVERSION		6
2.20	EVECTE PROTECTION AND POWER DIVERSION	2-6	
2.21	SERVICE OUTSIDE GRANT COUNTY		6
2.21	SERVICE OUTSIDE GRANT COUNTY	I 11/19/01 Res. 7491	
2.22	INFORMAL CONFERENCE / HEARINGS		6
2.22	INFORMAL CONFERENCE / HEARINGS	2-7	9/29/97 Res. 7145
2.23	UNDERGROUND FACILITIES		8
2.23	UNDERGROUND FACILITIES		9/29/97 Res. 7145
2.24	CONSERVATION		8
2.24	CONSERVATION	3-1	
2.25	CONSERVATION		8
2.25	CONSERVATION	3-1	8/14/18 Res. 8890
2.26	RESIDENTIAL COMMERCIAL INDUSTRIAL AND IRRIGATION ASSISTANCE		11
2.26	RESIDENTIAL COMMERCIAL INDUSTRIAL AND IRRIGATION ASSISTANCE		9/29/97 Res. 7145
2.27	CONSERVATION		11
2.27	CONSERVATION	3-1	9/29/97 Res. 7145
3.0	CONSERVATION		0
3.0	CONSERVATION	3-1	11/19/01 Res. 7491
3.1	RESIDENTIAL COMMERCIAL INDUSTRIAL AND IRRIGATION ASSISTANCE		0
3.1	RESIDENTIAL COMMERCIAL INDUSTRIAL AND IRRIGATION ASSISTANCE	3-1	11/28/05 Res. 7896
3.2	RESIDENTIAL COMMERCIAL INDUSTRIAL AND IRRIGATION ASSISTANCE		0
3.2	RESIDENTIAL COMMERCIAL INDUSTRIAL AND IRRIGATION ASSISTANCE		9/29/97 Res. 7145
4.0	LINE EXTENSION POLICY FOR RATE CLASSES 1, 2, 3 AND 7 CUSTOMER SERVICE UNDER 500 KW		1
4.0	LINE EXTENSION POLICY FOR RATE CLASSES 1, 2, 3 AND 7 CUSTOMER SERVICE UNDER 500 KW	4-1	5/23/05 Res. 7821
4.1	OVERHEAD LINE EXTENSIONS		1
4.1	OVERHEAD LINE EXTENSIONS	4-1	8/14/18 Res. 8890
4.2	UNDERGROUND LINE EXTENSIONS		1
4.2	UNDERGROUND LINE EXTENSIONS	10/24/17 Res. 8859	
4.3	TYPES OF SERVICE		2
4.3	TYPES OF SERVICE	4-1	9/29/97 Res. 7145
4.3.1	Permanent Service		2
4.3.1	Permanent Service	4-1	9/29/97 Res. 7145
4.3.2	Non-Permanent Service		2
4.3.2	Non-Permanent Service	4-1	9/29/97 Res. 7145
4.3.3	Construction Temporary Service		2
4.3.3	Construction Temporary Service	4-1	9/29/97 Res. 7145
4.3	SERVICE REQUIREMENTS BY RATE CLASS		2
4.3	SERVICE REQUIREMENTS BY RATE CLASS	4-2	9/29/97 Res. 7145

4.3.2 Non-Permanent Service..... 2

4.3.3 Construction Temporary Service..... 0

4.4 SERVICE REQUIREMENTS BY RATE CLASS 0

4.5 CALCULATION OF CHARGES 1

4.5.1 Line Extension Fees..... 1

4.5.2 Line Extension Fee Payments 2

4.6 MODIFICATION OF FACILITIES 3

4.7 REBUILDING EXISTING LINES 3

4.8 TRANSMISSION FACILITIES..... 3

4.9 SUBSTATIONS..... 3

4.10 DISTRIBUTION POWER LINES..... 3

4.10.1 Area Feeder Lines..... 3

4.10.2 Distribution Power Lines That Are Not Area Feeders 5

4.11 EXTENSIONS TO RESIDENTIAL/COMMERCIAL SUBDIVISIONS..... 5

4.11.1 Approved Subdivisions..... 5

4.11.2 Services within a Subdivision..... 5

4.12 MANUFACTURED HOME / MOBILE HOME PARKS..... 6

4.13 UNUSED IRRIGATION SERVICE FACILITIES 6

5.0 SERVICE AND METER REGULATIONS..... 7

5.1.1 Determination of Availability..... 7

5.1.2 Compliance with Regulations and Codes 7

5.1.3 Access to and Care of Grant PUD Property..... 7

5.1.4 Customer Responsibility 7

5.1.5 Separate Services..... 7

5.1.6 Backup and Maintenance Power 0

5.1.7 Station Service - Customer Owned..... 0

5.2 SERVICE LATERAL AND POINT OF CONNECTION..... 0

5.2.1 Overhead Service Laterals..... 0

5.2.2 Underground Service Laterals 0

5.3 SERVICE ENTRANCE INSTALLATION AND EQUIPMENT 1

5.3.1 Responsibility of Customer/Grant PUD..... 1

5.3.2 Wiring..... 1

5.3.3 Protective Devices 1

5.3.4 Protective Equipment on Motor Installations..... 1

5.3.5 Service Connection..... 1

5.4 METER LOCATIONS..... 2

5.4.1 Placement of Meters..... 2

5.4.2 Meter Height Requirements..... 3

5.4.3 Line Side/Load Side Placement of Equipment..... 3

5.4.4 Conditions Adversely Affecting Meters 3

5.4.5 New Installation - Instrument Transformers 4

5.4.6 Placement of Meter Bases 4

5.4.7 Meter Violation 4

5.5 METERING EQUIPMENT 4

5.5.1 Standards for Metering Equipment 4

5.5.2 Power Factor Metering 4

5.5.3 Pulse Metering Data Connection 4

5.6 INTERCONNECTION OF CUSTOMER-OWNED NET METERING SYSTEMS 5

5.6.1 Application, Fees and Agreement 5

5.6.2 Certification of Completion 5

5.6.3 Unauthorized Connections 5

5.6.4 Metering 5

5.6.5 Future Modification or Expansion 5

5.6.6 Grant PUD System Capacity 7

5.6.7 Customer Owned Protection 7

5.6.8 Interconnection Costs 7

6.0 METER READING, BILLING AND COLLECTING 0

6.1 METER READING 0

6.2 ADJUSTMENT OF BILLING ERRORS 0

6.3 BILLING PERIODS 0

6.4 NON-METERED SERVICE 0

6.5 DETERMINATION OF DEMAND 1

6.6 PAYMENT 2

6.7 RETURN CHECK FEE 2

6.8 PAYMENT OPTIONS 2

6.9 BUDGETPAY 2

6.10 LATE PAYMENT CHARGES 2

6.11 ACCOUNT SERVICE CHARGE 2

6.12 AFTER-HOURS FEE 2

6.13 DEPOSITS 3

6.13.1 Current Credit Rating 3

6.13.2 Interest on Deposits 4

6.14 NEW OR ADDITIONAL DEPOSIT REQUIREMENTS 4

6.15 TERMINATION OF SERVICE 4

6.16 DELINQUENCY-DISCONTINUANCE OF SERVICE 4

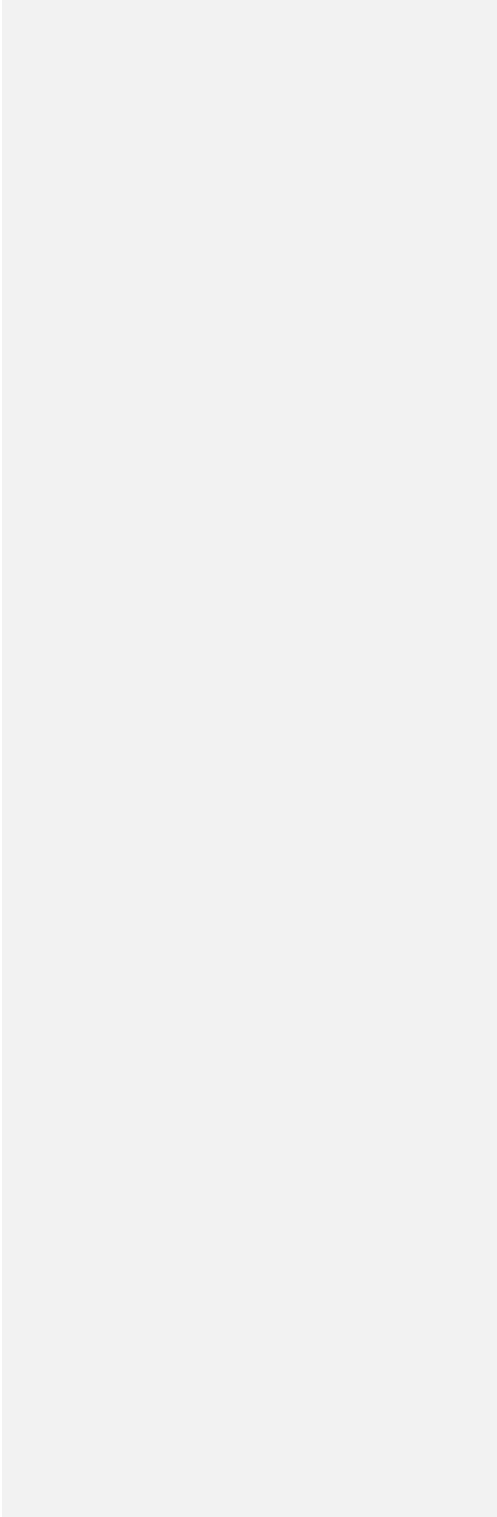
6.16.1 Right to Disconnect 4

6.16.2 Due Process 4

6.17 DISCONNECT FOR NON-PAYMENT 5

6.17.1	Disconnect Fee	6
6.17.2	Moratorium	6
6.18	LANDLORD/TENANT ARRANGEMENTS	6
6.19	ELIGIBILITY FOR SPECIAL LOW INCOME RATE DISCOUNTS	6
6.20	NET METERING BILLING	8
6.21	RENEWABLE ENERGY SYSTEM COST RECOVERY	9
7.0	STREET LIGHTING SERVICE	0
7.1	AVAILABILITY	0
7.2	SPECIFICATIONS	0
7.3	LINE EXTENSION POLICY - STREET LIGHTS	0
7.3.1	Underground Service to Street Lights	0
7.4	TERMINATION OF SERVICE	0
7.5	CONTINUITY OF SERVICE	0
8.0	LARGE POWER CUSTOMER ELECTRIC SERVICE ABOVE 500 KW/KVA	2
8.1	NEW LARGE ELECTRIC SERVICE	2
8.2	CUSTOMER RESPONSIBILITIES	2
8.3	FACILITIES	3
8.4	CUSTOMER CONTRIBUTION FOR CONNECTION	2
8.5	REDUNDANT FACILITIES	2
8.5.1	Redundant Distribution	2
8.5.2	Redundant Transformer	3
8.5.3	Redundant Transmission	4
9.0	EVOLVING INDUSTRY	5
9.1	RISK CONSIDERATIONS FOR INCLUSION	5
9.1.1	Concentration Risk	5
9.1.2	Business Risk	5
9.1.3	Regulatory Risk	5
9.2	PERIODIC REVIEW BY ASSESSMENT TEAM	5
9.3	INCLUSION IN THE EVOLVING INDUSTRY RATE CLASS	2
9.4	RATE 17 DESIGN	2
9.5	COMMISSION REPORTING	2
9.6	APPLICATION AND QUEUE	2
9.7	ATTESTATIONS	2
9.8	LOAD SPLITTING AND METERING	4
9.9	DETECTION AND ENFORCEMENT	4
9.10	PENALTIES	4
9.11	INFORMAL CONFERENCE / HEARINGS	4
10.0	REVISIONS	5

Rev. 04/23/19



4.10.2	Distribution Power Lines That Are Not Area Feeders	4-5	9/29/97 Res. 7145
4.11	EXTENSIONS RESIDENTIAL/COMMERCIAL SUBDIVISIONS	4-5	01/03/11 Res. 8527
4.11.1	Approved Subdivisions	4-5	
4.11.2	Services within a Subdivision	4-5	
4.12	MANUFACTURED HOME / MOBILE HOME PARKS	4-6	
4.13	UNUSED IRRIGATION SERVICE FACILITIES	4-6	
5.0	SERVICE AND METER REGULATIONS	5-1	
5.1	AVAILABILITY AND CONDITIONS OF SERVICE	5-1	
5.1.1	Determination of Availability	5-1	11/28/05 Res. 7896
5.1.2	Compliance with Regulations and Codes	5-1	
5.1.3	Access to and Care of District/Grant PUD Property	5-1	
5.1.4	Customer Responsibility	5-1	
5.1.5	Separate Services	5-1	
5.1.6	Backup and Maintenance Power	5-2	
5.1.7	Station Service – Customer Owned	5-2	
5.2	SERVICE LATERAL AND POINT OF CONNECTION	5-2	6/23/98 Res. 7223
5.2.1	Overhead Service Laterals	5-2	6/23/98 Res. 7223
5.2.2	Underground Service Laterals	5-2	12/22/03 Res. 7671
5.3	SERVICE ENTRANCE INSTALLATION AND EQUIPMENT	5-3	
5.3.1	Responsibility of Customer/District/Grant PUD	5-3	6/23/98 Res. 7223
5.3.2	Wiring	5-3	
5.3.3	Protective Devices	5-3	6/23/98 Res. 7223
5.3.4	Protective Equipment on Motor Installations	5-3	
5.3.5	Service Connection	5-3	
5.4	METER LOCATIONS	5-3	
5.4.1	Placement of Meters	5-3	
5.4.2	Meter Height Requirements	5-4	
5.4.3	Line Side/Load Side Placement of Equipment	5-4	
5.4.4	Conditions Adversely Affecting Meters	5-4	12/5/94 Res. 6798
5.4.5	New Installation – Instrument Transformers	5-5	10/24/17 Res. 8859
5.4.6	Placement of Meter Bases	5-5	11/19/01 Res. 7491
5.4.7	Location Violation	5-5	11/28/05 Res. 7896
5.5	METERING EQUIPMENT	5-5	5/8/06 Res. 7974
5.5.1	Standards for Metering Equipment	5-5	
	Demand Metering		8/14/18 Res. 8890
5.5.2	5-5		2/26/07 Res. 8098
5.5.3	Power Factor Metering	5-5	2/26/07 Res. 8098
5.5.4	Pulse Metering Data Connection	5-5	10/24/17 Res. 8859
5.6	INTERCONNECTION OF CUSTOMER-OWNED NET METERING SYSTEMS	5-6	2/26/07 Res. 8098
5.6.1	Application, Fees and Agreement	5-6	2/26/07 Res. 8098
5.6.2	Certification of Completion	5-6	2/26/07 Res. 8098
5.6.3	Unauthorized Connections	5-6	2/26/07 Res. 8098
5.6.4	Metering	5-6	2/26/07 Res. 8098
5.6.5	Future Modification or Expansion	5-6	
5.6.6	District/Grant PUD System Capacity	5-7	05/28/13 Res. 8677
5.6.7	Customer Owned Protection	5-7	8/30/99 Res. 7308
5.6.8	Interconnection Costs	5-7	10/24/17 Res. 8859
6.0	METER READING, BILLING AND COLLECTING	6-1	8/30/99 Res. 7308
6.1	METER READING	6-1	8/30/99 Res. 7308
6.2	ADJUSTMENT OF BILLING ERRORS	6-1	11/1/04 Res. 7746
6.3	BILLING PERIODS	6-1	5/24/04 Res. 7710
6.4	NON-METERED SERVICE	6-1	01/03/11 Res. 8527
	TRANSFER AND SPECIAL READINGS	6-1	10/24/17 Res. 8859
	DETERMINATION OF DEMAND	6-1	05/28/13 Res. 8677
6.5	PAYMENT	6-2	05/28/13 Res. 8677
6.6	RETURN CHECK FEE	6-2	10/24/17 Res. 8859

6.10	LEVEL BILLING PLAN	6-2	10/24/17 Res. 8859
6.11	LATE PAYMENT CHARGES	6-2	10/24/17 Res. 8859
6.12	ACCOUNT SERVICE CHARGE	6-2	01/04/10 Res. 8446
6.13	AFTER HOURS FEE		6/04/07 Res. 8130
6.14	DEPOSITS		04/08/14 Res. 8720
6.14.1	Current Credit Rating	6-2	04/08/14 Res. 8720
6.14.2	Interest on Deposits	6-3	04/08/14 Res. 8720
6.15	NEW OR ADDITIONAL DEPOSIT REQUIREMENTS	6-3	04/08/14 Res. 8720
6.16	TERMINATION OF SERVICE	6-3	04/08/14 Res. 8720
6.17	DELINQUENCY DISCONTINUANCE OF SERVICE	6-3	04/08/14 Res. 8720
6.17.1	Right To Disconnect	6-3	04/08/14 Res. 8720
6.17.2	Due Process	6-3	10/24/17 Res. 8859
6.18	DISCONNECT FOR NON-PAYMENT	6-3	11/19/01 Res. 7491
6.18.1	Disconnect Fee	6-4	10/24/17 Res. 8859
6.18.2	Moratorium	6-4	02/11/08 Res. 8203
6.19	LANDLORD/TENANT ARRANGEMENTS	6-4	02/26/07 Res. 8098
6.20	ELIGIBILITY FOR SPECIAL LOW INCOME RATE DISCOUNTS	6-4	08/26/14 Res. 8743
6.21	NET METERING BILLING	6-5	2/10/92 Res. 6501
6.22	RENEWABLE ENERGY SYSTEM COST RECOVERY	6-5	2/10/92 Res. 6501
7.0	STREET LIGHTING SERVICE	7-1	12/28/87 Res. 5674
7.1	AVAILABILITY	7-1	2/10/92 Res. 6501
7.2	SPECIFICATIONS	7-1	2/10/92 Res. 6501
7.3	LINE EXTENSION POLICY - STREET LIGHTS	7-1	12/28/87 Res. 5674
7.3.1	Underground Service to Street Lights	7-1	
7.4	TERMINATION OF SERVICE	7-1	
7.5	CONTINUITY OF SERVICE	7-1	
8.0	LARGE SERVICE	8-1	4/23/19 Res. 8916
8.1	NEW SERVICE	8-1	4/23/19 Res. 8916
8.2	CUSTOMER RESPONSIBILITY	8-1	4/23/19 Res. 8916
8.3	FACILITIES	8-1	4/23/19 Res. 8916
8.4	CONNECTION COST	8-2	4/23/19 Res. 8916
8.5	REDUNDANT FACILITIES	8-2	4/23/19 Res. 8916
9.0	EVOLVING INDUSTRY	9-1	3/26/19 Res. 8915
9.1	RISK CONSIDERATIONS	9-1	3/26/19 Res. 8915
9.1.1	Regulatory Risk	9-1	3/26/19 Res. 8915
9.1.2	Business Risk	9-1	3/26/19 Res. 8915
9.1.3	Concentration Risk	9-1	3/26/19 Res. 8915
<u>PERIODIC REVIEW BY ASSESSMENT TEAM</u>			
9.2	EVOLVING INDUSTRY ENTRY AND EXIT CRITERIA	9-1	3/26/19 Res. 8915
9.3	RATE 17 RATE DESIGN	9-2	3/26/19 Res. 8915
9.4	COMMISSION REPORTING	9-2	3/26/19 Res. 8915
9.5	APPLICATION AND QUEUE	9-2	3/26/19 Res. 8915
9.6	ATTESTATIONS	9-2	3/26/19 Res. 8915
9.7	LOAD SPLITTING AND METERING	9-3	3/26/19 Res. 8915
9.8	DETECTION AND ENFORCEMENT	9-3	3/26/19 Res. 8915
9.9	PENALTIES	9-3	3/26/19 Res. 8915
9.10	INFORMAL CONFERENCE/HEARINGS	9-3	

Formatted: No bullets or numbering

Formatted Table

Formatted: Left, No bullets or numbering

Formatted: Indent: Left: 0"

Formatted: Left, No bullets or numbering

Formatted: No bullets or numbering

Formatted: Left, No bullets or numbering

Rev. 4/1/2023
Rev. 04/23/19

CUSTOMER SERVICE POLICIES
PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

Formatted: Left: 0.93", Right: 0.92", Top: 0.83",
Header distance from edge: 0.5", Footer distance from
edge: 0.5"

1.0 PREAMBLE

These Customer Service Policies ("CSP"s) have been adopted by Public Utility District No. 2 of [Grant County](#), Washington ("District" or "Grant PUD") in accordance with [the DistrictGrant PUD's](#) mission, vision and values. The CSP is subject to revision by Grant PUD Board of Commissioners (Commission) at any time to meet these objectives. These policies are to serve as a guide to the employees of Grant PUD to provide the best possible service to our customers using uniform and equitable consideration. Construction details and specifications will conform to current state and national regulations governing such matters and are intended to comply with any state, regional, and local statutes. The CSP shall be considered to be amended whenever a law, regulation, statute, ordinance or equivalent changes so as to comply with such change until the CSP is updated.

Grant PUD reserves the right to disconnect the supply of electric energy, capacity, and ancillary services in the event the Customer fails to comply with any policies, provisions or any agreement the Customer has with Grant PUD. Service may be disconnected by [the DistrictGrant PUD](#) at any time to prevent fraudulent use or to protect its property.

Grant PUD encourages and invites public input regarding [DistrictGrant PUD](#) Rate Schedules and policies. Grant PUD will make reasonable efforts to notify the public of changes to the CSP. Such notification may include press releases, public announcements, notices with Customer billings, or posts on Grant PUD's website. Agenda information and commission meeting schedules can be found at [grantpud.org](#).

1.1 DEFINITION OF TERMS

The following terms shall have the meanings as defined below:

<u>Term</u>	<u>Definition</u>
<u>Account</u>	<u>The physical premises and Meter or Metering Point record plus the measurement, billing and payment information and other data associated with the Electric Service provided to the Customer at the Premises.</u>
<u>Area Feeder</u>	<u>A primary distribution circuit constructed to provide for general area load growth and system reliability, the cost of which is borne entirely by Grant PUD and included in Grant PUD's rate base. (See Section 4.10.1)</u>
<u>Backbone Facilities</u>	<u>Those facilities within a subdivision required to provide Electric Power to the property line of each lot or tract. Said facilities include transformers when multiple lots or tracts are to be served from a single transformer and the location of transformers can be established at the time Backbone Facilities are installed.</u>
<u>Billing Demand</u>	<u>The billing determinant for capacity that uses the highest kW demand after adjusting for Power Factors below 95%. Can be based on the metered kWh, computed, or fixed monthly amount.</u>
<u>Billing Determinant</u>	<u>The unit used to calculate a bill such as kilowatt-hours.</u>
<u>Connection Point</u>	<u>The designated point on the Customer's property where their secondary service is connected to Grant PUD's facilities. This would be at the weatherhead for an overhead secondary service and at a secondary termination point (moped/pedestal/vault/transformer) for an underground service.</u>
<u>Construction Temporary Service</u> <u>Complex Line Extension</u> <u>Billing-Determinant</u>	<u>A temporary service providing power to a construction site for a limited period of time. Any line extension requiring the outlay of materials and labor in excess of the limitations of a Simple Electric Service Extension shall be considered a Complex Line Extension. These extensions require an electrical design prior to construction and may involve right of way requirements in excess of those provided for by the Electric Service Connection Agreement. The unit used to calculate a bill such as kilowatt-hours.</u>

Field Code Changed

Term	Definition
<u>Construction Power</u> <u>Complex Line Extension</u>	Electric Power delivered to the Customer for the purpose of operating temporary heating and cooling equipment, tools, lights, and other applications solely for the purpose of constructing the Customer's Facilities. This is a non-metered Electric Service and Customers are not allowed to use Construction Electric Power for commissioning or limited operations. Any line extension requiring the outlay of materials and labor in excess of the limitations of a Simple Electric Service Extension shall be considered a Complex Line Extension. These extensions require an electrical design prior to construction and may involve right of way requirements in excess of those provided for by the Electric Service Connection Agreement.
<u>Construction Temporary Service</u> <u>Construction Power</u>	A temporary service providing power to a construction site for a limited period of time. Electric Power delivered to the Customer for the purpose of operating temporary heating and cooling equipment, tools, lights, and other applications solely for the purpose of constructing the Customer's Facilities. This is a non-metered Electric Service and Customers are not allowed to use Construction Electric Power for commissioning or limited operations.
<u>Construction Temporary Service Fee</u> <u>Construction Temporary Service</u>	The fee paid for a Construction Temporary Service for a limited period of time. The fee paid for limited capacity Electric Service for unmetered construction power as determined by Grant PUD, for a limited period of time. A temporary service providing power to a construction site for a limited period of time.
<u>Customer Construction Temporary Service Fee</u> <u>Construction Temporary Service Fee</u>	Any individual, group, partnership, corporation, firm or government agency who has applied for or is accepting <u>Electric and Fiber services from Grant PUD.</u> The fee paid for a Construction Temporary Service for a limited period of time. The fee paid for limited capacity Electric Service for unmetered construction power as determined by Grant PUD, for a limited period of time.
<u>Customer Contribution</u> <u>Customer</u>	An amount paid by a Customer that is adding incremental load to Grant PUD's Electric System which reduces or eliminates the shifting of long-term costs to other Customers or Customer classes for the provision of Electric Power to the new load. Any individual, group, partnership, corporation, firm or government agency who has applied for or is accepting <u>Electric Service from Grant PUD.</u>

Commented [KW1]: should this be expanded to Fiber? or remove Electric to include any Service?

Commented [CW2R1]: I agree. Propose dropping Electric

Commented [JAC3]: I would suggest using the term "utility service"

Commented [KW4]: should this be expanded to Fiber? or remove Electric to include any Service?

Commented [CW5R4]: I agree. Propose dropping Electric

Commented [JAC6]: I would suggest using the term "utility service"

<u>Term</u>	<u>Definition</u>
<u>Demarcation Point</u> <u>Customer- Contribution</u>	A designated point on the Customer's property, at which Grant PUD's Facilities end and the Customer's Facilities begin, location established for the purpose of construction to define where the Grant PUD's circuit and the customer's circuit are interconnected. For an overhead system, the demarcation point is the splice point just outside the customer's service mast or a temporary meter socket. For underground service, the demarcation point is the first secondary connection on the customer's property either at a padmount transformer, secondary handhole, secondary pedestal or a meter socket. Demarcation only applies to construction. Once a service is activated, a service point is established which defines control. An amount paid by a Customer that is adding incremental load to Grant PUD's Electric System which reduces or eliminates the shifting of long-term costs to other Customers or Customer classes for the provision of Electric Power to the new load.
<u>Distribution System</u> <u>Demarcation- Point</u>	That part of Grant PUD's Facilities operated nominally at 13.2 kV and 12.47 kV voltage levels and used to distribute and deliver Electric Power to the Demarcation Point. The designated connection point, on the Customer's property, at which Grant PUD's Facilities end and the Customer's Facilities begin.
<u>Domestic Electric Service or Domestic Service</u>	Single phase electric connection to Grant PUD's Distribution System for deliveries of Electric Power under a Rate Schedule exclusively to single family dwellings, individual apartments, condominiums and farms.
<u>Effective Electric Service Date</u>	The date upon which a Customer accepts delivery of Electric Power under a Rate Schedule at the Account Premises by having the power turned on (made available) and the service placed in or transferred to their name.
<u>Electric Power</u>	The physical electric energy and capacity provided by Grant PUD, including all ancillary services, independent of the Rate Schedule under which the Customer is receiving Electric Service.
<u>Electric Service</u>	Electric Power delivered to a Customer under a Rate Schedule.
<u>Electric Service Connection Agreement</u>	An agreement between Grant PUD and the Customer, which must be signed by the Customer when applying for a Line Extension from Grant PUD.
<u>Electric Service Suspension Notice</u>	A reminder letter, sent separately from the billing statement, to inform Customers of past due amounts and provide instructions to prevent their service from being disconnected for non-payment.
<u>Electric System</u>	Grant PUD's infrastructure used to generate, transmit, and deliver Electric Power to its Customers.
<u>Estimated Extension Cost</u>	The estimated cost, based on current Grant PUD standard unit values, for a line extension. The estimate includes all material, labor, transportation, and applicable overheads with credit for any salvage.
<u>Evolving Industry</u>	Evolving Industry (or EI) is the class covered by Rate Schedule 17.
<u>Facilities Plan</u>	The document that contains detailed information about the electric Facilities Grant PUD is constructing intended to deliver Electric Power to a Customer.

<u>Term</u>	<u>Definition</u>
<u>Facility or Facilities</u>	The physical land, equipment, wire, cable and appurtenances in a location or a group of locations.
<u>False Call Fee</u>	A charge paid by a customer that requests Grant PUD service and is not prepared when Grant PUD arrives on site at the requested timeframe.
<u>Fiber Subscriber</u>	A person or entity that is receiving access to Telecommunication Services from a Service Provider.
<u>Grant PUD Construction Standards</u>	A set of rules, drawings, guidelines, and specifications for construction of Electric Power Facilities, established by the Grant PUD Standards group. These standards secure uniform construction methods, optimize safety, serviceability, appearance, and economy and comply with or exceed local, state and federal regulations.
<u>Hearing Officer</u>	Commission-appointed person responsible for adjudicating contested bills not resolved to the Customer's satisfaction working through the Customer Care Team(s).
<u>Identified Uses</u>	The industry, functions, applications or uses included in Rate Schedule 17 as determined by the Rate Schedule 17 review process.
<u>Industry</u>	Grant PUD classifies industries based on activities that represent a means of production, target a market, produce a product and/or provide a service. Activities are grouped together such that the risk characteristics of the grouped activities are similar and can be analyzed as a single industry. It is possible for a Customer to participate in multiple Industries.
<u>Irrigation Electric Service</u>	Electric Service used specifically for irrigation, orchard temperature control or soil drainage loads only not exceeding 2,500 horsepower. Electric Power delivered under the Irrigation Rate Schedule(s) may only be used as described in the Rate Schedule including any supporting ancillary equipment needed.
<u>Large Electric Service</u>	Electric Service provided to Large Power Customers.
<u>Large Electric Service Application</u>	Application form for Large Power Customers (available at grantpud.org) used to request new or additional Electric Service from the Grant PUD. While all Customers are required to inform Grant PUD of all material load changes, Large Power Customers must use this form to inform Grant PUD.
<u>Large Power Customer</u>	Customers with electric loads exceeding 500 kW/kVA who accept Electric Power under a Rate Schedule 7, 14, 15, 16, 17, 85, 94 or a written agreement for Electric Power deliveries with Grant PUD that is not delivered under a current Rate Schedule.
<u>Line Extension</u>	Any customer projects requiring the outlay of materials and labor in excess of the limitations of a Simple Electric Service Extension shall be considered a Line Extension. These extensions require an electrical design prior to construction and may involve right-of-way requirements in excess of those provided for by the Electric Service Connection Agreement. Facilities that are designated as part of an Area Feeder are not included in the definition of Line Extension.
<u>Line Extension Fee</u>	The applicable Customer paid fees for a Line Extension. (Refer to Section 4.5.1.)
<u>Net Metering Application</u>	The application provided by the Customer to Grant PUD, on Grant PUD's form, which provides the design of the Net Metering system and initiates the interconnection process.

Formatted: Default Paragraph Font, Font: 10 pt, Font color: Auto

Formatted: Default Paragraph Font, Font: 10 pt, Font color: Auto

<u>Term</u>	<u>Definition</u>
<u>Net Metering Interconnection Agreement</u>	An agreement provided by Grant PUD to the Customer setting forth the terms and conditions for allowing a Customer to interconnect an energy producing Customer-owned resource. Customers may not connect a Net Metering System without written approval by Grant PUD and execution of a Net Metering Interconnection Agreement.
<u>Net Metering System</u>	As defined in RCW 80.60.010, means a fuel cell, a facility that produces electricity and used and useful thermal energy from a common fuel source, or a facility for the production of electrical energy that generates renewable energy, and that: (a) Has an electrical generating capacity of not more than one hundred (100) kilowatts; (b) Is located on the customer-generator's premises; (c) Operates in parallel with the electric utility's transmission and distribution facilities; and Is intended primarily to offset part or all of the customer-generator's requirements for electricity.
<u>New Large Load</u>	An increase of any load(s) over 10 average MW of a Customer's annual average load (average MW) above the Customer's highest annual average load since 2010.
<u>Orchard Temperature Control</u>	Frost control fans or pumps used in the heating or cooling of orchards.
<u>Ownership Costs</u>	A monthly charge required to be paid by the Customer for Non-Permanent service. The charge reflects costs associated with Grant PUD owning, operating and maintaining the Non-Permanent facilities. This charge is for use of the facilities only and does not include Electric Service. The charge is calculated using standard Grant PUD accounting practices.
<u>Premises</u>	The building and land that constitutes the location where a Customer will be accepting Electric Power under a Rate Schedule and this Customer Service Policy. Premises is both singular and plural.
<u>Rate Schedule</u>	Any Commission approved method to calculate a Customer's bill for Electric Service for a given time frame, determined by service dates. The methods describe the billing components such as minimum fees, basic charges, cost of the various billing determinants such as energy use and billing demand. Rate Schedules can be found at grantpud.org .
<u>Renewable Energy</u>	As defined in RCW 80.60.010, means "energy generated by a facility that uses water, wind, solar energy, or biogas from animal waste as a fuel".
<u>Secondary Service</u>	The wire providing service from the Connection Point to a Customer's meter.
<u>Simple Service</u>	Any Customer project that only requires a Customer's secondary service wire to be connected to Grant PUD's existing facilities. This would include any inspections needed as well as making the final connection and setting the meter. Limitations for maximum distances between Grant PUD's existing facilities and the Demarcation Point are available by request.
<u>Simple Service Fee</u>	A Customer paid charge that is collected for a Simple Service.
<u>Start of Electric Service</u>	The date and time when a Customer starts accepting deliveries of Electric Power under an approved Rate Schedule.

Commented [RC7]: "Energy producing devices" would include generators, which is not the purpose.

<u>Term</u> <u>Term</u>	<u>Definition</u> <u>Definition</u>
<u>Termination Charge</u>	A Customer paid amount to reflect the Grant PUD's costs to remove Line Extension Facilities no longer being used by the Customer. The amount to be paid by the Customer shall reflect the cost of labor to remove the Line Extension plus a pro-rated portion of any unsalvageable equipment and materials.
<u>Up and Down Charge</u>	Customer paid amount for Grant PUD to providing install or construct non-permanent Facilities for the delivery of Electric Service on short-term, interim or provisional basis. The charge shall be based on all
<u>VAR</u> <u>kVAR</u> <u>MVAR</u>	A technical term that refers to the component of the Electric Power that is not used to perform work such as rotating the shaft of an electric motor but provides the component that maintains voltage and provides the magnetic field required to turn an Electric motor's shaft. Sometimes this term is also referred to as 'reactive power'. The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVAR means kilovolt-ampere reactive and MVAR means megavolt- ampere reactive.
<u>VARh</u> <u>kVARh</u> <u>MVARh</u>	The amount of reactive power, measured in VAR delivered in one hour. The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVARh means kilovolt-ampere reactive hour and is often used to calculate Billing Determinants by Grant PUD and MVARh means megavolt-ampere reactive hour, more commonly used in wholesale electric markets.
<u>Volt-ampere (VA)</u> <u>(kVA, MVA)</u>	The product of the current and voltage of a load. Represents the total burden the load places on the Electric System. Often referred to as 'apparent power' it is generally the limiting characteristic of Facilities. The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVA means kilovolt-ampere and MVA means megavolt-ampere.
<u>Watt</u> <u>kW</u> <u>MW</u>	The measurement of power in the International System of Units (SI) the equivalent of horsepower in the English measurement system. Watts are the component of volt-amperes that perform work such as rotate the shaft of an electric motor or produce light from a light bulb. The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kW means kilowatt and MW means megawatt.
<u>kWh</u>	Kilowatt-hour and is the most common billing determinant used by Grant PUD representing the amount of Electric Power, measured in thousands of watts delivered in one hour. The prefix k stands for one thousand (1,000).

Term	Definition
Distribution System	That part of Grant PUD's Facilities operated nominally at 13.2 kV and 12.47 kV voltage levels and used to distribute and deliver Electric Power to the Demarcation Point.
Domestic Electric Service or Domestic Service	Single phase electric connection to Grant PUD's Distribution System for deliveries of Electric Power under a Rate Schedule exclusively to single family dwellings, individual apartments, condominiums and farms.
Effective Electric Service Date	The date upon which a Customer accepts delivery of Electric Power under a Rate Schedule at the Account Premises by having the power turned on (made available) and the service placed in or transferred to their name.
Electric Power	The physical electric energy and capacity provided by Grant PUD, including all ancillary services, independent of the Rate Schedule under which the Customer is receiving Electric Service.
Electric Service	Electric Power delivered to a Customer under a Rate Schedule.
Electric Service Connection Agreement	An agreement between Grant PUD and the Customer, which must be signed by the Customer when applying for a Line Extension from Grant PUD.
Electric Service Suspension Notice	A reminder letter, sent separately from the billing statement, to inform Customers of past due amounts and provide instructions to prevent their service from being disconnected for non-payment.
Electric System	Grant PUD's infrastructure used to generate, transmit, and deliver Electric Power to its Customers.
Estimated Extension Cost	The estimated cost, based on current District Grant PUD standard unit values, for a line extension. The estimate includes all material, labor, transportation and applicable overheads with credit for any salvage.
Evolving Industry	Evolving Industry (or EI) is the class covered by Rate Schedule 17.
Facilities Plan	The document that contains detailed information about the electric Facilities Grant PUD is constructing intended to deliver Electric Power to a Customer.
Facility or Facilities	The physical land, equipment, wire, cable and appurtenances in a location or a group of locations.
Grant PUD Construction Standards	A set of rules, drawings, guidelines and specifications for construction of Electric Power Facilities, established by the Grant PUD Standards group. These standards secure uniform construction methods, optimize safety, serviceability, appearance and economy and comply with or exceed local, state and federal regulations.
Hearing Officer	Commission appointed person responsible for adjudicating contested bills not resolved to the Customer's satisfaction working through the Customer Care Team(s).
Identified Uses	The industry, functions, applications or uses included in Rate Schedule 17 as determined by the Rate Schedule 17 review process.

Industry	Term	Definition
		Grant PUD classifies industries based on activities that represent a means of production, target a market, produce a product and/or provide a service. Activities are grouped together such that the risk characteristics of the grouped activities are similar and can be analyzed as a single industry. It is possible for a Customer to participate in multiple Industries.
	Irrigation Electric Service	Electric Service used specifically for irrigation, orchard-temperature control or soil drainage loads only not exceeding 2,500 horsepower. Electric Power delivered under the Irrigation Rate Schedule(s) may only be used as described in the Rate Schedule including any supporting ancillary equipment needed.
	Large Electric Service	Electric Service provided to Large Power Customers.
	Large Electric Service Application	Application form for Large Power Customers (available at grantpud.org) used to request new or additional Electric Service from the Grant PUD. While all Customers are required to inform Grant PUD of all material load changes, Large Power Customers must use this form to inform Grant PUD.
	Large Power Customer	Customers with electric loads exceeding 500 kW/kVA who accept Electric Power under a Rate Schedule 7, 14, 15, 16, 17, 85, 94 or a written agreement for Electric Power deliveries with Grant PUD that is not delivered under a current Rate Schedule.
	Line Extension	<u>Any customer projects requiring the outlay of materials and labor in excess of the limitations of a Simple Electric Service Extension shall be considered a Line Extension. These extensions require an electrical design prior to construction and may involve right of way requirements in excess of those provided for by the Electric Service Connection Agreement. Any Facilities added to Grant PUD's Distribution System to supply Electric Power to Customers. Facilities that are</u>
	Line Extension Fee	The applicable Customer paid fees for a Line Extension. (Refer to Section 4.5.1.)
	Net Metering Application	The application provided by the Customer to Grant PUD, on Grant PUD's form, which provides the design of the Net Metering system and initiates the interconnection process.
	Net Metering Interconnection Agreement	An agreement provided by Grant PUD to the Customer setting forth the terms and conditions for allowing a Customer to interconnect an energy producing Customer-owned resource. Customers may not connect energy producing devices <u>Net Metering System without written approval by Grant PUD or and execution of a Net Metering Interconnection</u>

Commented [RC8]: "Energy producing devices" would include generators, which is not the purpose.

Net Metering System	<p>As defined in RCW 80.60.010, means a fuel cell, a facility that produces electricity and used and useful thermal energy from a common fuel source, or a facility for the production of electrical energy that generates renewable energy, and that:</p> <ul style="list-style-type: none">(a) Has an electrical generating capacity of not more than one hundred (100) kilowatts;(b) Is located on the customer-generator's premises;(c) Operates in parallel with the electric utility's transmission and distribution facilities; and(d) Is intended primarily to offset part or all of the customer-generator's requirements for electricity.
----------------------------	--

Term	Definition
New Large Load	An increase of any load(s) over 10 average MW of a Customer's annual average load (average MW) above the Customer's highest annual average load since 2010.
Orchard Temperature Control	Frost control fans or pumps used in the heating or cooling of orchards.
Ownership Costs	A monthly charge required to be paid by the Customer for Non-Permanent service. The charge reflects costs associated with Grant PUD owning, operating and maintaining the Non-Permanent facilities. This charge is for use of the facilities only and does not include Electric Service. The charge is calculated using standard Grant PUD accounting practices.
Premises	The building and land that constitutes the location where a Customer will be accepting Electric Power under a Rate Schedule and this Customer Service Policy. Premises is both singular and plural.
Rate Schedule	Any Commission approved method to calculate a Customer's bill for Electric Service for a given time frame, determined by service dates. The methods describe the billing components such as minimum fees, basic charges, cost of the various billing determinants such as energy use and billing demand. Rate Schedules can be found at grantpud.org .
Renewable Energy	As defined in RCW 80.60.010, means "energy generated by a facility that uses water, wind, solar energy, or biogas from animal waste as a fuel".
Simple Service Extension	<u>Any Customer project that only requires a Customer's secondary service wire to be connected to Grant PUD's existing facilities. This would include any inspections needed as well as making the final connection and setting the meter.</u> Any extension of Facilities that does not exceed the normal allowance(s) to connect a new Customer or new load. There are many components that make up the
Simple Service Extension Fee	A Customer paid charge that is collected as described elsewhere in this document when Grant PUD facilities
Start of Electric Service	The date and time when a Customer starts accepting deliveries of Electric Power under an approved Rate Schedule.
Termination Charge	A Customer paid amount to reflect the Grant PUD's costs to remove Line Extension Facilities no longer being used by the Customer. The amount to be paid by the Customer shall reflect the cost of labor to remove the Line Extension plus a pro-rated portion of any unsalvageable equipment and materials.
Up and Down Charge	Customer paid amount for Grant PUD to providing install or construct non-permanent Facilities for the delivery of Electric Service on short-term, interim or provisional basis. The charge shall be based on all

Term	Definition
<p>VAR kVAR MVAR</p>	<p>reasonable costs estimated to be incurred by Grant PUD for the provision of such Facilities.</p> <p>A technical term that refers to the component of the Electric Power that is not used to perform work such as rotating the shaft of an electric motor, but provides the component that maintains voltage and provides the magnetic field required to turn an Electric motor's shaft. Sometimes this term is also referred to as "reactive power".</p> <p>The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVAR means kilovolt-ampere reactive and MVAR means megavolt-ampere reactive.</p>
<p>VARh kVARh MVARh</p>	<p>The amount of reactive power, measured in VAR delivered in one hour.</p> <p>The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVARh means kilovolt-ampere reactive hour and is often used to calculate Billing Determinants by Grant PUD and MVARh means megavolt-ampere reactive hour, more commonly used in wholesale electric markets.</p>
<p>Volt-ampere (VA) (kVA, MVA)</p>	<p>The product of the current and voltage of a load. Represents the total burden the load places on the Electric System. Often referred to as "apparent power" it is generally the limiting characteristic of Facilities.</p> <p>The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kVA means kilovolt-ampere and MVA means megavolt-ampere.</p>
<p>Watt kW MW</p>	<p>The measurement of power in the International System of Units (SI) the equivalent of horsepower in the English measurement system. Watts are the component of volt-amperes that perform work such as rotate the shaft of an electric motor or produce light from a light bulb.</p> <p>The prefix k and M stand for one thousand (1,000) and one million (1,000,000) respectively. kW means kilowatt and MW means megawatt.</p>
<p>kWh</p>	<p>Kilowatt-hour and is the most common billing determinant used by Grant PUD representing the amount of Electric Power, measured in thousands of watts delivered in one hour.</p> <p>The prefix k stands for one thousand (1,000).</p>

Rev. 4/1/2023*

2.0 GENERAL POLICIES

2.1 RATE APPLICABILITY

2.1.1 Metering Point

The rates of the District Grant PUD are based upon the supply of service to the entire premises through a single metering point. Separate metering points will be billed individually unless aggregated for Large Power Customer Electric Service Above 500 kW/kVa. Refer to Section 8.0.

2.1.2 Determination of Applicability

The District Grant PUD shall determine the applicable rate schedule to be applied for each Customer load based on available information. In the case of multiple Customer meters or facilities, the District Grant PUD reserves the right to aggregate Customer loads and meter reads for purposes of determining the applicable rate schedule. If over time a Customer's electrical usage or load characteristics change in a way that would qualify the Customer to be on a different rate schedule, it shall be the obligation of the Customer to notify the District Grant PUD of such changes. Changes in applicable rate schedules will be made on a prospective basis only.

If a Customer exceeds the billing demand limit of their current rate schedule they may be moved to the appropriate schedule for future billings. If the Customer has been below the billing demand limit of their current rate schedule for a period of at least (12) consecutive calendar months, one year they may request the District Grant PUD move them to the rate schedule appropriate for their current billing demand.

2.2 RATE SCHEDULES

The rates of the District Grant PUD are based upon a balance between electric service requirements, environmental considerations, and cost. Rate schedules have been adopted by the District Grant PUD's Commission to establish charges for service according to classification of Customers. Copies of the rate schedules are available upon request.

Schedule No. 1	Domestic Service
Schedule No. 2	General Service
Schedule No. 3	Irrigation Service
Schedule No. 6	Street Lighting Service
Schedule No. 7	Large General Service
Schedule No. 13	Alternative Energy Resources
Schedule No. 13SS	Specified Source Purchase
Schedule No. 13REC	Renewable Energy Certificate Purchase
Schedule No. 14	Industrial Service
Schedule No. 15	Large Industrial Service
Schedule No. 16	Agricultural Food Processing Service
Schedule No. 17	Evolving Industry Service
Schedule No. 85	Agricultural Food Processing Boiler Service
Schedule No. 94	New Large Load Service

2.2.1 Rate Schedule Exceptions

Service may be supplied to Customers not coming within the scope of the regular rate schedules of the District Grant PUD; provided that such service shall be covered by separate contract and shall be approved by the Commissioners of the District Grant PUD.

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Right

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Commented [RC9]: Is this still true? Are there aggregated meters?

Commented [CW10R9]: Yes, we still have aggregation for large industrial accounts.

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Commented [JAC11]: Should we change to: "at least 12 consecutive calendar months"

Commented [JS12R11]: I agree

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Rev. 4/1/2023

2.3 NEW LOADS

Service to New Large Loads will only be made pursuant to Rate Schedule No. 94, New Large Load Service.

2.4 EXCLUSIVE SOURCE AND RESALE

Unless otherwise provided by special contract, service will be rendered only to those loads which secure their source of electric power exclusively from ~~the DistrictGrant PUD~~. Unless otherwise provided in the contract, the Customer shall not resell the electric energy purchased from ~~the DistrictGrant PUD~~.

2.5 DISTRICTGRANT PUD'S OBLIGATIONS

~~The DistrictGrant PUD~~ will attempt to provide, but does not guarantee, a regular and uninterrupted supply of service. ~~The DistrictGrant PUD~~ may suspend the delivery of electric service for the purpose of making repairs or improvements to its system. ~~The DistrictGrant PUD~~ will attempt to provide reasonable advance notice of such suspension to the Customer. Repairs or improvements that can be scheduled will be scheduled, when feasible, at such time as to minimize impact to ~~DistrictGrant PUD~~ Customers. In making repairs and improvements to ~~the DistrictGrant PUD's~~ electrical system, ~~the DistrictGrant PUD~~ will do so with diligence and complete them as soon as reasonably practicable in accordance with prudent utility practice. Electric Service is inherently subject to interruption, suspension, curtailment and fluctuation. In no event, however, shall ~~the DistrictGrant PUD~~ be liable to its Customers or any other persons for any damages to person or property arising out of, or related to, any interruption, suspension, curtailment or fluctuation in service if such interruption, suspension, curtailment or fluctuation results in whole or part from any of the following:

- A. Causes beyond ~~the DistrictGrant PUD's~~ reasonable control including, but not limited to, accident or casualty, fire, flood, drought, wind, acts of the elements, court orders, insurrections or riots, generation failures, lack of sufficient generating capacity, breakdowns of or damage to equipment/facilities of ~~DistrictGrant PUD~~ or of third parties, acts of God or public enemy, strikes or other labor disputes, civil, military or governmental authority, electrical disturbances originating on or transmitted through electrical systems with which ~~DistrictGrant PUD's~~ system is interconnected and acts or omissions of third parties.
- B. Repair, maintenance, improvement, renewal or replacement work on ~~DistrictGrant PUD's~~ electrical system, which work, in the sole judgment of ~~DistrictGrant PUD~~, is necessary or prudent.
- C. Automatic or manual actions taken by ~~DistrictGrant PUD~~, which in its sole judgment are necessary or prudent to protect the performance, integrity, reliability or stability of ~~DistrictGrant PUD's~~ electrical system or any electrical system with which it is interconnected. Such actions shall include, but shall not be limited to, the operation of automatic or manual protection equipment installed in Company's electrical system, including, without limitation, such equipment as automatic relays, generator controls, circuit breakers, and switches. Automatic equipment is preset to operate under certain prescribed conditions, which in the sole judgment of ~~DistrictGrant PUD~~, threaten system performance, integrity, reliability and stability.
- D. Actions taken to conserve energy.

The limitation of liability provisions set forth above and in Section 2.5.1 shall apply notwithstanding any negligence of ~~the DistrictGrant PUD~~, unless the actions of ~~the DistrictGrant PUD~~ are determined to be intentional or shall constitute gross negligence.

~~2.5.1~~ **2.5.1 Limitations of Damages**

- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Right

- Formatted: Not Raised by / Lowered by
- Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by
- Formatted: Not Raised by / Lowered by
- Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

2.6 CUSTOMER'S OBLIGATIONS

~~2.6.1~~ 2.6.1 Increased Load

In the event the Customer desires to increase load, the Customer shall request new service from the DistrictGrant PUD. If the Customer fails to notify the DistrictGrant PUD and the DistrictGrant PUD's equipment is damaged as a result of such increase in load, the Customer shall reimburse for all repair and replacement costs to the DistrictGrant PUD.

~~2.6.2~~ 2.6.2 Balancing of Load

Except in the case of three-phase four-wire delta services, the current unbalance in three-phase services shall not exceed 10 percent of the current, which would be required at maximum load under balanced conditions.

~~2.6.3~~ 2.6.3 Total Harmonic Distortion (THD)

1. The application of any nonlinear load by the Customer (e.g., static power converters, arc furnaces, adjustable speed drive systems, etc.) shall not cause voltage and/or current Total Harmonic Distortion (THD) levels greater than the levels as recommended by IEEE standard 519-1992, or subsequent revision, on the DistrictGrant PUD's electric system at the point of power delivery to the Customer's facility. The DistrictGrant PUD will determine the appropriate SCR (short circuit ratio) at the Customer's facility for the purpose of applying IEEE 519.
2. The Customer shall disclose to the DistrictGrant PUD all nonlinear loads prior to connection. The DistrictGrant PUD may test the Customer's load to determine the THD levels.
3. It shall be the responsibility of the Customer to assure that the THD requirements are met, including the purchase of necessary filtering equipment. Any load found not in compliance with this policy shall be corrected immediately by the Customer at the Customer's expense. If not corrected, the DistrictGrant PUD may terminate service to the Customer's facility.
4. The Customer shall be liable for all damages, losses, claims, costs, expenses and liabilities of any kind or nature arising out of, caused by, or in any way connected with the application by the Customer of any nonlinear load operating with maximum THD levels in excess of the values stated in paragraph 1. The Customer shall hold harmless and indemnify the DistrictGrant PUD from and against any claims, losses, costs of investigation, expenses, reasonable attorneys' fees, damages and liabilities of any kind or nature arising out of, caused by, or in any way connected with the application by the Customer of any nonlinear load operating with maximum THD levels in excess of the values stated in paragraph 1.

~~2.6.4~~ 2.6.4 Surge Protection

The Customer shall be responsible to provide surge protection for all voltage sensitive equipment such as electronic appliances or devices.

2.7 APPLICATION FOR SERVICE

The DistrictGrant PUD will accept application for electric service over the telephone or by personal visit to any of the DistrictGrant PUD's Local Offices and the following shall apply:

- A. All applicants for electric service shall provide the DistrictGrant PUD with service and billing information as required, and required and agree to the DistrictGrant PUD's terms and conditions for service.
- B. Acceptance of service shall subject the Customer to compliance with the terms of the applicable rate schedule, DistrictGrant PUD's Customer Service Policies, DistrictGrant PUD Workbooks and Initiatives. The Customer is responsible for all electricity used until notification of the change in occupancy has been received by the DistrictGrant PUD.

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Right

Formatted: Font: 10 pt

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.15 pt

Formatted: Widow/Orphan control, Keep with next, Keep lines together

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Keep with next, Keep lines together, Tab stops: 0.88", Left

Formatted: Widow/Orphan control, Keep with next, Keep lines together

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Rev. 4/1/2023*

- C. All applicants shall provide the following information or documentation:
 1. A full name, mailing address and service address where services are to be delivered.
 2. Full name of any occupants over 18 years of age living where services are to be delivered who are authorized to conduct transactions on the account.
 3. Proof of identity, such as a valid social security number and/or government-issued picture identification. Other identification may be accepted at the DistrictGrant PUD's discretion provided it convincingly proves the identity of the prospective Customer.
 4. At least one active primary telephone number and email address (if available) where the Customer can be contacted.
 5. Whether service termination would create a danger to the health of any occupant(s) residing therein.

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Right

Formatted: Justified

Formatted: Justified

2.8 DISCONNECTING SERVICES

Customers requesting service disconnects must contact the DistrictGrant PUD by telephone or in person. The DistrictGrant PUD will execute service disconnects according to the following:

- A. At the time a Customer requests service disconnect the DistrictGrant PUD will attempt to verify (1) the individual's identity by personal recognition, social security number, driver's license or other identification, (2) the authority of the individual to request the disconnect when there is reason to question the identity of the requesting party, (3) the name and mailing address of the occupant of the residence where electric service is to be terminated, and (4) whether any occupant would be endangered by the termination of service. If Grantthe PUD obtains information that the residence is being occupied by someone other than the person making the termination request, Grant PUD it will inform such person that services may not be discontinued until the occupant is given a minimum period of five days to put service in his/her own name.
- B. If the DistrictGrant PUD has no reason to believe that the premises are occupied by a person other than the one making the request, or that any occupant's health will be endangered, the DistrictGrant PUD may proceed to terminate electric service. However, before service is terminated, the employee executing the non-remote disconnect will make a reasonable effort to inspect the property for which termination has been requested in order to ascertain whether the property is occupied by persons other than the one making the termination request or to determine whether extenuating circumstances, such as conditions endangering life or property, may result from the disconnect. If such circumstances appear to exist, or if the DistrictGrant PUD has actual notice or reason to believe that someone other than the person requesting the termination is residing at the premises, then a five-day notice will be left at the premises and the disconnect will be held in abeyance until an investigation can be made by the Local Office.
- C. Where the DistrictGrant PUD does not haasve neither actual notice nor reasonable belief after inspection that someone other than the person requesting termination occupies the premises, or that extenuating circumstances exist, such as life or property-endangering conditions, the DistrictGrant PUD may terminate service. However, in the event the DistrictGrant PUD decides fulfills the request to terminate utility service, it will conspicuously may post on the door of the property a notice which will inform any occupants of the premises that they may request immediate restoration of the utility service.
- D. Upon completion of the service disconnect, a quick check will be made to insure service is actually disconnected at the intended address.
- E-D. For single-family units or individually-metered multi-family units, if the premises are occupied by a person other than the Customer of record, the DistrictGrant PUD will upon request transfer electric service into the occupant's name. With respect to such transfer of service:

Commented [KW13]: With the AMI change - is this still effective - it seems like A, B, and C are similar and could be revised?? The new tenant or old tenant based on who calls and who is there would still need to sign up for the service and with automated ons/offers - it seems that the sooner it is off and the new customer makes application - the better?? Am I missing something here??

Commented [CW14R13]: Added "non-remote"

Commented [RC15]: I do not believe the door is posted anymore.

Commented [CW16]: This can be taken out as CCS now has alerts for consumption on a disconnected or uninstalled meter as well as without an active service agreement

Rev. 4/1/2023*

the occupant will not be responsible for any charges accrued prior to the date notice of opportunity to place service in the user's name is provided (except where occupant has agreed by lease to pay for electrical service, in which case charges will begin on the date the tenancy began).

F.E. For residential buildings containing more than one dwelling unit in which service is not individually provided, a five-day notice will be provided giving the occupants an opportunity to put service in their own name(s).

G.F. Refer to Section 6.18 of these policies for disconnects for nonpayment.

2.9 LIFE SUPPORT SYSTEMS

The DistrictGrant PUD is unable to guarantee constant or continuous electric service. The DistrictGrant PUD will make reasonable effort to notify all known electrically supplied life support system Customers/patients of planned power outages, in advance, giving the date, time and estimated length of planned power outages.

2.9-2.9.1 Customer/Patient Obligations

It shall be the responsibility of the Customer/patient to furnish the DistrictGrant PUD by phone or in writing a telephone number and/or email address which will enable timely contact by the DistrictGrant PUD 24 hours per day, 365 days per year and to notify the DistrictGrant PUD of any change in telephone number and/or email address; and of any change in the medical situation of the person on life support services. If a customer no longer has life support, it shall be the responsibility of the customer to notify Grant PUD.

In the event the Customer/patient desires to increase his the life support system load materially, the DistrictGrant PUD shall be given sufficient advance notice, so it may provide added facilities if necessary. If the Customer fails to notify the DistrictGrant PUD and the DistrictGrant PUD's equipment is damaged as a result, the Customer shall be held liable for the cost of such damage.

2.10 DAMAGE TO DISTRICTGRANT PUD FACILITIES

Each individual, group, or organization shall pay the DistrictGrant PUD for all damages to, or destruction of, property of the DistrictGrant PUD where such is caused by the individual, group, or organization, except that the DistrictGrant PUD will not require payment for accidental damage to poles resulting from weed and brush burning. Customer shall be responsible to reimburse the DistrictGrant PUD for any damage to DistrictGrant PUD transformers or other DistrictGrant PUD facilities, caused by Customer overloading said facilities.

2.11 MATERIAL SALES TO CUSTOMERS

The DistrictGrant PUD recognizes that local merchants will occasionally be out of items or cannot timely secure items that may also be included in the DistrictGrant PUD's normal supply of stock. When this situation arises the DistrictGrant PUD will, upon request, sell normal stock items.

Sales are restricted to DistrictGrant PUD Customers, are for their own use, on a cash and carry basis. The selling price is the DistrictGrant PUD's inventory cost, plus applicable stores expense, plus sales tax. Materials will not be sold for resale.

2.122.11 DISCLOSURE OF PUBLIC RECORDS

Public records of the DistrictGrant PUD are available for inspection and copying. Policies and procedures related to disclosure of public records are available on the DistrictGrant PUD's Web site or can be requested by contacting our offices.

2.132.12 SERVICE OUTSIDE GRANT COUNTY

The DistrictGrant PUD will only serve loads outside of Grant County in areas that are covered under

Formatted: Font: (Default) Courier New, 9.5 pt
Formatted: Font: (Default) Courier New, 9.5 pt
Formatted: Font: (Default) Courier New, 9.5 pt
Formatted: Right

Formatted: Font: Bold
Formatted: Not Raised by / Lowered by
Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by
Formatted: Not Raised by / Lowered by
Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left
Commented [KW17]: Is contact being made by email address and phone?

Commented [JS18]: @Carol Mayer Didn't we eliminate this from the warehouse policy? Recalling sale of transformer in the last couple years.
Commented [JS19R18]: @Cary West We need to update this. We have a conflict with the Warehouse policy. We wanted to address it on next CS update.
Commented [CW20R18]: Deleted as covered in separate accounting/support services policy.
Formatted: Condensed by 0.15 pt
Formatted: Condensed by 0.15 pt
Formatted: Body Text, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Rev. 4/1/2023*

Agreements with the serving utility for the area. Service shall be in accordance with the terms of the Agreement. Requests for service outside of Grant County in areas not covered under an Agreement will be

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Right

Formatted: Condensed by 0.15 pt

Formatted: Condensed by 0.15 pt

Rev. 4/1/2023*

considered on an individual basis by ~~the DistrictGrant PUD~~'s Commissioners. Refer to Section 4.55, Calculation of Charges, for Customer cost obligations for service outside Grant County.

2.142.13 UNDERGROUND FACILITIES

~~The DistrictGrant PUD~~ will install electrical facilities underground at ~~DistrictGrant PUD~~ expense in the following situations:

- A. Substation underground feeder get-a-ways.
- B. When determined by ~~the DistrictGrant PUD~~ that applicable electrical codes or public safety considerations require placement of electrical facilities underground.
- C. Transmission lines and Area Feeders where it is more economically beneficial to ~~the DistrictGrant PUD~~ to place electrical facilities underground. In making this determination, ~~the DistrictGrant PUD~~ will consider capital investment costs, projected operations and maintenance costs, and public safety consideration.
- D. Except as otherwise specifically provided above or in Section **Error! Hyperlink reference not valid.** 4.2 of these Customer Service Policies, all costs incurred by ~~the DistrictGrant PUD~~ in connection with placement of electrical facilities underground shall be the responsibility and paid by the Customer or municipality requesting or requiring underground service.

2.152.14 REVENUE PROTECTION AND POWER DIVERSION

The purpose of ~~the DistrictGrant PUD~~'s Revenue Protection Policy is to reduce or eliminate revenue loss due to metering defects and power diversion. The policy establishes a program for the prevention, detection and responsive action to be taken with regard to power diversion on ~~the DistrictGrant PUD~~'s system.

The significant elements of this policy include the following:

- A. Meter Seals. All ~~DistrictGrant PUD~~ meters and associated equipment utilized for billing purposes will be sealed. Included will be meters utilized for measuring KWH, KW, KVARH, potential and current transformer enclosures and test switches.
- B. Meter Sealing Fee. If a service has been reconnected which has been previously disconnected or a meter seal has been cut on an active service WITHOUT PRIOR AUTHORIZATION from ~~the DistrictGrant PUD~~, a fee will be charged to the Customer, owner, or person in control of the premises, refer to fee schedule. Prior authorization may be obtained from ~~the DistrictGrant PUD~~. Additional fees shall be assessed if power diversion has occurred.
- C. Meter Testing. ~~DistrictGrant PUD~~ meters utilized for billing purposes will be tested periodically to assure all meters operate within the accuracy limits established for each type and class of meter.
- D. Power Diversion/Theft of Power. Diversion of power, as defined in RCW 80.28.240, is strictly prohibited. The Customer, owner, or person in control of the premises will be presumed liable for all losses, damages and costs related to such actions.
- E. Violations. ~~The DistrictGrant PUD~~ may seek prosecution for any power diversion, destruction of ~~DistrictGrant PUD~~ property and other violations of law affecting delivery of its services, and will pursue collection for any losses, damages and costs related to such actions to the full extent provided by law.
- F. Investigations. ~~DistrictGrant PUD~~ personnel will determine if power diversion has occurred. A preliminary investigation shall include an evaluation of the Customer's account history, examination of on-site conditions by appropriate personnel and other pertinent information.

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Right

Formatted: Font: 10 pt, Condensed by 0.15 pt

Formatted: Right: 0.08"

Commented [RC21]: There is no 4.55

Formatted: Condensed by 0.15 pt

Formatted: Condensed by 0.15 pt

Formatted: Default Paragraph Font, Condensed by 0.15 pt

Formatted: Condensed by 0.15 pt

Formatted: Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Commented [RC22]: 4.2 Is underground.

Commented [CW23]: Confirm Revenue Protection Policy...

Rev. 4/1/2023*

F. _____

G. Notice. After the investigation is complete and [the District Grant PUD](#) determines that power diversion has occurred, the Customer shall be notified that power diversion has occurred and:

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Right

Rev. 4/1/2023*

G.

1. The Customer has been assessed all of the damages, if any, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including, but not limited to, costs and expenses for investigation, disconnection, reconnection and service calls;
2. The Customer ~~may beis being~~ billed up to triple the amount of actual damages as provided by RCW 80.28.240; and
3. That all sums due must be paid within 30 days unless other arrangements acceptable to ~~the District~~Grant PUD are made;
4. If a civil action becomes necessary, ~~the District~~Grant PUD shall seek to recover its costs of suit, reasonable attorneys' fees and expert witness fees; and

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Font: (Default) Courier New, 9.5 pt

Formatted: Right

Formatted: List Paragraph, Justified, Right: 0.09", Space Before: 6 pt, Outline numbered + Level: 3 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07", Tab stops: 1.07", Left

Rev. 4/1/2023*

H. Connection and Disconnection. The District Grant PUD may refuse to connect or may disconnect service to a Customer for unlawful current diversion, theft of power or other violation of the District Grant PUD's Customer Service Policies, until all charges, losses and damages have been paid in full or other arrangements acceptable to the District Grant PUD have been made. The District Grant PUD will attempt to give the Customer reasonable advance notice of the disconnection including the reasons for the disconnection and the time of the disconnection.

- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Right
- Formatted: Indent: Left: 0.57", Right: 0.08", Page break before, Keep with next, Keep lines together

2.462.15 INFORMAL CONFERENCE / HEARINGS

Customers having questions about or disputing the application of these policies billings or Rate Schedules may request an informal conference with a District Grant PUD representative by calling a the District Grant PUD's Customer Solutions Supervisor or Manager. The informal conference may be conducted by telephone or in person at the Customer's request. The Customer may present any information which the Customer deems relevant to the matter. If, following the informal conference, the Customer wishes to pursue the matter, the Customer may request a hearing with the District Grant PUD's designated Hearing Officer. The hearing will be scheduled at a mutually convenient time and the Hearing Officer shall render his or her decision in writing as soon as practical.

Rev. 4/1/2023*

- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Font: (Default) Courier New, 9.5 pt
- Formatted: Right

3.0 CONSERVATION

The District Grant PUD recognizes the value of conservation and retail energy services. Therefore, the Energy Services Department shall attempt to acquire practicable pursue cost-effective energy conservation and/or provide a value-added customer service resources. A current list of all available programs is available from the District Grant PUD's Energy Services Department. Any use of District Grant PUD funds for conservation purposes shall be in accordance with applicable laws.

3.1 LOAN PROGRAM

Complete documentation on the District's loan program is available from the District's Energy Services Department. An appropriate (APR) simple interest rate that is cost effective to the District is charged on the loan. All loans are made in accordance with RCW 54.16.280, Article VIII, Section 10 of the Constitution of the State of Washington, and Regulation Z, truth in lending.

Commented [RC24]: Loans are no longer offered.

3.1 DEMAND RESPONSE

Grant PUD recognizes that wholesale electric prices and various operational constraints can materially impact its overall cost to serve its customers. The ability to work with Customers to schedule or manage when electric power is consumed (Demand Response) provides value to all Customers, not just the participants. Grant PUD staff may develop rate schedules to capture seasonal, monthly, weekly, daily, or hourly value. In addition, Grant PUD may work with certain customers or groups of customers to develop Demand Response arrangements such as avoiding placing incremental load on or reducing loads on Grant PUD's electric system for safety improvement, economic benefit, operational flexibility, or reliability purposes provided the arrangement is designed to reduce Grant PUD's power costs or generates incremental value for all its Customers. Customers who are able to participate in Demand Response will typically receive the benefit in the form of a billing credit unless specific arrangements are made prior to entering into the activity.

3.2 RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND IRRIGATION ASSISTANCE

Any Customer of the District Grant PUD, in these sectors, is eligible for conservation assistance to the extent the District Grant PUD has the necessary equipment and expertise to provide it. Loans, rebates and /or cost sharing will be offered as provided by Washington State Law and to the extent funding is available and cost effective to the District Grant PUD.

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

4.0 LINE EXTENSION POLICY FOR CUSTOMER SERVICES UNDER 500 KW

A Line Extension is an addition or modification of electrical equipment and/or an increase in the size or length of ~~the DistrictGrant PUD's~~ existing electrical facilities to serve new customer electric load within ~~the DistrictGrant PUD's~~ service area. Line Extensions are categorized as consisting of either Overhead or Underground electrical facilities or a combination of both. ~~The line construction within these categories can be either Simple or Complex. (See Definition of Terms, Section 1.1)~~

~~The DistrictGrant PUD~~ will extend or modify its facilities through Simple Service ~~Extensions~~ or ~~Complex~~ Line Extensions to Permanent, Non-Permanent or Construction Temporary Services. Facilities will be extended to provide service under applicable Rate Schedules in accordance with ~~DistrictGrant PUD~~ Construction Standards. ~~Customer supplied fiber optic conduit is for Grant PUD fiber optic cable only.~~ Each line extension will be subject to evaluation as to feasibility, permanence, and compatibility with ~~the DistrictGrant PUD's~~ system. Final determination as to specific conditions applicable to the extension, type of construction, route and design shall be made solely by ~~the DistrictGrant PUD.~~

Customer compliance with ~~DistrictGrant PUD~~ Policies and Construction Standards are a condition of service. The Customer is required to sign an ~~Electric~~ Service Connection Agreement for any proposed Line Extension and pay any applicable Line Extension Fees.

Commented [JAC25]: To match definition above

4.1 OVERHEAD LINE EXTENSIONS

When ~~the DistrictGrant PUD~~ determines overhead facilities should be installed to serve a Customer, ~~at the Customer's expense, the DistrictGrant PUD~~ will provide and install all materials and equipment necessary to provide said service from its existing facilities to the ~~Demarcation Connection Point~~ in accordance with current ~~DistrictGrant PUD~~ Construction Standards. ~~Grant PUD will own and maintain all overhead Secondary Services after they are energized.~~

Formatted: Not Highlight

4.2 UNDERGROUND LINE EXTENSIONS

When ~~the DistrictGrant PUD~~ determines underground facilities should be installed to serve a Customer, the installation shall be made on the same basis as overhead and in conformance with all other ~~DistrictGrant PUD~~ policies and standards applicable to underground service (refer to Section 4.11 for Customer obligations for Backbone Facilities).

~~Grant PUD will own and maintain all underground Secondary Services providing power to any single-family home, any single unit manufactured/mobile home, any irrigation service fed directly from a pole to the meter (if meter is within twenty feet of the pole), and any single structure duplex. The Customer will own all underground Secondary Services providing power to commercial buildings, multi-family buildings, mobile home parks, and potentially others not mentioned here.~~

Examples

- A. ~~Single house on an individual lot – Grant PUD owns the secondary wire from the connection point to the meter.~~
- B. ~~Single mobile home on an individual lot – Grant PUD owns the secondary wire from the connection point to the meter.~~
- C. ~~One duplex on an individual lot – Grant PUD owns the secondary wire from the connection point to the meter.~~
- D. ~~Irrigation service for a crop – Grant PUD owns the secondary wire from the pole to the metering equipment as long as the metering equipment is within twenty feet of the pole.~~
- E. ~~Small or large commercial building on an individual lot – Customer owns the secondary wire from the connection point to the metering equipment.~~
- F. ~~Two or more duplexes on the same lot – Customer owns the secondary wire from the~~

connection point to the metering equipment.

G. Any service inside of a mobile home park – Customer owns the secondary wire from the connection point to the metering equipment.

H. Multi-unit building on an individual lot – Customer owns the secondary wire from the connection point to the metering equipment.

I. One meter controlling landscape lighting and sprinkler system at an entrance to a plat – Customer owns the secondary wire from the connection point to the metering equipment.

4.3 TYPES OF SERVICE

~~4.3.1~~ 4.3.1 Permanent Service

For Line Extensions to permanent electric loads, all of the following conditions must be met:

~~A-J.~~ The need for electricity is intended to be permanent in the location applied for.

~~B-K.~~ The property owner must sign an ~~Electric~~ Service Connection Agreement.

~~C-L.~~ The Customer must furnish all necessary permits, licenses and other governmental approvals required in connection with the line extension.

~~D-M.~~ When deemed necessary by ~~the District Grant PUD~~, the Customer shall provide perpetual easements, permits and/or licenses required in connection with the line extension.

~~E-N.~~ For all water pumping loads, excluding domestic wells, ~~Grant PUD reserves the right to require~~ the Customer ~~shall to~~ provide a written permit from the agency having jurisdiction over the water to be pumped.

~~F-O.~~ The Customer shall make payment of the Line Extension Fee as specified in Section 4.5.1.

Service to electric loads meeting all of the conditions as set forth above shall be considered permanent.

~~4.3.2~~ 4.3.2 Non-Permanent Service

When a Customer requesting a Line Extension cannot meet the conditions set forth in Section 4.3.1 above, non-permanent service may be extended under the following conditions:

~~A.~~ The Customer must sign an ~~Electric~~ Service Connection Agreement.

Formatted ... [1]

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted ... [2]

Formatted: Justified, Right: 0.09", Outline numbered + Level: 3 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07", Tab stops: Not at 1.07" + 1.07"

Commented [JAC26]: To match definition above

Formatted ... [3]

Formatted ... [4]

Formatted: Not Expanded by / Condensed by

Formatted ... [5]

Formatted ... [6]

Commented [RC27]: Changed with input from Distribution Systems (Bob Kakaley)

Formatted ... [7]

Formatted ... [8]

Formatted ... [9]

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Commented [JAC28]: See same comment above

Formatted: Justified, Right: 0.08", Space Before: 4.65 pt, No bullets or numbering, Tab stops: Not at 1.07" + 1.07"

In addition to all other requirements for Line Extension as set forth by Section 4.0, a Customer(s) applying for said extension for Irrigation Service shall:

1. Provide and install all material, trenching etc., as necessary for electric service from the load being served to the designated Demarcation-Connection Point.
2. Provide and install a DistrictGrant PUD-approved concrete pad for all padmount transformers 750 KVA and larger.

D. Large Electric Service

Refer to Section 8 for additional Customer requirements for Large Electric Service above 500 kW.

4.5 CALCULATION OF CHARGES

~~4.5.1~~ 4.5.1 ~~Line Extension Fees~~

A. Permanent Service:

The Customer shall pay a ~~non-refundable~~ Line Extension fee (refer to fee schedule) for services located within Grant County, unless service qualifies for a Simple Service Extension (See Definition of Terms, Section 1.1). The Line Extension fee may be refundable upon termination of the request, less any amounts already expended or committed by Grant PUD in relation to the Line Extension request.

~~For Line Extension estimates in excess of \$20,000, the Customer shall be responsible for the actual cost of the project. A Customer Service Contract must be signed when the initial estimate is paid. When the project is complete and all project costs have been accumulated, Grant PUD will either refund or invoice any differential between the actual and estimated costs to the customer.~~

~~For Line Extension estimates in excess of \$20,000, the Customer shall be responsible for the actual cost of the project. A Customer Service Contract must be signed when the initial estimate is paid. When the project is complete and all project costs have been accumulated, Grant PUD will either refund or invoice any differential between the actual and estimated costs to the Customer.~~

When more than one rate schedule could apply, the maximum will be established by the rate schedule which gives the lowest billing for energy usage.

The minimum payment for any Line Extension shall be equal to the Simple Service Extension Fee.

Customers applying for Permanent Service to an electric load outside Grant County shall be required to pay 100% of the Estimated Extension Cost.

B. Simple Service Extension Fees:

The Customer shall pay a non-refundable Simple Service Electric Extension-fee, refer to fee schedule.

The Customer shall pay a non-refundable Simple Service Fiber fee, refer to fee schedule.

C. Non-Permanent Service:

The Customer shall pay a non-refundable Up and Down Charge for Non-Permanent Service equal to the estimated cost of furnishing, installing and removing the required facilities, less any salvage value, for service inside or outside of Grant County. In addition, the Customer shall pay a monthly facility charge equal to the DistrictGrant PUD's Ownership Costs. (See Definition of Terms, Section 1.1).

D. Construction Temporary Service:

Formatted: Font: 10 pt

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Character scale: 100%

Formatted: Character scale: 100%, Not Expanded by / Condensed by

Formatted: Character scale: 100%

Formatted: Space Before: 6 pt

Formatted: Right: 0.08", Space Before: 6 pt

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

The Customer shall pay a non-refundable Construction Temporary Service Fee or "flat fee" ~~connection and the first six (6) months' energy usage~~, refer to fee schedule.

E. Permit Fees:

In addition to payment of the appropriate Line Extension Fee, any charges levied by any agency for permits, surveys, easements, licenses, etc. necessary for the Line Extension, shall be paid for by the Customer.

~~4.5.24.5.2~~ **Line Extension Fee Payments**

~~Charges for Simple Services Extensions, both Overhead and Underground, shall be included in the Customer's energy usage bill for the service. Charges for Complex Line Extensions are due prior to scheduling construction.~~

Exception: Customers applying for Line Extensions to Backbone Facilities and/or Customers with an account(s) requiring a deposit under Section 6.14, shall be required to pay prior to energizing the service.

~~For projects with an estimated cost in excess of \$20,000, an initial \$20,000 payment will be due along with a signed Customer Service Contract in advance of any project work commencing. When said project is complete and all project costs have been accumulated the Customer shall be responsible for the actual cost of the project. A Customer Service Contract must be signed when the initial estimate is paid. When the project is complete and all project costs have been accumulated, Grant PUD will provide to the Customer an itemized invoice reflecting all project costs incurred. Grant PUD will either refund or invoice any differential between the actual and estimated costs to the Customer. Grant PUD will provide to the Customer an itemized invoice reflecting all project costs incurred and final payment due. Final payment will be due 25 days after the invoice date. Permanent Service will be subject to disconnection if full payment is not received by the due date.~~

- Formatted: Font: Bold
- Formatted: Not Raised by / Lowered by
- Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by
- Formatted: Not Raised by / Lowered by
- Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left
- Formatted: Not Expanded by / Condensed by
- Formatted: Space Before: 4.65 pt
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Character scale: 100%, Not Expanded by / Condensed by
- Formatted: Character scale: 100%
- Formatted: Indent: Left: 0.56"
- Formatted: Body Text, Indent: Left: 1.07", Right: 0.08"

~~Exception: Customers applying for Complex Line Extensions to Backbone Facilities and/or Customers with an account(s) requiring a deposit under Section 6.14, shall be required to pay prior to energizing the service.~~

Payment of the Line Extension Fee is in addition to any energy use, deposits, or outstanding invoices that may be due. Political subdivisions of the State of Washington and Agencies of the Federal Government may make payment after [DistrictGrant PUD](#) facilities are installed provided [the DistrictGrant PUD](#) has received written agreement that payment will be made in full upon completion of [DistrictGrant PUD](#) work.

4.6 MODIFICATION OF FACILITIES

Modifications are those changes to existing electrical facilities required to allow for installation of new facilities requested by a Customer. Upon request from an individual Customer, [the DistrictGrant PUD](#) will modify its facilities provided:

- A. The Customer signs and submits a Service Connection Agreement.
- B. The Customer pays the pro-rated Termination Charge for the modified facilities in addition to the appropriate Line Extension Fee for the new facilities.
- C. The modifications comply with current Customer Service Policies and [DistrictGrant PUD](#) Construction Standards.

4.7 REBUILDING EXISTING LINES

When it becomes necessary to rebuild existing line to serve added electric load, the cost of the rebuild shall be considered as part of the Estimated Extension Cost for the new load except when the line is designated to be an Area Feeder. (See Section 4.10.1)

4.8 TRANSMISSION FACILITIES

Transmission facilities required to provide for general area load growth and basic system reliability will be constructed entirely at [DistrictGrant PUD](#) expense as part of an overall development plan.

4.9 SUBSTATIONS

Substations required to provide for general area load growth and basic system reliability will be constructed entirely at [DistrictGrant PUD](#) expense as part of an overall development plan.

4.10 DISTRIBUTION POWER LINES

~~4.10.1~~ 4.10.1 Area Feeder Lines

Primary distribution lines designed to provide for general electric load growth and system reliability are designated as "Area Feeders". These lines are constructed at [DistrictGrant PUD](#) expense, included in the rate base and limited to the following:

- A. Incorporated Cities and Towns
Primary lines along all platted streets and alleys inside or adjoining the city limits shall be designated as Area Feeders.
- B. Developed Irrigation Blocks
Primary lines along all county road and state highway rights-of-way inside or adjoining developed irrigation blocks shall be designated as Area Feeders.
- C. Proposed Irrigation Blocks
When, in the opinion of [the DistrictGrant PUD](#), the road plan and canal construction schedule has been established, all distribution lines along county road and state highway rights-of-way shall be designated as Area Feeders. When requested by a Customer to

Formatted: Font: 10 pt
Formatted: Justified, Indent: Left: 0.56", Right: 0.08", Space Before: 6 pt

Formatted ... [14]
Formatted: Indent: Left: 0.56", Right: 0.08"

Formatted ... [15]
Formatted: Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07"

Formatted ... [16]
Formatted: Justified, Right: 0", Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07"

Formatted ... [17]
Formatted: Justified, Right: 0", Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07"

Formatted: Condensed by 0.15 pt
Formatted: Condensed by 0.15 pt
Formatted: Right: 0.08", Space Before: 6 pt

Formatted ... [18]
Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Rev. 4/1/2023

Rev. 04/23/19

provide service inside the proposed irrigation block more than one year prior to scheduled delivery of

irrigation water, the DistrictGrant PUD will construct the necessary area feeders, the size and location being in accordance with the feeder plan for the block. The Customer requesting the service shall enter into an agreement to pay the annual interest on the DistrictGrant PUD's estimated investment for the Area Feeder(s). Said agreement shall continue for ten (10) years or until irrigation water is delivered to the block.

When no road plan or canal construction schedule has been established, the DistrictGrant PUD will construct requested lines to serve Customer loads without consideration of the area becoming an irrigation block and the estimated construction costs shall be included as part of the Estimated Extension Cost.

D. Sandwells Irrigation Block

Primary lines along all established and legally recorded county road and state highway rights-of-way inside or adjoining the Sandwells area shall be designated as Area Feeders. (Refer to DistrictGrant PUD maps for boundaries of the Sandwells area.)

E. Other

Certain distribution facilities that extend into areas of anticipated development or that are for the purpose of system reliability may be designated as Area Feeders at the sole discretion of the DistrictGrant PUD.

4.10.2 4.10.2 Distribution Power Lines That Are Not Area Feeders

Essentially, a "Non-Area Feeder" is any primary distribution line not meeting the criteria established by Section 4.10.1. Additionally, Extensions (Backbone Facilities) into residential and commercial subdivisions shall not be considered Area Feeders. Construction costs for distribution lines that are not designated, as Area Feeders shall be included as part of the Estimated Extension Cost except as follows:

A. A. When it is deemed necessary by the DistrictGrant PUD to add a distribution system neutral conductor to an existing power line, the DistrictGrant PUD will pay 100% of the construction cost for the addition of the system neutral.

4.11 EXTENSIONS TO RESIDENTIAL/COMMERCIAL SUBDIVISIONS

4.11.1 4.11.1 Approved Subdivisions

The DistrictGrant PUD will extend electric service to any new city or county approved subdivision according to the following conditions:

- A. The Customer must provide a Backbone Facility design in accordance with DistrictGrant PUD Construction Standards, subject to DistrictGrant PUD approval.
- B. The Customer must pay the appropriate Line Extension Fee as required by Section 4.5.1, prior to construction.
- C. All trenching, conduit, transformer boxes, pads, junction boxes, sand bedding and backfill shall be provided and installed by the Customer in accordance with DistrictGrant PUD Construction Standards.
- D. The costs for Off-Site Facilities or Line Extensions outside the boundaries of a residential or commercial subdivision necessary for providing service to the subdivision, will be included as part of the Estimated Line Extension Costs for the subdivision.

4.11.2 4.11.2 Services within a Subdivision

DistrictGrant PUD facilities installed in addition to a Backbone Facility to serve individual Customers shall be considered a separate Extension and subject to the appropriate Section(s) of Line Extension Policy 4.0.

Formatted ... [19]
Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: 10 pt
Formatted: List Paragraph, Left, Right: 0", Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.61" + Indent at: 1.07", Tab stops: 1.07", Left + 1.07", Left

Formatted ... [20]

Formatted ... [21]

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Right: 0", Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.61" + Indent at: 1.07"

Formatted: Not Expanded by / Condensed by

Formatted ... [22]

Formatted: Not Expanded by / Condensed by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Expanded by / Condensed by

Formatted: Right: 0.02", Space Before: 6.3 pt

Formatted ... [23]

Where Backbone Facilities have not been provided for by a developer, any Customer(s) requesting service within the subdivision shall be responsible for the necessary Backbone Facilities in accordance with Line Extension Policy, Section 4.11, as if he/she were the developer.

4.12 MANUFACTURED HOME / MOBILE HOME PARKS

Line Extensions will be made to new manufactured home parks and additions will be made to existing mobile home/manufactured home parks under the following conditions:

- A. If the Line Extension is considered to be permanent, construction will be done in accordance with the Line Extension Policy, Section 4.11.1.
 - B. ~~The DistrictGrant PUD will consider a Line Extension permanent in cases where the Customer makes a substantial permanent investment in other improvements. This requirement will be satisfied when initial improvements include permanent water and sewer facilities, graded and paved or graveled streets and electric service entrance capability at each manufactured home or mobile home space.~~
 - C. ~~Grant PUD will provide the appropriate electrical system to the Connection Point(s). For an individual manufactured/mobile home, the Connection Point will be at the moped/pedestal, and Grant PUD will own and maintain the underground conduit and secondary service wire up to the meter after the service is energized. For manufactured/mobile homes within a mobile home park, the Connection Point will either be at the transformer or at the moped/pedestal and will be dependent on the design. For manufactured/mobile homes within a mobile home park, the Customer will own and maintain the underground conduit and secondary service wire from the Connection Point to the meter(s) after the service is energized.~~
- ~~C. Connection/mobile as well as for manufactured/mobile homes within a mobile home park. The DistrictGrant PUD will provide the appropriate electrical system to the Demarcation Point(s).~~

4.13 UNUSED IRRIGATION SERVICE FACILITIES

~~DistrictGrant PUD~~-owned irrigation service facilities may be removed by ~~the DistrictGrant PUD~~ at any time following disconnection for nonpayment of arrears from a previous irrigation billing season.

Formatted: Font: 10 pt

Formatted: Right: 0", Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.61" + Indent at: 1.07"

Formatted: Not Expanded by / Condensed by

Formatted: Font: 10 pt

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Right: 0", Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.61" + Indent at: 1.07"

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Font: 10 pt, Not Bold

Formatted: Justified, Right: 0.07", Space Before: 6.1 pt

5.0 SERVICE AND METER REGULATIONS

5.1 AVAILABILITY AND CONDITIONS OF SERVICE

~~5.1.1~~ **5.1.1 Determination of Availability**

The availability of service for the equipment to be used shall be determined by ~~the DistrictGrant PUD~~ before proceeding with the wiring or the installation of equipment. ~~The DistrictGrant PUD~~ shall advise the Customer of the available phase and voltage for that service, and of any required reduced voltage motor starting equipment to protect the service to its other customers (see Section 5.3.3).

~~5.1.2~~ **5.1.2 Compliance with Regulations and Codes**

The Customer's wiring and equipment shall comply with State, Municipal and ~~DistrictGrant PUD~~ regulations, the National Electrical Code and the National Electrical Safety Code. ~~The DistrictGrant PUD~~ reserves the right to discontinue service at any time, or refuse to connect where such service will adversely affect the service to its Customers, or where the Customer has not complied with said regulations and codes, or where the Customer's equipment or wiring are found to be defective or dangerous, until the same are repaired to the satisfaction of ~~the DistrictGrant PUD~~; however, ~~the DistrictGrant PUD~~ is not obligated to inspect the Customer's electrical property and assumes no liability for the condition of, or resultant damage or injury from, the Customer's electrical property.

~~5.1.3~~ **5.1.3 Access to and Care of ~~DistrictGrant PUD~~ Property**

~~The DistrictGrant PUD~~ shall have the right, through its employees or other agents, to enter upon the premises of the Customer at all times for the purpose of reading, inspecting, repairing or removing the metering devices, appliances and wiring owned by ~~the DistrictGrant PUD~~. The Customer shall provide space for, and exercise proper care to protect ~~DistrictGrant PUD~~ property on the Customer's premises. Such property shall include, but is not limited to, meters, instrument transformers, wires and other facilities installed by ~~the DistrictGrant PUD~~. In the event of damage to ~~DistrictGrant PUD~~ property, the Customer, owner, or person in control will be presumed to be liable for the cost to repair or replace ~~DistrictGrant PUD~~ property, which is damaged or destroyed. If power diversion has occurred, ~~the DistrictGrant PUD~~ may recover additional costs, expenses, and damages as provided under Customer Service Policy 2.14 or other applicable law. Additionally, the Customer shall have such rights to conferences with ~~DistrictGrant PUD~~ personnel as are provided in Customer Service Policy 2.14.

~~5.1.4~~ **5.1.4 Customer Responsibility**

Nothing in these Policies shall be construed as placing upon ~~the DistrictGrant PUD~~ any responsibility for the condition of the Customer's wiring or equipment, and ~~the DistrictGrant PUD~~ shall not be held liable for any loss or damage resulting from defects in the Customer's installation and shall not be held liable for damage to persons or property arising from the use of the service on the premises of the Customer.

~~5.1.5~~ **5.1.5 Separate Services**

~~The DistrictGrant PUD~~ will not totalize metering of separate services. Where ~~the DistrictGrant PUD~~ contracts to furnish separate transformers to provide multiple services or multiple voltages for the mutual benefit of ~~the DistrictGrant PUD~~ and the Customer, metering and billing shall be either by separate services at low voltage or consolidated at high voltage and include transformation losses.

Separate Customers shall have separate metering and separate accounts, subject to the conditions set forth in Section 2.1.1. ~~The DistrictGrant PUD~~ will not allow two or more separate customers to combine or totalize metering.

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

~~5.1.65.1.6~~ **Backup and Maintenance Power**

Backup power and maintenance power will be provided by ~~the DistrictGrant PUD~~ upon request, to Cogeneration and Small Power Production Facilities as defined under the Public Utilities Regulatory Policies Act of 1978. ~~The DistrictGrant PUD~~ shall provide excitation power during interconnected parallel operations with Cogeneration and Small Power Production Facilities of 100 kW or less.

~~5.1.75.1.7~~ **Station Service - Customer Owned**

Station Service Power for Customer-owned generating facilities will be provided by ~~the DistrictGrant PUD~~ only when the facility is not generating power.

5.2 SERVICE LATERAL AND POINT OF CONNECTION

The route of the service and the location of the service connection and metering equipment shall be determined by ~~the DistrictGrant PUD~~. Any wiring not complying with these Policies and installed without first determining the location of the service connection and/or meters will have to be brought into compliance with these Policies upon notification by ~~the DistrictGrant PUD~~.

~~5.2.15.2.1~~ **Overhead Service Laterals**

- A. For overhead service, the service entrance shall be so located that the service wires installed by ~~the DistrictGrant PUD~~ will reach the service entrance by attachment at one location only on the building.
- B. The point of service attachment of an overhead service on the building shall be of sufficient height to provide the required ground clearance for service drop conductors. A service mast or other approved structure to terminate service conductors or reinforcement of the building for adequate anchorage shall be provided and installed by the Customer or ~~his~~ ~~their~~ contractor. ~~The DistrictGrant PUD~~ will supply, for installation by the Customer, anchor bolts for service attachments to concrete, masonry, or other buildings where necessary.
- C. Only one set of service entrance conductors will be connected to any one overhead service drop except by special approval of ~~the DistrictGrant PUD~~.
- D. ~~The DistrictGrant PUD~~ will supply and install, as part of the Customer extension costs, meter poles for overhead services. ~~The meter pole shall then be owned and maintained by the Customer.~~
- E. Permission must be obtained before attachments are made to ~~DistrictGrant PUD~~ owned poles ~~and meter poles~~. Attachments to ~~DistrictGrant PUD~~ owned poles shall be done strictly in accordance with ~~DistrictGrant PUD~~ specifications.

~~5.2.25.2.2~~ **Underground Service Laterals**

- A. In general, a building or other premises will be supplied through only one underground service lateral. Where the use of multiple service entrance conductors is necessary, the means and location of connection to the underground service lateral shall be determined by ~~the DistrictGrant PUD~~.
- B. The Customer is responsible for trench, conduit, sand bedding and backfill in accordance with ~~DistrictGrant PUD~~ specifications.
- C. Where conductors are buried directly in the earth, supplementary mechanical protection may be required by ~~the DistrictGrant PUD~~.
- D. Each underground installation shall be in accordance with specifications and drawings available from ~~the DistrictGrant PUD~~.

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Rev. 4/1/2023

Rev. 11/2022

5.3 SERVICE ENTRANCE INSTALLATION AND EQUIPMENT

~~5.3.5.3.1~~ Responsibility of Customer/District Grant PUD

All service entrance equipment, instrument transformer enclosures, meter enclosures, meter sockets, conduits and raceways are the responsibility of the Customer and shall be of a type approved by the District Grant PUD. The instrument transformers secondary circuit conductors will be supplied and installed by the District Grant PUD.

~~5.3.25.3.2~~ Wiring

Where metering equipment and the designated Demarcation Point are one and the same, all wiring on the line side of the metering equipment shall be installed by the District Grant PUD according to District Grant PUD Construction Standards. When metering equipment is located elsewhere, the Customer shall provide and install all wiring between the Demarcation Connection Point and the metering equipment with said installation subject to the provisions of Section 5.1.2. When the use of multiple conduits is necessary, the weatherheads shall be grouped such that none is more than 18 inches from the point of service attachment on the building. Underground wiring shall be buried enclosed in conduit (i.e. direct buried cable is not allowed).

~~5.3.35.3.3~~ Protective Devices

Suitable protective devices on the Customer's premises may be required whenever the District Grant PUD deems such installation necessary to protect its property or that of its other Customers.

The District Grant PUD may require installation of reduced voltage starting equipment by the Customer in cases where across the line motor starting would result in excessive voltage disturbances to other Customers or to the District Grant PUD's system. The District Grant PUD will furnish the Customer with written motor starting requirements based on the motor horsepower information given at the time of formal application for service. These requirements will be furnished only to the Customer. Construction and/or energization of District Grant PUD Facilities to serve motor loads will not occur until the Customer acknowledges receipt of said requirements by signing and returning the motor starting requirements letter.

~~5.3.45.3.4~~ Protective Equipment on Motor Installations

On motor installations, adequate relays or other approved protective equipment to guard any and all motors against damage due to excessive under voltage and to protect three-phase motors against damage from single-phasing operation shall be the responsibility of the Customer. Three-phase motors equipped for restarting after a service interruption should be protected against any line condition resulting in single-phase service to the motors (single-phasing). Automatic restarting on 50 HP and larger motors must be approved by the District Grant PUD prior to installation.

It is recommended that three thermal over-current devices (for three-phase motors) and, in addition, dual element time delay fuses or circuit breakers of suitable rating be installed as minimum protection.

~~5.3.55.3.5~~ Service Connection

Service connections will be made only after it has been determined District Grant PUD Construction Standards have been met and the Customer's electrical equipment/installation has been approved by a Washington State Electrical Inspector. Said equipment must display the State of Washington "Safe Wiring Decal", legibly filled out and readily accessible.

A False Call Fee will apply when a customer requests Grant PUD service and is not prepared when Grant PUD arrives on site at the requested timeframe, refer to fee schedule.

Formatted: Left: 1.19", Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Rev. 4/1/2023

Rev. 11/2022

5.4 METER LOCATIONS

~~5.4.1~~ Placement of Meters

~~The District~~ Grant PUD encourages placement of meters ~~atas close as possible to~~ the designated Connection Demarcation Point. In any event, meters or metering equipment shall be placed in locations that allow Grant PUD free and safe access for installing, removing, testing, and reading. Metering equipment shall not be installed over open pits,

- Formatted: Not Raised by / Lowered by
- Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by
- Formatted: Not Raised by / Lowered by
- Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left
- Formatted: Condensed by 0.15 pt
- Formatted: Condensed by 0.15 pt
- Formatted: Condensed by 0.15 pt

moving machinery or hatchways. There shall be ample clearance from any such openings or hazardous locations and there shall be at least three (3) feet of unobstructed space between the nearest point of said metering equipment and any obstructions.

- A. Metering for residences shall be installed on the outside of the building, not enclosed, and readily accessible for meter reading and maintenance. (See Section 5.4.7)
- B. Metering equipment for commercial and industrial service shall be installed on the outside of the building in accordance with Section 5.4.1.A (above) except where prior approval of other locations has been granted by the District Grant PUD.
- C. Metering equipment for Irrigation service shall be outside of any buildings and may be installed on the District Grant PUD's transformer pole when such installation will provide improved access to the metering. For underground secondary service fed directly from a pole, meter location shall not exceed 20' distance from pole.

5.4.25.4.2 — Meter Height Requirements

Meter bases or meter enclosures shall be located at such a height that the center of the meter when installed will not be more than six (6) feet, nor less than five (5) feet above finished grade, an accessible permanent platform or landing; except as follows:

- A. Meters for a special application may be installed at a height of less than five (5) feet in power rooms, if installed in a factory-built, metal cabinet approved by the District Grant PUD before fabrication.
- B. Outdoor factory-built multiple meter load centers for multifamily apartment buildings having seven (7) or more meters may be installed with up to four (4) vertical rows of meter sockets. (See Section 5.4.6) Mounting height shall be established by consulting with the District Grant PUD before proceeding with each such installation. The Customer shall plainly and permanently mark each meter location designating the portion of the building it serves before the service is connected.
- C. Meter height shall be measured from finished grade in meter pole applications.
- D. Meters on underground systems may be installed less than five (5) feet above finished grade at pad-mount transformer locations or in pedestals approved for the purpose.
- E. Where a written variance has been obtained from the District Grant PUD.

5.4.35.4.3 — Line Side/Load Side Placement of Equipment

Metering equipment shall be installed on the line side of the main service switch or service panel, except on multiple meter installations where a main disconnecting means is required by Code. When meters are installed on the load side of the main disconnect as indicated above, they shall be installed on the line side of the individual subservice disconnect. The meters shall be connected directly to the main disconnect or through a bus gutter suitable for sealing. The Customer shall plainly and permanently mark each meter location, designating the portion of the building it serves before the service is connected.

5.4.45.4.4 — Conditions Adversely Affecting Meters

Meters shall be installed in locations free from vibrations, condensation, or where live steam or hot liquids are used. They shall not be installed where such conditions exist which would adversely affect their operation. Metering equipment shall be located so it will not be in the path of water from eaves, rainspouts, or drains.

- Formatted ... [24]
- Formatted ... [26]
- Formatted ... [25]
- Formatted ... [28]
- Formatted ... [27]
- Formatted ... [29]
- Formatted ... [30]
- Formatted ... [31]
- Formatted ... [32]
- Formatted ... [33]
- Formatted ... [34]
- Formatted ... [35]
- Formatted ... [36]
- Formatted ... [38]
- Formatted ... [39]
- Formatted ... [40]
- Formatted ... [37]
- Formatted ... [41]
- Formatted ... [42]
- Formatted ... [43]
- Formatted ... [44]
- Formatted ... [46]
- Formatted ... [47]
- Formatted ... [48]
- Formatted ... [45]
- Formatted ... [49]
- Formatted ... [50]
- Formatted ... [51]
- Formatted ... [52]
- Formatted ... [53]
- Formatted ... [55]
- Formatted ... [56]
- Formatted ... [57]
- Formatted ... [54]
- Formatted ... [58]
- Formatted ... [60]
- Formatted ... [59]
- Formatted ... [61]
- Formatted ... [62]

5.4.5.5 New Installation - Instrument Transformers

On new installations, meters used in connection with instrument transformers shall not be separated from the instrument transformer enclosures by a wall or partition. Secondary circuits of instrument transformers shall not be run in the same conduit or raceway with any other circuits. (See 5.5.5)

5.4.6.4.6 Placement of Meter Bases

There shall be a minimum of four (4) inches clearance between the meter base and service switch enclosure and/or any physical obstruction which might interfere with the installation of the meter or use of a test jack in the meter base.

Where a subdivision of the service requires the use of more than one meter, the meters shall be grouped and the space between sockets shall be not less than three (3) inches. On initial construction ganged meter troughs having two (2) or more meter sockets should be the bussed type.

5.4.7.5.4.7 Meter Violation

When any changes, alterations, additions or obstruction are made on the Customer's premises resulting in violation(s) of these meter requirements, the Customer shall correct the violation(s) at his expense or pay a monthly meter obstruction fee until said violation is corrected, refer to fee schedule.

5.5 METERING EQUIPMENT

5.5.1 Standards for Metering Equipment

The District Grant PUD's Transmission and Distribution Divisions establishes standards for metering equipment. The Customer's compliance with such standards shall be a condition of service.

5.5.2 Demand Metering

District Rate Schedule 3 Customers shall have suitable demand meters installed if the billing horsepower is 300 horsepower or more. Other rate schedule Customers shall have suitable demand meters installed if the maximum demand is expected to be 400 kW or more.

5.5.2.5.5.3 Power Factor Metering

The District Grant PUD shall install reactive (Power Factor) metering on all Large Electric Service loads expected to operate such that the power factor will be below 95% lagging or leading. Nothing in the above shall preclude the District Grant PUD from installing reactive metering on any service, regardless of rate schedule or demand, when deemed necessary by the District Grant PUD. Meters for measurement of reactive power shall have registers for both leading and lagging power factors for the purpose of billing demand adjustments.

5.5.3 Pulse Metering Data Connection

Upon written request and execution of a letter agreement, the District Grant PUD will install and maintain Current Transformer (CT) metering, capable of KYZ output, as defined by District Grant PUD Construction Standards for Industrial and Large General Customers subject to the following terms conditions:

- A. The Customer shall be responsible for paying in advance, all of the District Grant PUD's estimated costs for labor, materials, overheads and equipment needed for the installation and upon demand shall promptly reimburse the District Grant PUD for all repairs and maintenance costs incurred by it from time to time.
- B. The District Grant PUD will not synchronize the KYZ output to the meter demand timing.
- C. The District Grant PUD will retain ownership of all meters and equipment installed by it.

Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Condensed by 0.15 pt

Formatted: Condensed by 0.15 pt

Formatted: Right: 0.08", Space Before: 6.2 pt

Formatted: Condensed by 0.15 pt

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted ... [64]

Formatted: Not Raised by / Lowered by

Formatted ... [63]

Formatted: Not Raised by / Lowered by

Formatted ... [65]

Formatted ... [66]

Formatted: Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted ... [68]

Formatted: Not Raised by / Lowered by

Formatted ... [67]

Commented [RC31]: All new meters will record ... [69]

Formatted ... [70]

Commented [RC32]: Needs to be renumbered, ... [72]

Formatted: Default Paragraph Font

Formatted: Not Raised by / Lowered by

Formatted ... [73]

Formatted: Not Raised by / Lowered by

Formatted ... [71]

Formatted ... [74]

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

C.

- D. The Customer shall be solely responsible for installation, operation, and maintenance of data logging equipment from ~~the DistrictGrant PUD~~s installed isolation relay(s). The Customer shall also provide voltage potential for the data logging equipment.
- E. The Customers communication equipment from the isolation relay(s) to the Customer's data logging equipment must be approved in advance by ~~the DistrictGrant PUD~~.
- F. ~~DistrictGrant PUD~~ shall have the right to work on the meter, including de-energization, without notice to or permission by the Customer. In the event the meter is removed and/or replaced, ~~the DistrictGrant PUD~~ may attempt, but will not guarantee, reconnection at the isolation relay(s).
- G. ~~The DistrictGrant PUD~~ shall have no liability whatsoever or for any damages of any type to Customer resulting from or arising from the installation, operation or use of the KYZ output or from any malfunction thereof.

Formatted: Font: 10 pt

Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Right: 0.08", Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.81" + Indent at: 1.31"

Formatted: Not Expanded by / Condensed by

Formatted ... [75]

5.6 INTERCONNECTION OF CUSTOMER-OWNED NET METERING SYSTEMS

~~DistrictGrant PUD~~ will allow net metering systems meeting ~~the DistrictGrant PUD~~'s Construction Standards to interconnect on a first-come, first-served basis to ~~the DistrictGrant PUD~~'s distribution system under the following terms and conditions:

~~5.6.45.6.1~~ **Application, Fees and Agreement**

Customer shall submit a Net Metering Application to ~~the DistrictGrant PUD~~ prior to installing the generating facility along with an application fee, refer to fee schedule. Upon ~~the DistrictGrant PUD~~'s approval of the Customer's Net Metering Application, Customer shall sign a Net Metering Interconnection Agreement. After ~~DistrictGrant PUD~~'s approval of the Net Metering Interconnection Agreement, Customer may at Customer's expense install the approved Net Metering System or modify as necessary or directed by ~~the DistrictGrant PUD~~ Customer's generating facility in existence on Customer's property prior to the date these policies were enacted.

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Left, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 0 + Alignment: Left + Aligned at: 0.07" + Indent at: 0.57"

Formatted: Font: Bold

Formatted ... [76]

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

~~5.6.25.6.2~~ **Certification of Completion**

Upon the Customer's completion of the Net Metering System installation or modification, the Customer shall submit to ~~the DistrictGrant PUD~~ a Certificate of Completion on a form provided by ~~the DistrictGrant PUD~~. Such form shall include evidence of inspection and approval of the Net Metering System by the State Electrical Inspector. Interconnection work to ~~the DistrictGrant PUD~~'s distribution system will commence following receipt of the Certificate of Completion.

Formatted: Font: Bold

Formatted ... [77]

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: 6 pt

Formatted: Left, Indent: Left: 0", Right: 0", Space Before: 0.3 pt

~~5.6.35.6.3~~ **Unauthorized Connections**

For the purposes of public and employee safety, any non-approved generation interconnections discovered will be immediately disconnected from ~~the DistrictGrant PUD~~'s system.

Formatted: Font: 10 pt

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Font: Bold

~~5.6.45.6.4~~ **Metering**

~~The DistrictGrant PUD~~ shall install a kilowatt-hour meter, or meters as the installation may determine, capable of registering the bi-directional flow of electricity at a level of accuracy that meets all applicable standards, regulations and statutes. If ~~the DistrictGrant PUD~~ requires separate metering to measure the energy produced by the generating facility, such equipment shall be installed at the Customer's expense.

Formatted ... [78]

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

~~5.6.55.6.5~~ **Future Modification or Expansion**

Prior to any future modification or expansion of the Customer-owned generating facility, the Customer will obtain ~~DistrictGrant PUD~~ approval. ~~The DistrictGrant PUD~~ reserves the right to require the

Formatted: Font: Bold

Formatted ... [79]

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Rev. 4/1/2023

Rev. 11/2022

Customer, at the Customer's expense, to provide corrections or additions to existing electrical devices in the event of modification of government or industry regulations and standards.

Rev. 4/1/2023

Rev. 11/2022

5-0-65.6.6 — DistrictGrant PUD System Capacity

The cumulative generating capacity of net metering systems shall be limited to 0.25% of the DistrictGrant PUD's peak demand during 1996. Additionally, interconnection of Customer-owned generation to individual distribution feeders will be limited to 10% of the feeder's peak capacity. Additional generation interconnection to individual distribution feeders may be allowed beyond these stated limits at the DistrictGrant PUD's discretion.

Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Font: Bold

Formatted ... [80]

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

5-0-75.6.7 — Customer Owned Protection

It is the responsibility of the Customer to protect their facilities, loads and equipment and comply with the requirements of all appropriate standards, codes, statutes and authorities. The Customer's Net Metering System must include, at the Customer's expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the National Electrical Code (NEC), National Electrical Safety Code (NESC), the Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories (UL).

Formatted ... [81]

Formatted: Indent: Left: 0.57", Right: 0.08", Space Before: 6.2 pt

Formatted: Font: Bold

Formatted ... [82]

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

5-0-85.6.8 — Interconnection Costs

Customer shall be responsible for all additional costs above and beyond the application fee, if any. Such costs will be based on actual costs, including overheads. For example additional costs may be incurred for transformers, production meters, and DistrictGrant PUD testing, qualification, and approval of non UL 1741 listed equipment.

Formatted ... [83]

Formatted: Indent: Left: 0.57", Right: 0.08", Space Before: 6.2 pt

Formatted ... [84]

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted ... [85]

Formatted: Indent: Left: 0.57", Right: 0.08", Space Before: 6.2 pt

Rev. 4/1/2023

Rev. 11/2022

6.0 METER READING, BILLING AND COLLECTING

6.1 METER READING

Meters will normally be read ~~daily via advanced metering infrastructure monthly, except for Customers served under Rate Schedule No. 3, Irrigation Service, where meters will be read during the irrigation season.~~

If for any reason a reading cannot be obtained, the billing may be based on estimating energy use and demand, and subject to later correction.

~~The DistrictGrant PUD's will deploy current technology has the ability to read, connect and disconnect meters remotely. The deployed technologies are the DistrictGrant PUD's standards. If a Customer you declines to adhere to the DistrictGrant PUD's standards, refer to fee schedule and Opt-Out Agreement.~~

6.2 ADJUSTMENT OF BILLING ERRORS

~~The DistrictGrant PUD may adjust any billing when it has been determined that an error in billing has been made and a correction is in order. The DistrictGrant PUD may revise such bill on the basis of the best evidence available.~~

~~If the billing error is favorable to the Customer, Grant PUD will credit or refund the Customer's account for overcharges back to the date of when the billing error occurred and up to the date of discovery of the billing error.~~

~~If the billing error is unfavorable to the Customer, Grant PUD will charge the Customer's account for undercharges to the date of when the billing error occurred or six years (whichever lookback period is shorter) up to the date of discovery of the billing error. Grant PUD may establish an interest-free monthly payment arrangement for the undercharged amount for a Customer with a financial hardship as a result of the billing adjustment. The term of the payment arrangement term will not exceed the number of months of the lookback period.~~

6.3 BILLING PERIODS

The normal monthly billing period is 30 days. However, due to weekends and holidays, monthly billing periods may range from 26 to 34 days. Monthly charges for shorter or longer periods will be prorated on the basis that such fractional period bears to 30 days.

~~At the DistrictGrant PUD's discretion, closing and opening reads may be prorated from the nearest read — either before or after the transaction date. The meter reading may also be provided by the Customer, subject to verification.~~

6.4 NON-METERED SERVICE

Non-metered service may be supplied when the connected load is known and average monthly energy consumption can be accurately calculated.

6.5 TRANSFER AND SPECIAL READINGS

~~When the DistrictGrant PUD allows special readings due to unusual conditions, special procedures shall be used for billing purposes.~~

Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Font: Not Bold

Formatted: Space Before: 0.35 pt

Commented [KW33]: Should this section be revised to include the interval data information since meters are read more than monthly?

Commented [CW34R33]: Yes, updated.

Formatted: Not Expanded by / Condensed by

Formatted: Default Paragraph Font

Formatted: Heading 1, Space Before: 4.65 pt

Commented [RC35]: Even though Rate Schedule 3 meters are read in the off season they are not billed, unless the use exceeds \$5. This section should be updated to conform to Grants new meters and those that opt out of the remote read.

Commented [CW36R35]: updated

Commented [JAC37]: Missing word?

Commented [KW38]: needs rewording

Commented [CW39R38]: Good updates.

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Formatted: Right: 0.08", Space Before: 6 pt

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Commented [KW40]: Is this still needed?

Commented [CW41R40]: I believe it can be deleted.

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Commented [KW42]: Is this used for some industrial customers? or still needed?

Commented [CW43R42]: I think this can be deleted. Not aware of any applicability.

Rev. 4/1/2023

Rev. 11/2022

6.66.5 DETERMINATION OF DEMAND

Where ~~the DistrictGrant PUD~~ rate is based on kW demand, the Metered/Billing Demand shall be calculated to the nearest thousandth (0.001) of a kW. Inaccurate demand readings caused by meter failure or loads with constantly changing demands may require the demand to be calculated by ~~the DistrictGrant PUD~~, taking into consideration installed capacity necessary to serve the load and abnormal effects on ~~the DistrictGrant PUD~~'s system. Power factor metering data (if available) and/or the load history or load checks would also be used to compute the demand.

~~The DistrictGrant PUD~~ shall, if requested by Customer in advance, waive demand reads in one two-hour period for the sole purpose of Customer testing equipment. ~~The DistrictGrant PUD~~ will not waive demand reads for this purpose more than one time in any 12-month period.

If monthly demand charges are based on Customer's highest demand, as provided by ~~the DistrictGrant PUD~~'s then applicable rate schedule, a number of such recording periods equal to the first two hours

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Commented [JAC44]: How is this done? Is it the largest 15-min read taking the average of 3 reads five minutes apart? Or is the absolute largest kW read on any given hour?

Formatted ... [86]

Formatted: Right: 0.08", Space Before: 6.1 pt

Formatted ... [87]

following a system outage, not related to a failure in the Customer's Facility, shall be disregarded if noted by Grant PUD or if requested by the Customer.

6.76.6 PAYMENT

All monthly bills for service rendered and minimum charges are due and payable when rendered and become delinquent if not paid within 25 days.

6.86.7 RETURN CHECK FEE

A return check fee may be assessed to a Customer's account for which payment has been received by any check or legal tender which is subsequently returned to the District Grant PUD by the bank, refer to fee schedule.

6.96.8 PAYMENT OPTIONS

Customers may make payments to the District Grant PUD by cash, check, credit cards, debit cards, automated checking and savings account withdrawal and other District Grant PUD approved electronic means.

6.106.9 LEVEL BILLING PLAN BUDGET PAY

~~Domestic/Residential Service and General Service Rate Schedule 1 and 2~~ Customers may request to have a level billing plan Budget Pay. Monthly payments are due even if the account reflects a credit balance. Level billing plan Budget Pay accounts are subject to all other applicable articles of these policies. Copies of the District Grant PUD's level billing plan option is on file and is available upon request.

6.116.10 LATE PAYMENT CHARGES

If payment hasn't been received by the District Grant PUD on or before the due date, a late payment fee shall be assessed on the unpaid balances, refer to fee schedule.

6.126.11 ACCOUNT SERVICE CHARGE

During the District Grant PUD's normal business hours, an account service fee will be made for a service transfer or a turn on, refer to fee schedule.

6.136.12 AFTER-HOURS FEE

~~Any Customer requested service connection or disconnection made after 4:00 p.m. PM or before 8:00~~

~~a.m. AM Monday through Friday for a non-remotely activated meter or any customer requested service connection or disconnection made outside of Call Center Hours. Monday through Friday for a remotely activated meter will incur an after-hours fee, refer to fee schedule. Any Customer requested service requiring Call Center service call-out (excluding power outages) outside of regular Call Center hours (visit www.grantpud.org for listed hours) will incur an after-hours fee. Refer to fee schedule.~~

Any Customer requested service requiring an on-site service call-out (excluding power outage response) outside of normal work hours (6:00am and 4:00pm Monday – Thursday), an after-

Formatted: Font: 10 pt

Formatted: Left: 1.19", Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Right: 0.08", Space Before: 6.1 pt

Formatted ... [88]

Commented [RC45]: The customer is more often than not unaware of the "spike" after a system outage.

Formatted ... [89]

Formatted: Space Before: 4.65 pt

Formatted ... [90]

Formatted: Right: 0.08", Space Before: 6 pt

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Commented [RC46]: Our outreach documents all call this BudgetPay. Neither term is defined.

Formatted: Default Paragraph Font

Formatted: Space Before: 4.65 pt

Formatted ... [91]

Formatted: Right: 0.08", Space Before: 6 pt

Commented [KW47]: What is this? Are paper copies still available?

Formatted: Default Paragraph Font

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Formatted ... [92]

Commented [JS48]: Should this be Monday-Thu ... [93]

Commented [RC49]: Align with Grants current p ... [94]

Commented [CW50R49]: Good add

Formatted: Default Paragraph Font

Formatted: Font color: Auto, Pattern: Clear

hours fee will be applied. Exceptions may apply on Friday's if service crews are scheduled to work. Refer to fee schedule.

6.146.13 DEPOSITS

Deposits may be are required for all Customers. Except a Rate Schedule 1 customer may have their deposit waived if the customer's credit report shows a favorable credit history. If the Customer fails to comply with or make any of the payments required by the District Grant PUD, or fails to maintain other security in lieu of a cash deposit the Customer will not be provided service or may be disconnected in accordance with the District Grant PUD's disconnect for non-payment policy. The full amount of the deposit, plus the disconnect for non-payment fee, will be required prior to turning the service back on.

6.14.6.13.1 Current Credit Rating

Credit activity for every Customer account is rated via a point system. Prior to any deduction, each account has a Current Credit Rating of 1,000. Credit activity at any service under the account may affect the credit point total.

Commented [KW51]: I have a suggestion to bre ... [95]

Commented [CW52R51]: I added "may be"

Formatted: Default Paragraph Font

Formatted: Space Before: 4.65 pt

Commented [RC53]: Rate 1 customers, upon ... [96]

Commented [RC54]: Missing appears to be the ... [97]

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted ... [99]

Formatted: Not Raised by / Lowered by

Formatted ... [98]

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Right: 0.08", Space Before: 6.15 pt

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Rev. 4/1/2023

Rev. 11/2022

Deductions will remain in effect for 12 months from the date incurred for Domestic Services and 18 months for all other services unless otherwise noted.

Customers will return to a credit rating score of 1,000 when all adverse credit activity deductions have expired according to the above schedule.

Formatted: Left: 1.19", Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Indent: Left: 0.56"

~~6.14.26.13.2~~ **Interest on Deposits**

Deposits will earn interest and will be calculated and accrued monthly. The applicable interest rate applied is available upon request.

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Commented [JAC55]: Should we note the applicable interest rate applied or preferable its source/formula?

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

6.456.14 NEW OR ADDITIONAL DEPOSIT REQUIREMENTS

The District Grant PUD may require a new or additional deposit for Customers whose service(s) experience significant electrical load changes or develop credit problems.

ADEQUATE ASSURANCE OF FUTURE PAYMENT

When a Customer files a bankruptcy petition, the Customer's existing service(s) will be closed and new service(s) established. If any of the Customer's accounts are delinquent at the time of such filing, the District Grant PUD may require a new or additional deposit or other adequate assurance of future payment pursuant to 11 USC Section 366. Payment of the deposit or other assurance of future payment will be required within twenty (20) days of the date of the order for relief as provided in 11 USC Section 366.

6.466.15 TERMINATION OF SERVICE

Upon termination of service, the District Grant PUD will refund to the Customer the amount currently on deposit plus accumulated interest after deducting all amounts due the District Grant PUD.

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

6.476.16 DELINQUENCY-DISCONTINUANCE OF SERVICE

~~6.17.16.16.1~~ **Right to Disconnect**

The right to discontinue service when delinquent may be exercised whenever and as often as delinquency shall occur and neither delay nor omission on the part of the District Grant PUD to enforce this rule at any one or more times shall be deemed as a waiver of its rights to enforce the same at any time, so long as the delinquency continues.

Except where prohibited by law, the District Grant PUD reserves the right to refuse, to limit or to disconnect service to any Customer having a delinquent balance and may transfer the delinquent balance to the Customer's active account for collection purposes.

The Customer Service Representative may make payment arrangements with the Customer for a payment schedule for the bill. However, the District Grant PUD shall not be required to enter into a payment schedule with a Customer who has not fully and satisfactorily complied with the terms of a previous payment schedule.

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Indent: Left: 0.57", Right: 0.08", Widow/Orphan control, Keep with next, Keep lines together

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

~~6.17.26.16.2~~ **Due Process**

Except in the case of emergencies and exceptional circumstances, as determined by the District Grant PUD, notice will be given to the Customer or occupant warning of discontinuance of service to allow the opportunity for reconciliation of an account and cancel a disconnect for non-payment.

Rev. 4/1/2023

Rev. 11/2022

6.486.17 DISCONNECT FOR NON-PAYMENT

This section will apply to all disconnects for non-payment except as otherwise specified.

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Formatted: Right: 0.08", Space Before: 6.2 pt

Formatted: Font: 6 pt

Formatted: Left, Indent: Left: 0", Space Before: 0.2 pt

~~6.18.16.17.1~~ **Disconnect Fee**

Whenever service has been ~~ordered~~ disconnected for non-payment or fraudulent use and a ~~service call has been made~~, a disconnect fee will be charged to the account, refer to fee schedule. The disconnect fee may be waived for Customers who under Washington law qualify for medical or public assistance and when reconnection payment is funded by a private, non-profit funding agency subject to 501(C)(3) tax exemption.

For re-connection outside of ~~the DistrictGrant PUD's~~ normal business hours for services that have been disconnected for non-payment (refer to Section 6.13).

~~6.18.26.17.2~~ **Moratorium**

~~The DistrictGrant PUD's~~ disconnect for non-payment policy is set forth in Section 6.18 and shall be subject to the requirements of RCW 54.16.285.

6.496.18 LANDLORD/TENANT ARRANGEMENTS

Landlords of rental residences may arrange with ~~the DistrictGrant PUD~~ for service to the designated rental to remain energized and to be transferred to the landlord when tenants request termination of service by signing up for Landlord Service. The landlord shall be responsible for any basic charges and energy consumption prior to the transfer of the service to a new tenant.

In most cases where the Landlord is the Customer and requests termination of service to a rental residence or fails to pay for such service, ~~the DistrictGrant PUD will~~ may notify the tenant by hanging a door tag stating that the tenant has five (5) days to put the account into their name and the Landlord will be assessed a fee, refer to fee schedule. Requests for termination of utility service by a landlord, for the purpose of evicting a tenant, is prohibited by RCW 59.18.300.

6.206.19 ELIGIBILITY FOR SPECIAL LOW INCOME RATE DISCOUNTS

~~The DistrictGrant PUD~~ offers a Low-Income Senior Citizen rate discount and a Low-Income Disabled rate discount for qualifying residential Customers as defined in Rate Schedule 1.

To be eligible for either of these rate discounts, the total household income including Customer's spouse or co-tenant(s) must be equal to or less than ~~150~~200% of the poverty guidelines as updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).

Eligibility requirements for low-income rate discounts are as follows:

- A. ~~LOW-INCOME SENIOR CITIZEN DISCOUNT:~~ In addition to meeting the household income eligibility criteria as stated above, Customer must be 62 years or older prior to or during the month in which the discount will be applied.
- B. ~~LOW-INCOME DISABLED DISCOUNT:~~ In addition to meeting the household income eligibility criteria as stated above, Customer must obtain certification from a Physician or Mental Health Professional that Customer meets the disability criteria defined in RCW 74.18.020, RCW 71A.10.020 or RCW 46.16.381. Such certification must be on ~~the DistrictGrant PUD's~~ approved form.

~~Only one low-income rate discount shall be applied to Customer's account regardless of whether they qualify for both rate discounts. Rate discounts will be applied only to the residential service serving as the Customer's primary dwelling. Eligibility will be verified in writing by either, DistrictGrant PUD staff, Department of Social and Human Services or other,~~

Formatted: Font: 10 pt

Formatted: Left: 1.19", Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted [100]

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Commented [RC56]: This was discussed. What happens if the Service man makes the call or collects the fee?

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Commented [JAC57]: Should be 6.19, if numbering correct

Formatted [101]

Formatted: Space Before: 4.65 pt

Commented [RC58]: Hanging a door tag is no longer the standard.

Formatted: Not Expanded by / Condensed by

Formatted: Space Before: 4.65 pt

Commented [RC59]: Changes from 150% to 200% to match the CETA requirements.

Formatted [102]

Formatted: Right: 0.08", Space Before: 6 pt

Rev. 4/1/2023

Rev. 11/2022

District Grant PUD-approved assistance agency.

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Changes in the customers income or location will require reverification of the eligibility requirements. The low-income discount rate shall expire three (3) years from the date the discount was applied but may be allowed to continue for additional three (3) year periods provided the customer provides reverification of the eligibility requirements. The District may require Customers enrolled in low income rate discount programs to verify that they continue to meet eligibility criteria. Customers unable to verify eligibility requirements within 30 days of the District Grant PUD's request or upon expiration of the discount will be removed from the rate discount program.

Grant PUD reserves the right to schedule a no cost home energy assessment at the premise where the discount is applied. If the customer refuses the home energy assessment, the customer discount will be removed within 30 days upon failure to allow the assessment.

Each applicant will be encouraged to shall apply for request a no cost home energy assessment at the premise where the discount is applied. The customer will be removed from the discount rate within 30 days upon failure to allow the assessment audit at no cost.

6.246.20 NET METERING BILLING

Pursuant to RCW 80.60.030, Customers participating in the District Grant PUD's Net Metering Program shall be billed and credited in accordance with the following:

- A. The District Grant PUD shall measure the net electricity produced or consumed by the Customer during each billing period, in accordance with normal metering practices.
- B. If the electricity supplied by the District Grant PUD exceeds the electricity generated by the Customer and fed back to the District Grant PUD during the billing period, or any portion thereof, then the Customer shall be billed for the net electricity supplied by the District Grant PUD together with the appropriate Customer Basic charge paid by the Customers of the District in the same rate class.
- C. If the electricity generated by the Customer and distributed back to the District Grant PUD during the billing period, or any portion thereof, exceeds the electricity supplied by the District Grant PUD, then the Customer shall be:
 - A.1 billed for the appropriate Customer service Basic charge or minimum charge as other customers of the District in the same rate class for that billing period; and
 - B.2 credited for the net excess kilowatt-hours generated during the billing period, with this kilowatt-hour credit appearing on Customer's bill for the following billing period
- D. On April 30th / March 31st of each calendar year, any remaining unused kilowatt-hour credit accumulated by the Customer during the previous year shall be granted to the District Grant PUD, without any compensation to the Customer.
- E. Customer shall pay any amount owing for electric service provided by the District Grant PUD in accordance with applicable rates and policies. Nothing in this Section shall limit the District Grant PUD's rights under applicable Rate Schedules, City Ordinances, Customer Service Policies, and General Provisions.

Formatted: Font: 10 pt

Formatted: Left: 1.19", Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6 pt

Commented [RC60]: Applies a 3 year renewable sunset on the discount rate.

Formatted ... [103]

Formatted: Right: 0.08", Space Before: 6 pt

Formatted: Font color: Auto, Pattern: Clear

Commented [RC61]: Requires the customer to request an assessment, but does not require Grant PUD to perform the assessment.

Formatted: Space Before: 4.65 pt

Formatted: Right: 0.08", Space Before: 6 pt, Outline numbered + Level: 3 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07", Tab stops: 1.07", Left + Not at 0.82"

Formatted: Not Expanded by / Condensed by

Formatted ... [104]

Commented [JAC62]: Tariff use the term: Basic Charge

Formatted ... [105]

Formatted ... [106]

Commented [JAC63]: Tariff use the term: Basic Charge

Formatted: Outline numbered + Level: 4 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 1.07" + Indent at: 1.32"

Commented [RC64]: Consistent with RCW 80.60.030

Formatted ... [107]

Formatted ... [108]

Formatted: Space Before: 6 pt, Outline numbered + Level: 3 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07", Tab stops: 1.07", Left + Not at 0.82"

Formatted ... [109]

Formatted: Right: 0.08", Outline numbered + Level: 3 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07", Tab stops: 1.07", Left + Not at 0.82"

Rev. 4/1/2023

Rev. 11/2022

6.226.21 RENEWABLE ENERGY SYSTEM COST RECOVERY

Customers participating in ~~the District Grant PUD's~~ Net Metering Program may be eligible each fiscal year for an investment recovery incentive for each kilowatt-hour generated by the Customer provided Customer complies with RCW 82.16.120. ~~the meets the following requirements:~~

- ~~A. The Customer must have a customer-generated electricity renewable energy system installed on its property; and~~
- ~~B. The electricity produced by Customer must meet the definition of "customer-generated electricity" and that its renewable energy system produces electricity in accordance with the provisions of RCW 82.16.120; and~~
- ~~C. Before submitting for the first time an application for the incentive allowed under this policy, the Customer shall first submit to the Washington Department of Revenue (DOR) and to the climate and rural energy development center at the Washington State University, a certification in a form and manner prescribed by the DOR; and~~

Formatted: Not Expanded by / Condensed by

Formatted: Indent: Left: 0.07", Space Before: 4.65 pt, Widow/Orphan control, Keep with next, Keep lines together

Formatted: Indent: Left: 0.57", Widow/Orphan control, Keep with next, Keep lines together

Commented [RC65]: Removed A-H since it is already noted in the RCW.

Rev. 4/1/2023

Rev. 11/2022

- ~~D. By August 1st of each year, Customer shall submit an application for the incentive to the District in a form and manner prescribed by the DOR; and~~
- ~~E. Within sixty days of receipt of the incentive certification the District shall notify the Customer in writing whether the incentive payment will be authorized or denied; and~~
- ~~F. Incentive payments will be in the form of a check to the Customer. No incentives will be paid for kilowatt hours generated before July 1, 2005, or after June 30, 2020; and~~
- ~~G. District incentive payments shall be calculated in accordance with the provisions of RCW 82.16.120 (4) and not to exceed \$5,000 per year for each eligible individual, household, business or local government entity as set forth in RCW 82.16.120 (5)(a); and~~
- ~~H. The total credit under this program shall be disbursed on a first come first serve bases and limited as stated in RCW 82.16.130. "The credit under this section for the fiscal year shall not exceed one-half percent of the businesses' taxable power sales due under RCW 82.16.020(1)(b) or one hundred thousand dollars, whichever is greater."~~

Rev. 4/1/2023

Rev. 11/2022

7.0 STREET LIGHTING SERVICE

7.1 AVAILABILITY

Street Lighting Service will be made available in accordance with Rate Schedule 6, Street Lighting Service and the terms and conditions of these Customer Service Policies, as they now exist or may be hereafter amended.

7.2 SPECIFICATIONS

For qualified applicants, [the DistrictGrant PUD](#) will provide and install a system of unmetered street lighting facilities for dusk to dawn operation. Conventional Street Lighting consists of overhead or underground conductors with mast arms and luminaries mounted on wood, concrete, or metal poles. Decorative Street Lighting units consist of a decorative post and two decorative arms, each with a single acorn globe. Modified arm units consist of two decorative arms, each with a single acorn globe, modified to fit on existing street light standards. When street lights are installed, the Customer shall pay a monthly charge based on the facilities provided as specified in Rate Schedule 6.

7.3 LINE EXTENSION POLICY - STREET LIGHTS

[The DistrictGrant PUD](#) will construct and supply the necessary lighting equipment to include single-phase transformers and secondary voltage facilities to effect delivery of street lighting service upon written request and authorization from qualifying customers. Primary facilities that do not qualify as an Area Feeder and are installed by [the DistrictGrant PUD](#) to provide power for the aforementioned secondary facilities, shall be provided in accordance with Line Extension Policy, Section 4.0 and the appropriate Line Extension Fee paid by the Customer.

~~7.3~~ **7.3.1 Underground Service to Street Lights**

Underground Service will be provided where practicable. The Customer is responsible for trenching, conduit, sand bedding and backfilling. For decorative street lighting, the Customer shall also supply and install any mounting bases required. If [the DistrictGrant PUD](#) provides the trenching, the full cost will be charged to the Customer at the time of construction.

7.4 TERMINATION OF SERVICE

The Customer shall continue to pay for service to all types of street lights until such time as a written request for termination, signed by an authorized individual, is received by [the DistrictGrant PUD](#). Upon termination the Customer shall pay a Termination Charge reduced by; (a) 20% for Conventional Street Lighting; or (b) 5% for Decorative Street Lighting, for each full twelve (12) month period since installation of the facilities.

7.5 CONTINUITY OF SERVICE

[The DistrictGrant PUD](#) does not guarantee continuity of service and shall not be liable for any interruption of street light service or damage resulting therefrom which is caused by vandalism, normal equipment failure, accidents, acts of God, unavailability of power supply to meet [DistrictGrant PUD](#)'s load requirements, the necessity for making repairs or changes in [the DistrictGrant PUD](#)'s equipment and facilities, or by any other cause reasonably beyond [the DistrictGrant PUD](#)'s control.

[The DistrictGrant PUD](#) has determined it is not cost effective or practicable to patrol at night to find street lights that are not functioning properly and/or are damaged. Because of this [the DistrictGrant PUD](#) depends on the Customer and the general public to notify [the DistrictGrant PUD](#) that street lights are not functioning properly

Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Heading 1

Formatted: Font: Bold

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Rev. 4/1/2023

Rev. 11/2022

and/or are damaged. [The District Grant PUD](#) will, within a reasonable time after notification, make necessary repairs to restore street lighting service.

Rev. 4/1/2023

Rev. 11/2022

8.0 LARGE POWER CUSTOMER ELECTRIC SERVICE ABOVE 500 KW/KVA

Customers with loads in excess of 500 kW/kVA are considered Large Power Customers and can take Electric Service from Grant County PUD under the following Rate Schedules:

Rate Schedule 7	Large General Service
Rate Schedule 14	Industrial Service
Rate Schedule 15	Large Industrial Service
Rate Schedule 16	Agricultural Food Processing Service
Rate Schedule 17-B	Evolving Industry Service
Rate Schedule 85	Agricultural Food Processing Boiler Service
Rate Schedule 94	New Large Load Service

Rate Schedules can be found at grantpud.org.

A Large Power Customer's presence on Grant PUD's Electric System has material impacts on it. In addition to design considerations for deliverability of large amounts of Electric Power, there are also rate impacts caused by the magnitude of capital and incremental O&M required to connect and serve Large Power Customers. This Section 8 describes the policies that shall be used to implement the Large Power Customer Rate Schedules including mitigating the shifting of long-term costs to other Rate Schedules.

8.1 NEW LARGE ELECTRIC SERVICE

Those desiring Electric Service in excess of 500 kW/kVA on Grant PUD's Electric System must provide Grant PUD a completed Large Electric Service Application along with a nonrefundable application fee (see Grant PUD's Fee Schedule). Applications for non-Evolving Industry uses shall be placed into the "Large Electric Service Queue" and processed prior to the Evolving Industry Queue.

Applications submitted for Evolving Industry uses as defined per Rate Schedule 17, shall be placed into a separate queue (Evolving Industry Queue) on a first-come-first-served basis. The Evolving Industry Queue is independent of the Large Electric Service Queue for all other Rate Schedules. The Evolving Industry queue shall be processed after the Large Electric Service Queue is processed, unless the Evolving Industry Customer's requests coincides with a Large Electric Service Queue expansion or study.

8.2 CUSTOMER RESPONSIBILITIES

The Customer shall work with Grant PUD staff to identify Facilities Customer may construct for itself or Grant PUD for the delivery of Electric Power. Grant PUD requires the Customer comply with all applicable Grant PUD standards, laws, codes and regulations when constructing Facilities and allow Grant PUD to approve and inspect Metering Facilities and the first Customer Facility protective device beyond the Demarcation Point.

The Customer shall also provide the appropriate transfer(s) of property and the appropriate rights and easements to Grant PUD to allow it to construct and operate Grant PUD Facilities required to provide Electric Service to the Customer.

Formatted: Left: 1.19", Right: 0.93", Bottom: 1.39", Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Justified

Formatted: Justified

Formatted: Justified, Right: 0.08"

Formatted [110]

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted [111]

Formatted: Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Space Before: 6.1 pt

Rev. 4/1/2023

Rev. 11/2022

8.3 FACILITIES

Formatted: Left, Indent: Left: 0.07", Page break before, Keep with next, Keep lines together

Rev. 4/1/2023

Rev. 11/2022

Grant PUD will generally supply Large Electric Service requests of 2000 kW/kVA and below at three phase secondary voltage. Grant PUD's standard secondary nominal voltages are 120/208V and

- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by
- Formatted: Not Expanded by / Condensed by

277/480V, Industrial customers requesting Electrical Service above 2000 kW/kVA shall be provided primary voltage metered service at nominal 13.2kV three phase.

Unless otherwise agreed to in writing between Grant PUD and the Customer, Grant PUD will establish the Demarcation Point.

8.4 CUSTOMER CONTRIBUTION FOR CONNECTION OF LARGE ELECTRIC SERVICE

Grant PUD shall perform the necessary studies to determine what Facilities need to be constructed, reconfigured, upgraded or refurbished as the Large Electric Service Application moves through the queue. Upon completion of the studies the Customer shall be briefed on the results of such studies and the amount of a Customer Contribution shall be estimated.

Assuming the Customer wishes to continue, it shall execute an agreement that includes the details for the Facilities Plan, provisional power, design, and proposed schedule along with the Customer Contribution amount ("Facilities Agreement"). The Customer Contribution is calculated to prevent the shifting of long-term costs within a rate class or group or to other rate classes or groups.

The Customer Contribution is calculated by Grant PUD staff. Customers requiring 20 MVA or less use a prescriptive method to calculate the Customer Contribution. Customers requiring more than 20 MVA of new service require more detailed study.

Should the Customer cancel the project, a portion or all of the Customer Contribution may be returned to the Customer provided that the refunding does not, in Grant PUD's sole discretion, shift costs to others.

8.5 REDUNDANT FACILITIES - LARGE ELECTRIC SERVICE

Prudent utility practice ensures that Facilities are adequate to provide Electric Service to Customers safely, reliably and cost effectively but does not provide redundancy to any particular Customer. If the Customer has a need for a greater level of redundancy than provided by Grant PUD, it can request such redundancy for its Electric Service. Any Facilities provided by Grant PUD to increase redundancy shall in no way modify or alter Grant PUD's obligations or limitations of liability provided in Section 2.

Because redundant facilities are by definition unloaded and available for use at any time, the Customer Contribution required to avoid shifting costs to others may be significant. The Facilities Agreement associated with redundant Electric Service shall specify the required Customer Contribution. If Grant PUD, in its sole discretion, identifies that there are on-going operating costs that need to be recovered related to the redundant unloaded facilities, it shall work with the Customer to identify such costs and establish a Rate Schedule or execute contracts to provide payment to prevent shifting long-term costs to others.

Redundant Electric Service Facilities fall into three broad categories as described below.

8.5.1 Redundant Distribution

Includes the provision of a second distribution feeder to serve the Customer's Facilities. Redundant distribution may or may not come from two different substations.

Formatted: Font: 10 pt

Formatted: Left: 1.19", Right: 0.93", Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted ... [112]

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted ... [113]

Formatted: Justified, Right: 0.08"

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted ... [114]

Formatted: Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted: Font: 10 pt

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted ... [115]

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Rev. 4/1/2023

Rev. 11/2022

8.5.2 Redundant Transformer



Rev. 4/1/2023

Rev. 11/2022

8.5.2 Redundant Transformer

Provides additional substation capacity through additional unloaded equipment such that the failure of one transformer will not cause the Customer an Electric Service interruption.

Redundant transformers may or may not be in the same substation.

8.5.3 Redundant Transmission

Consists of an alternate source of transmission connected to a substation or substations where the alternate source comes from a different transmission yard breaker.

Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Heading 1, Indent: Left: 0.44", Don't keep with next, Don't keep lines together, Tab stops: 0.88", Left

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.15 pt

Formatted: Font: 10 pt

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Justified, Indent: Left: 0.57", Right: 0.08"

Rev. 4/1/2023

Rev. 11/2022

9.4 9.0 EVOLVING INDUSTRY

To retail Customers whose Industry or particular use of elecload activity and/tricity or industry meets the requirements of an Evolving Industry (EI Criteria).

9-29.1 RISK CONSIDERATIONS FOR INCLUSION Risk Considerations for Inclusion in Evolving Industry Class

9-1-9.1.1 Concentration Risk

Potential for significant load concentration within Grant PUD's service territory resulting in a meaningful aggregate impact and corresponding future risk to Grant's revenue stream. Evaluation would begin to occur when industry concentration of existing and service request queue customer loads exceeds the threshold described in Rate Schedule 175% of Grant PUD's total load and service request queue on a planning basis.

9-1-29.1.2 Business Risk

The risk of stranding of District Grant PUD assets constructed to serve a Customer or causing unrecoverable costs caused by due to cessation or significant reduction of electric consumption due to arising from an Industry's general business environment.

9-1-39.1.3 Regulatory Risk

Risk of detrimental changes to regulation with the potential to render the industry inviable within a foreseeable time horizon.

9-39.2 PERIODIC REVIEW BY ASSESSMENT TEAM Periodic Review by Assessment Team

Resolution No. 8891 states that at least every two years a team will be established with the responsibility of at least every two years annually reviewing which Customers, customer types, or uses of electricity are to be included in the Evolving Industry Rate Class. Theis Evolving Industries Assessment Team has the responsibility to shall use prudent business and utility practices to establish criteria identify and classify Industries or uses of electricity load activities and industries as belonging to the Evolving Industry Rate Class.

The Evolving Industry Assessment Team shall include Grant PUD staff representing the following departments and sections (or their successors) of the District Grant PUD:

- A. Large Power Solutions Customer Care
- B. Customer Solutions
- C. Engineering
- D. Rates & Pricing
- E. Finance/Accounting

The Evolving Industry Assessment Team shall convene no less than annually every two years with members being selected by the PUD's executive management.

The Evolving Industry Assessment Team will assess business conditions and risks that indicate

Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"

Formatted: No bullets or numbering

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Commented [LSZ66]: Put text from original RS17

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted: Not Raised by / Lowered by

Formatted: Not Expanded by / Condensed by , Not Raised by / Lowered by

Formatted: Not Raised by / Lowered by

Formatted: Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Commented [JAC67]: @Cary West, Baxter was working on modifying this language as I think we are proposing to conduct the RS17 review every two years instead of annually. We should check with him or Louis to get their feedback.

Formatted: Justified, Right: 0.08"

Formatted ... [116]

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted ... [117]

Formatted: Not Expanded by / Condensed by

Formatted: Font: 10 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted ... [118]

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Rev. 4/1/2023

Rev. 11/2022

~~which Industries should be included or excluded from the Evolving Industry Rate Class.~~

Grant PUD posts the list of Industries or Identified Uses that qualify for Rate Schedule 17 on its website at www.grantpud.org.

The Evolving Industry Assessment Team ~~will annually shall~~ review and value the costs and risks associated with serving Evolving Industries, ~~calculate the premium component(s) of the Rate Schedule 17,~~ and provide any recommended changes to the Commission. Risk elements considered~~Changes that~~

- Formatted: Font: 10 pt
- Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt
- Formatted: Justified, Right: 0.08", Space Before: 6.1 pt
- Formatted: No underline, Underline color: Auto, Font color: Auto
- Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

~~impact the risk premium~~ include, but are not limited to, future transmission requirements, impact to ~~District Grant PUD~~ equipment, increased power supply cost risk, and potential stranded asset risk.

Formatted: Font: 10 pt
Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"
Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

9.3 INCLUSION IN THE EVOLVING INDUSTRY ENTRY AND EXIT RATE CLASS
CRITERIAEvolving Industry Entry and Exit Criteria

A load activity and/or industry shall be included in the Evolving Industry Rate Class if it meets the criterion of section 9.1.1., Concentration Risk, and also meets the criteria of either section 9.1.2. or section 9.1.3., Business Risk and Regulatory Risk, respectively.

A load activity and/or industry shall be removed from the Evolving Industry Rate Class if and only if it no longer meets the criteria of 9.1.2. and 9.1.3.

9.4 RATE 17 DESIGNRate 17 Rate Design

Rate Schedule 17 is designed to consider risks associated with the Evolving Industry class in order to minimize cost shifting to other Customer classes.

Formatted: Body Text, Space Before: 0 pt, No bullets or numbering, Tab stops: Not at 0.57" + 0.57"
Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Rate 17 includes factors common to any Customer class such as allocated operating and capital costs, a risk premium, and any Commission policy direction applicable to Rate 17 that may include specific additional charges or adders. The risk premium portion of the rate may include but not be limited to risks such as future transmission / infrastructure requirements, loading and utilization of ~~District Grant PUD~~ equipment, potential increase or additional volatility in power supply cost, risk of under or unutilized (stranded) assets, and future revenue volatility or loss.

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt
Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

The risk component of Rate Schedule 17 will be reviewed annually at least every two years and may be adjusted up or down by the Commission in accordance with changes to the risk profile.

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt
Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

9.5 COMMISSION REPORTINGCommission Reporting

When the Evolving Industry Assessment Team determines that an industry meets the Rate 17 criteria, staff will provide a memo for Commission review and action. Likewise, when staff determines that an industry no longer meets the criteria of Rate 17, staff will provide notice to the Commission for Commission review and action. The memos are part of the public packet posted to Grant PUD's website. Customers and stakeholders may comment to the Commission in public session regarding the change.

Formatted: Justified, Right: 0.08"

The Evolving Industry Assessment Team will also annually at least every two years update the Commission, independent of whether or not any changes are being made to the Evolving Industry Rate class, with a summary of the evaluation of the risk premium of Rate Schedule 17. Based upon this information the Commission will consider the need for rate changes and may modify Rate 17.

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt
Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

9.6 APPLICATION AND QUEUEApplication and Queue

Customers desiring to apply for new or increased service shall apply as described in Section 2.7 and Section 8.1 of this Customer Service Policy.

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

9.7 ATTESTATIONSAttestations

Rev. 4/1/2023

Rev. 11/2022

~~Any new or existing customers placed under the Evolving Industry Rate Schedule 17 Both new and existing Customers may be required to shall provide an attestation indicating demonstrating if they intend to participate they do not qualify or meet the criteria to be served under this rate schedule in an Evolving Industry. New Customers and Customers requesting additional Electric Service may attest to the intended use of the new or increased Electric Service as a condition of the District Grant PUD to provide Electric Service under a different rate schedule.~~

Once established, if a Customer changes its business such that it no longer meets the Rate Schedule 17 Evolving Industry criteria, the customer may be required to affirm their attestation that they are not participating in an Evolving Industry and no load on its Premises is participating in any Evolving Industry. If a customer changes its business such that it does meet the Rate Schedule 17 Evolving Industry criteria the customer is required to inform the PUD of the change in status. Failure to inform the PUD may result in penalties as described in section 9.8.

Formatted: Font: 10 pt, Not Bold

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Commented [JAC68]: Perhaps needs some rewording here, but the idea is that customers will have the burden of proof they do not qualify for the EI rate. Check with Dave/Louis

Formatted: Default Paragraph Font

Formatted: Font: 10 pt

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Indent: Left: 0", Right: 0", Space Before: 6 pt

9.8 LOAD SPLITTING AND METERING~~Load-Splitting and Metering~~

If residential Customers on Rate Schedule 1 ~~declare they~~ are participating in an Evolving Industry or plan to participate in an Evolving Industry, the entire load at that Premises will be billed in accordance with Rate Schedule 17. Grant PUD, in its sole discretion, may allow the Customer to split the loads provided however, the customer is required to reimburse Grant PUD for all costs associated with providing the additional metering.

If a Large Power Customer has a portion of their load that qualifies for Rate Schedule 17, Grant PUD, in its sole discretion, may allow the Customer to split the loads provided however, the customer is required to reimburse Grant PUD for all costs associated with providing the additional metering.

9.9 DETECTION AND ENFORCEMENT~~Detection and Enforcement~~

The PUD shall monitor Customers in the normal course of business just as it does for diversion of service and unsafe conditions. ~~The District Grant PUD~~ will use various means it has available to collect information and make observations about its Customers to ensure each Customer is on the correct Rate Schedule.

Industries tend to have similar usage patterns which may identify certain Premises where a change of Rate Schedules would be appropriate. ~~The District Grant PUD~~ shall reconfirm the self-attestation made by the Customer, ~~or request the Customer provide an attestation if none was provided earlier, if usage patterns or other observations indicate the Customer may be participating in an Evolving Industry.~~

~~The District Grant PUD~~ will make reasonable efforts to contact the Customer and discuss ~~the District Grant PUD's~~ findings and shall ask the Customer for assurances that they are not participating in the Evolving Industry. Should the Customer refuse to provide adequate assurances that it is not participating in an Evolving Industry, ~~the District Grant PUD~~ shall assume the Customer is participating in the Evolving Industry and convert the Customer to Rate Schedule 17 until the Customer ceases to participate in the Evolving Industry or demonstrates that it is not.

9.10 PENALTIES~~Penalties~~

~~The District Grant PUD~~ has the authority to enforce its Rate Schedules and intends to do so to the full extent allowed by the law. Customers found to have knowingly deceived and/or found to have been charged under an incorrect Rate Schedule based on Customer representations will be processed the same way as diversion in Section 2.15 of this Customer Service Policy and subject to penalties. ~~The District Grant PUD~~ reserves the option to assess damages from the date ~~the District Grant PUD~~ estimates the customer's Rate Schedule should have changed, as allowed in Section 2.1.2, and pursue any uncollected applicable charges.

9.11 INFORMAL CONFERENCE / HEARINGS~~Informal Conference / Hearings~~

Customers who have a dispute regarding the application of this Customer Service Policy may request an informal conference as described in Section 2.16 herein. If the Customer wishes to pursue the matter further, Section 2.16 also describes how to request a hearing.

Formatted: Font: 10 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Commented [RC69]: If they split the load, would that not be a new service subject to all the Service Connection Agreements and they would be required to pay anyway? Applies to this paragraph and the one below.

Formatted: Default Paragraph Font

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Formatted: Justified, Right: 0.08", Space Before: 6.1 pt

Rev. 4/1/2023

Rev. 11/2022

Formatted: Header distance from edge: 0.5", Footer distance from edge: 0.5"

10.0 REVISIONS

Formatted Table

<u>Section</u>	<u>Description</u>	<u>Revised</u>	<u>Resolution</u>
<u>1.0</u>	<u>PREAMBLE</u>	<u>04/23/19</u>	<u>8916</u>
<u>1.1</u>	<u>DEFINITION OF TERMS</u>	<u>04/23/19</u>	<u>8916</u>
<u>2.0</u>	<u>GENERAL POLICIES</u>	<u>08/09/82</u>	<u>4150</u>
<u>2.1.1</u>	<u>Metering Point</u>	<u>03/20/06</u>	<u>7952</u>
<u>2.1.2</u>	<u>Determination of Applicability</u>	<u>09/26/11</u>	<u>8575</u>
<u>2.2</u>	<u>RATE SCHEDULES</u>	<u>11/12/13</u>	<u>8696</u>
<u>2.2.1</u>	<u>Rate Schedule Exceptions</u>	<u>08/14/18</u>	<u>8890</u>
<u>2.3</u>	<u>NEW LOADS</u>	<u>12/22/03</u>	<u>7671</u>
<u>2.4</u>	<u>EXCLUSIVE SOURCE AND RESALE</u>	<u>11/01/04</u>	<u>7746</u>
<u>2.5</u>	<u>GRANT PUD'S OBLIGATIONS</u>	<u>06/23/98</u>	<u>7223</u>
<u>2.5.1</u>	<u>Limitations of Damages</u>	-	-
<u>2.6</u>	<u>CUSTOMER'S OBLIGATIONS</u>	<u>06/23/98</u>	<u>7223</u>
<u>2.6.1</u>	<u>Increased Load</u>	<u>08/14/18</u>	<u>8890</u>
<u>2.6.2</u>	<u>Balancing of Load</u>	<u>06/23/98</u>	<u>7223</u>
<u>2.6.3</u>	<u>Total Harmonic Distortion (THD)</u>	<u>11/01/04</u>	<u>7746</u>
<u>2.6.4</u>	<u>Surge Protection</u>	<u>10/27/08</u>	<u>8296</u>
<u>2.7</u>	<u>APPLICATION FOR SERVICE</u>	<u>06/23/98</u>	<u>7223</u>
<u>2.8</u>	<u>DISCONNECTING SERVICES</u>	<u>06/23/98</u>	<u>7223</u>
<u>2.9</u>	<u>LIFE SUPPORT SYSTEMS</u>	<u>04/16/85</u>	-
<u>2.9.1</u>	<u>Customer Obligations</u>	<u>11/01/04</u>	<u>7746</u>
<u>2.10</u>	<u>DAMAGE TO GRANT PUD FACILITIES</u>	<u>06/23/98</u>	<u>7223</u>
<u>2.11</u>	<u>DISCLOSURE OF PUBLIC RECORDS</u>	<u>11/19/01</u>	<u>7491</u>
<u>2.12</u>	<u>SERVICE OUTSIDE GRANT COUNTY</u>	<u>02/10/92</u>	-
<u>2.13</u>	<u>UNDERGROUND FACILITIES</u>	<u>05/23/05</u>	<u>7821</u>
<u>2.14</u>	<u>REVENUE PROTECTION AND POWER DIVERSION</u>	<u>10/24/17</u>	<u>8859</u>
<u>2.15</u>	<u>INFORMAL CONFERENCE / HEARINGS</u>	<u>06/23/98</u>	<u>7223</u>
<u>3.0</u>	<u>CONSERVATION</u>	<u>06/23/98</u>	<u>7223</u>

Rev. 4/1/2023

Rev. 11/2022

Section	Description	Revised	Resolving
3.1	<u>RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND IRRIGATION ASSISTANCE</u>	<u>11/19/01</u>	<u>7491</u>
4.0	<u>LINE EXTENSION POLICY FOR CUSTOMER SERVICES UNDER 500 KW</u>	<u>08/14/18</u>	<u>8890</u>
4.1	<u>OVERHEAD LINE EXTENSIONS</u>	<u>09/29/97</u>	<u>7145</u>
4.2	<u>UNDERGROUND LINE EXTENSIONS</u>	<u>11/19/01</u>	<u>7491</u>
4.3	<u>TYPES OF SERVICE</u>	<u>11/28/05</u>	<u>7896</u>
4.3.1	<u>Permanent Service</u>	<u>09/29/97</u>	<u>7145</u>
4.3.2	<u>Non-Permanent Service</u>	<u>05/23/05</u>	<u>7821</u>
4.3.3	<u>Construction Temporary Service</u>	<u>08/14/18</u>	<u>8890</u>
4.4	<u>SERVICE REQUIREMENTS BY RATE CLASS</u>	<u>10/24/17</u>	<u>8859</u>
4.5	<u>CALCULATION OF CHARGES</u>	<u>09/29/97</u>	<u>7145</u>
4.5.1	<u>Line Extension Fees</u>	<u>09/29/97</u>	<u>7145</u>
4.5.2	<u>Line Extension Fee Payments</u>	<u>09/29/97</u>	<u>7145</u>
4.6	<u>MODIFICATION OF FACILITIES</u>	<u>09/29/97</u>	<u>7145</u>
4.7	<u>REBUILDING EXISTING LINES</u>	<u>09/29/97</u>	<u>7145</u>
4.8	<u>TRANSMISSION FACILITIES</u>	<u>09/29/97</u>	<u>7145</u>
4.9	<u>SUBSTATIONS</u>	<u>09/29/97</u>	<u>7145</u>
4.10	<u>DISTRIBUTION POWER LINES</u>	<u>09/29/97</u>	<u>7145</u>
4.10.1	<u>Area Feeder Lines</u>	<u>09/29/97</u>	<u>7145</u>
4.10.2	<u>Distribution Power Lines That Are Not Area Feeders</u>	<u>09/29/97</u>	<u>7145</u>
4.11	<u>EXTENSIONS TO RESIDENTIAL/COMMERCIAL SUBDIVISIONS</u>	<u>01/03/11</u>	<u>8527</u>
4.11.1	<u>Approved Subdivisions</u>	-	-
4.11.2	<u>Services within a Subdivision</u>	-	-
4.12	<u>MANUFACTURED HOME / MOBILE HOME PARKS</u>	-	-
4.13	<u>UNUSED IRRIGATION SERVICE FACILITIES</u>	-	-
5.0	<u>SERVICE AND METER REGULATIONS</u>	-	-
5.1.1	<u>Determination of Availability</u>	<u>11/28/05</u>	<u>7896</u>
5.1.2	<u>Compliance with Regulations and Codes</u>	-	-
5.1.3	<u>Access to and Care of Grant PUD Property</u>	-	-
5.1.4	<u>Customer Responsibility</u>	-	-

Formatted Table

Rev. 4/1/2023

Rev. 11/2022

<u>Section</u>	<u>Description</u>	<u>Revised</u>	<u>Resolving</u>
<u>5.1.5</u>	<u>Separate Services</u>	-	-
<u>5.1.6</u>	<u>Backup and Maintenance Power</u>	-	-
<u>5.1.7</u>	<u>Station Service - Customer Owned</u>	-	-
<u>5.2</u>	<u>SERVICE LATERAL AND POINT OF CONNECTION</u>	<u>06/23/98</u>	<u>7223</u>
<u>5.2.1</u>	<u>Overhead Service Laterals</u>	<u>06/23/98</u>	<u>7223</u>
<u>5.2.2</u>	<u>Underground Service Laterals</u>	<u>12/22/03</u>	<u>7671</u>
<u>5.3</u>	<u>SERVICE ENTRANCE INSTALLATION AND EQUIPMENT</u>	-	-
<u>5.3.1</u>	<u>Responsibility of Customer/Grant PUD</u>	<u>06/23/98</u>	<u>7223</u>
<u>5.3.2</u>	<u>Wiring</u>	-	-
<u>5.3.3</u>	<u>Protective Devices</u>	<u>06/23/98</u>	<u>7223</u>
<u>5.3.4</u>	<u>Protective Equipment on Motor Installations</u>	-	-
<u>5.3.5</u>	<u>Service Connection</u>	-	-
<u>5.4</u>	<u>METER LOCATIONS</u>	-	-
<u>5.4.1</u>	<u>Placement of Meters</u>	-	-
<u>5.4.2</u>	<u>Meter Height Requirements</u>	-	-
<u>5.4.3</u>	<u>Line Side/Load Side Placement of Equipment</u>	-	-
<u>5.4.4</u>	<u>Conditions Adversely Affecting Meters</u>	<u>12/05/94</u>	<u>6798</u>
<u>5.4.5</u>	<u>New Installation - Instrument Transformers</u>	<u>10/24/17</u>	<u>8859</u>
<u>5.4.6</u>	<u>Placement of Meter Bases</u>	<u>11/19/01</u>	<u>7491</u>
<u>5.4.7</u>	<u>Meter Violation</u>	<u>11/28/05</u>	<u>7896</u>
<u>5.5</u>	<u>METERING EQUIPMENT</u>	<u>05/08/06</u>	<u>7974</u>
<u>5.5.1</u>	<u>Standards for Metering Equipment</u>	-	-
<u>5.5.2</u>	<u>Power Factor Metering</u>	<u>02/26/07</u>	<u>8098</u>
<u>5.5.3</u>	<u>Pulse Metering Data Connection</u>	<u>02/26/07</u>	<u>8098</u>
<u>5.6</u>	<u>INTERCONNECTION OF CUSTOMER-OWNED NET METERING SYSTEMS</u>	<u>10/24/17</u>	<u>8859</u>
<u>5.6.1</u>	<u>Application, Fees and Agreement</u>	<u>02/26/07</u>	<u>8098</u>
<u>5.6.2</u>	<u>Certification of Completion</u>	<u>02/26/07</u>	<u>8098</u>
<u>5.6.3</u>	<u>Unauthorized Connections</u>	<u>02/26/07</u>	<u>8098</u>
<u>5.6.4</u>	<u>Metering</u>	<u>02/26/07</u>	<u>8098</u>

Formatted Table

Rev. 4/1/2023

Rev. 11/2022

<u>Section</u>	<u>Description</u>	<u>Revised</u>	<u>Resolving</u>
<u>5.6.5</u>	<u>Future Modification or Expansion</u>	<u>02/26/07</u>	<u>8098</u>
<u>5.6.6</u>	<u>Grant PUD System Capacity</u>	<u>02/26/07</u>	<u>8098</u>
<u>5.6.7</u>	<u>Customer Owned Protection</u>	<u>05/28/13</u>	<u>8677</u>
<u>5.6.8</u>	<u>Interconnection Costs</u>	<u>08/30/99</u>	<u>7308</u>
<u>6.0</u>	<u>METER READING, BILLING AND COLLECTING</u>	<u>08/30/99</u>	<u>7308</u>
<u>6.1</u>	<u>METER READING</u>	<u>08/30/99</u>	<u>7308</u>
<u>6.2</u>	<u>ADJUSTMENT OF BILLING ERRORS</u>	<u>08/30/99</u>	<u>7308</u>
<u>6.3</u>	<u>BILLING PERIODS</u>	<u>11/01/04</u>	<u>7746</u>
<u>6.4</u>	<u>NON-METERED SERVICE</u>	<u>05/24/04</u>	<u>7710</u>
<u>6.5</u>	<u>DETERMINATION OF DEMAND</u>	<u>10/24/17</u>	<u>8859</u>
<u>6.6</u>	<u>PAYMENT</u>	<u>05/28/13</u>	<u>8677</u>
<u>6.7</u>	<u>RETURN CHECK FEE</u>	<u>05/28/13</u>	<u>8677</u>
<u>6.8</u>	<u>PAYMENT OPTIONS</u>	<u>10/24/17</u>	<u>8859</u>
<u>6.9</u>	<u>BUDGETPAY</u>	<u>10/24/17</u>	<u>8859</u>
<u>6.10</u>	<u>LATE PAYMENT CHARGES</u>	<u>10/24/17</u>	<u>8859</u>
<u>6.11</u>	<u>ACCOUNT SERVICE CHARGE</u>	<u>01/04/10</u>	<u>8446</u>
<u>6.12</u>	<u>AFTER-HOURS FEE</u>	<u>06/04/07</u>	<u>8130</u>
<u>6.13</u>	<u>DEPOSITS</u>	<u>04/08/14</u>	<u>8720</u>
<u>6.13.1</u>	<u>Current Credit Rating</u>	<u>04/08/14</u>	<u>8720</u>
<u>6.13.2</u>	<u>Interest on Deposits</u>	<u>04/08/14</u>	<u>8720</u>
<u>6.14</u>	<u>NEW OR ADDITIONAL DEPOSIT REQUIREMENTS</u>	<u>04/08/14</u>	<u>8720</u>
<u>6.15</u>	<u>TERMINATION OF SERVICE</u>	<u>04/08/14</u>	<u>8720</u>
<u>6.16</u>	<u>DELINQUENCY-DISCONTINUANCE OF SERVICE</u>	<u>04/08/14</u>	<u>8720</u>
<u>6.16.1</u>	<u>Right to Disconnect</u>	<u>04/08/14</u>	<u>8720</u>
<u>6.16.2</u>	<u>Due Process</u>	<u>10/24/17</u>	<u>8859</u>
<u>6.17</u>	<u>DISCONNECT FOR NON-PAYMENT</u>	<u>11/19/01</u>	<u>7491</u>
<u>6.17.1</u>	<u>Disconnect Fee</u>	<u>10/24/17</u>	<u>8859</u>
<u>6.17.2</u>	<u>Moratorium</u>	<u>02/11/08</u>	<u>8203</u>
<u>6.18</u>	<u>LANDLORD/TENANT ARRANGEMENTS</u>	<u>02/26/07</u>	<u>8098</u>

Formatted Table

Rev. 4/1/2023

Rev. 11/2022

<u>Section</u>	<u>Description</u>	<u>Revised</u>	<u>Resolving</u>
<u>6.19</u>	<u>ELIGIBILITY FOR SPECIAL LOW INCOME RATE DISCOUNTS</u>	<u>08/26/14</u>	<u>8743</u>
<u>6.20</u>	<u>NET METERING BILLING</u>	<u>02/10/92</u>	<u>6501</u>
<u>6.21</u>	<u>RENEWABLE ENERGY SYSTEM COST RECOVERY</u>	<u>02/10/92</u>	<u>6501</u>
<u>7.0</u>	<u>STREET LIGHTING SERVICE</u>	<u>12/28/87</u>	<u>5674</u>
<u>7.1</u>	<u>AVAILABILITY</u>	<u>02/10/92</u>	<u>6501</u>
<u>7.2</u>	<u>SPECIFICATIONS</u>	<u>02/10/92</u>	<u>6501</u>
<u>7.3</u>	<u>LINE EXTENSION POLICY - STREET LIGHTS</u>	<u>12/28/87</u>	<u>5674</u>
<u>7.3.1</u>	<u>Underground Service to Street Lights</u>	-	-
<u>7.4</u>	<u>TERMINATION OF SERVICE</u>	-	-
<u>7.5</u>	<u>CONTINUITY OF SERVICE</u>	-	-
<u>8.0</u>	<u>LARGE POWER CUSTOMER ELECTRIC SERVICE ABOVE 500 KW/KVA</u>	<u>04/23/19</u>	<u>8916</u>
<u>8.1</u>	<u>NEW LARGE ELECTRIC SERVICE</u>	<u>04/23/19</u>	<u>8916</u>
<u>8.2</u>	<u>CUSTOMER RESPONSIBILITIES</u>	<u>04/23/19</u>	<u>8916</u>
<u>8.3</u>	<u>FACILITIES</u>	<u>04/23/19</u>	<u>8916</u>
<u>8.4</u>	<u>CUSTOMER CONTRIBUTION FOR CONNECTION</u>	<u>04/23/19</u>	<u>8916</u>
<u>8.5</u>	<u>REDUNDANT FACILITIES</u>	<u>04/23/19</u>	<u>8916</u>
<u>8.5.1</u>	<u>Redundant Distribution</u>	<u>04/23/19</u>	<u>8916</u>
<u>8.5.2</u>	<u>Redundant Transformer</u>	<u>04/23/19</u>	<u>8916</u>
<u>8.5.3</u>	<u>Redundant Transmission</u>	<u>04/23/19</u>	<u>8916</u>
<u>9.0</u>	<u>EVOLVING INDUSTRY</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.1</u>	<u>RISK CONSIDERATIONS FOR INCLUSION</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.1.1</u>	<u>Concentration Risk</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.1.2</u>	<u>Business Risk</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.1.3</u>	<u>Regulatory Risk</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.2</u>	<u>PERIODIC REVIEW BY ASSESSMENT TEAM</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.3</u>	<u>EVOLVING INDUSTRY ENTRY AND EXIT CRITERIA</u>	-	-
<u>9.4</u>	<u>RATE 17 DESIGN</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.5</u>	<u>COMMISSION REPORTING</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.6</u>	<u>APPLICATION AND QUEUE</u>	<u>03/26/19</u>	<u>8915</u>

Formatted Table

Rev. 4/1/2023

Rev. 11/2022

<u>Section</u>	<u>Description</u>	<u>Revised</u>	<u>Resolving</u>
<u>9.7</u>	<u>ATTESTATIONS</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.8</u>	<u>LOAD SPLITTING AND METERING</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.9</u>	<u>DETECTION AND ENFORCEMENT</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.10</u>	<u>PENALTIES</u>	<u>03/26/19</u>	<u>8915</u>
<u>9.11</u>	<u>INFORMAL CONFERENCE / HEARINGS</u>	<u>03/26/19</u>	<u>8915</u>
<u>10.0</u>	<u>REVISIONS</u>	<u>04/01/23</u>	<u>[PENDING]</u>

Formatted Table

Formatted: Justified, Indent: Left: 0", Right: 0.08", Space Before: 6.1 pt

Page 2: [1] Formatted Cary West 11/14/2022 1:06:00 PM

Font: Arial, Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 2: [1] Formatted Cary West 11/14/2022 1:06:00 PM

Font: Arial, Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 2: [1] Formatted Cary West 11/14/2022 1:06:00 PM

Font: Arial, Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 2: [1] Formatted Cary West 11/14/2022 1:06:00 PM

Font: Arial, Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [2] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [3] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [3] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [3] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [3] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [3] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [3] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [4] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [4] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [4] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [5] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [6] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [6] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [6] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [6] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [6] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [6] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [6] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [7] Formatted Cary West 11/16/2022 7:01:00 AM

Default Paragraph Font, Font: 10 pt

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [8] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 2: [9] Formatted Cary West 11/14/2022 1:06:00 PM

Not Raised by / Lowered by

Page 2: [9] Formatted Cary West 11/14/2022 1:06:00 PM

Not Raised by / Lowered by

Page 2: [9] Formatted Cary West 11/14/2022 1:06:00 PM

Not Raised by / Lowered by

Page 0: [10] Formatted Cary West 11/14/2022 1:07:00 PM

Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 0: [11] Commented [RC30] Richard Cole 3/9/2022 12:11:00 PM

I would prefer to take farm completely out, but farmhouse is consistent with Rate 1 language.

Page 0: [12] Formatted Cary West 12/18/2022 10:45:00 AM

Indent: Left: 0.57", Widow/Orphan control, Keep with next, Keep lines together

Page 0: [13] Formatted Cary West 12/18/2022 10:49:00 AM

Right: 0.08", Widow/Orphan control, Keep with next, Keep lines together

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [14] Formatted Cary West 11/14/2022 12:15:00 PM

Not Expanded by / Condensed by

Page 3: [15] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [17] Formatted Cary West 11/16/2022 7:01:00 AM

Not Expanded by / Condensed by

Page 3: [18] Formatted Cary West 11/14/2022 1:08:00 PM

Not Raised by / Lowered by

Page 3: [18] Formatted Cary West 11/14/2022 1:08:00 PM

Not Raised by / Lowered by

Page 3: [18] Formatted Cary West 11/14/2022 1:08:00 PM

Not Raised by / Lowered by

Page 5: [19] Formatted Cary West 11/14/2022 1:08:00 PM

Not Raised by / Lowered by

Page 5: [19] Formatted Cary West 11/14/2022 1:08:00 PM

Not Raised by / Lowered by

Page 5: [19] Formatted Cary West 11/14/2022 1:08:00 PM

Not Raised by / Lowered by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [20] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt, Not Expanded by / Condensed by

Page 5: [21] Formatted Cary West 11/14/2022 1:09:00 PM

Not Raised by / Lowered by

Page 5: [21] Formatted Cary West 11/14/2022 1:09:00 PM

Not Raised by / Lowered by

Page 5: [21] Formatted Cary West 11/14/2022 1:09:00 PM

Not Raised by / Lowered by

Page 5: [22] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt

Page 5: [22] Formatted Cary West 11/16/2022 7:02:00 AM

Font: 10 pt

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 5: [23] Formatted Cary West 12/18/2022 11:00:00 AM

Not Expanded by / Condensed by

Page 3: [24] Formatted Cary West 11/15/2022 9:42:00 AM

Font: 10 pt, Condensed by 0.15 pt

Page 3: [25] Formatted Cary West 11/15/2022 9:42:00 AM

Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.2 pt

Page 3: [26] Formatted Cary West 11/15/2022 10:54:00 AM

Header distance from edge: 0.5", Footer distance from edge: 0.5"

Page 3: [27] Formatted Cary West 11/15/2022 9:42:00 AM

Indent: Left: 0.57", Right: 0.08", Space Before: 6.2 pt

Page 3: [28] Formatted Cary West 11/15/2022 9:42:00 AM

Condensed by 0.15 pt

Page 3: [29] Formatted Cary West 11/15/2022 9:44:00 AM

Right: 0.08", Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.81" + Indent at: 1.31"

Page 3: [30] Formatted Cary West 11/15/2022 9:44:00 AM

Not Expanded by / Condensed by

Page 3: [31] Formatted Cary West 11/15/2022 9:44:00 AM

Not Expanded by / Condensed by

Page 3: [32] Formatted Cary West 11/15/2022 9:44:00 AM

Font: 10 pt

Page 3: [33] Formatted Cary West 11/15/2022 9:44:00 AM

Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.81" + Indent at: 1.31"

Page 3: [34] Formatted Cary West 11/15/2022 9:44:00 AM

Right: 0.08", Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.81" + Indent at: 1.31"

Page 3: [35] Formatted Cary West 11/15/2022 9:42:00 AM

Not Expanded by / Condensed by

Page 3: [36] Formatted Cary West 11/15/2022 9:40:00 AM

Font: Bold

Page 3: [37] Formatted Cary West 11/15/2022 9:40:00 AM

Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 3: [38] Formatted Cary West 11/15/2022 9:40:00 AM

Not Raised by / Lowered by

Page 3: [39] Formatted Cary West 11/15/2022 9:40:00 AM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 3: [40] Formatted Cary West 11/15/2022 9:40:00 AM

Not Raised by / Lowered by

Page 3: [41] Formatted Cary West 11/15/2022 9:41:00 AM

Condensed by 0.15 pt

Page 3: [42] Formatted Cary West 11/15/2022 9:41:00 AM

Indent: Left: 0.57", Right: 0.08"

Page 3: [43] Formatted Cary West 11/15/2022 9:44:00 AM

Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.81" + Indent at: 1.31"

Page 3: [44] Formatted Cary West 11/15/2022 9:40:00 AM

Font: Bold

Page 3: [45] Formatted Cary West 11/15/2022 9:40:00 AM

Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 3: [46] Formatted Cary West 11/15/2022 9:40:00 AM

Not Raised by / Lowered by

Page 3: [47] Formatted Cary West 11/15/2022 9:40:00 AM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 3: [48] Formatted Cary West 11/15/2022 9:40:00 AM

Not Raised by / Lowered by

Page 3: [49] Formatted Cary West 11/15/2022 9:41:00 AM

Condensed by 0.15 pt

Page 3: [50] Formatted Cary West 11/15/2022 9:41:00 AM

Indent: Left: 0.57", Right: 0.08"

Page 3: [51] Formatted Cary West 11/15/2022 9:41:00 AM

Condensed by 0.15 pt

Page 3: [52] Formatted Cary West 11/15/2022 9:41:00 AM

Condensed by 0.15 pt

Page 3: [53] Formatted Cary West 11/15/2022 9:40:00 AM

Font: Bold

Page 3: [54] Formatted Cary West 11/15/2022 9:40:00 AM

Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 3: [55] Formatted Cary West 11/15/2022 9:40:00 AM

Not Raised by / Lowered by

Page 3: [56] Formatted Cary West 11/15/2022 9:40:00 AM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 3: [57] Formatted Cary West 11/15/2022 9:40:00 AM

Not Raised by / Lowered by

Page 3: [58] Formatted Cary West 11/15/2022 9:44:00 AM

Condensed by 0.15 pt

Page 3: [59] Formatted Cary West 11/15/2022 9:44:00 AM

Indent: Left: 0.57", Right: 0.08", Space Before: 6.2 pt

Page 3: [60] Formatted Cary West 11/15/2022 9:44:00 AM

Condensed by 0.15 pt

Page 3: [61] Formatted Cary West 11/15/2022 9:44:00 AM

Condensed by 0.15 pt

Page 3: [62] Formatted Cary West 11/15/2022 9:44:00 AM

Condensed by 0.15 pt

Page 4: [63] Formatted Cary West 11/15/2022 9:44:00 AM

Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 4: [64] Formatted Cary West 11/15/2022 9:44:00 AM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 4: [65] Formatted Cary West 11/15/2022 9:45:00 AM

Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 4: [66] Formatted Cary West 11/15/2022 9:45:00 AM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 4: [67] Formatted Cary West 11/14/2022 12:29:00 PM

Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 4: [68] Formatted Cary West 11/14/2022 12:29:00 PM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 4: [69] Commented [RC31] Richard Cole 3/9/2022 12:21:00 PM

All new meters will record demand.

Page 4: [70] Formatted Cary West 11/14/2022 12:18:00 PM

Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Page 4: [71] Formatted Cary West 11/14/2022 12:30:00 PM

Heading 1, Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 4: [72] Commented [RC32] Richard Cole 3/21/2022 1:44:00 PM

Needs to be renumbered, but is in a strange format.

Page 4: [73] Formatted Cary West 11/14/2022 12:30:00 PM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 4: [74] Formatted Cary West 11/15/2022 9:46:00 AM

Right: 0.08", Space Before: 6 pt, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.81" + Indent at: 1.31"

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [75] Formatted Cary West 11/15/2022 9:46:00 AM

Not Expanded by / Condensed by

Page 5: [76] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [76] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [76] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [77] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [77] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [77] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [78] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [78] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [78] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [79] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [79] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 5: [79] Formatted Cary West 11/15/2022 9:47:00 AM

Not Raised by / Lowered by

Page 7: [80] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 7: [80] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [81] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [82] Formatted Cary West 11/15/2022 9:48:00 AM

Not Raised by / Lowered by

Page 7: [82] Formatted Cary West 11/15/2022 9:48:00 AM

Not Raised by / Lowered by

Page 7: [82] Formatted Cary West 11/15/2022 9:48:00 AM

Not Raised by / Lowered by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [83] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [84] Formatted Cary West 11/15/2022 9:48:00 AM

Not Raised by / Lowered by

Page 7: [84] Formatted Cary West 11/15/2022 9:48:00 AM

Not Raised by / Lowered by

Page 7: [84] Formatted Cary West 11/15/2022 9:48:00 AM

Not Raised by / Lowered by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 7: [85] Formatted Cary West 11/15/2022 9:48:00 AM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [86] Formatted Cary West 11/15/2022 8:20:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 1: [87] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [88] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [89] Formatted Cary West 11/14/2022 12:22:00 PM

Default Paragraph Font

Page 2: [89] Formatted Cary West 11/14/2022 12:22:00 PM

Default Paragraph Font

Page 2: [89] Formatted Cary West 11/14/2022 12:22:00 PM

Default Paragraph Font

Page 2: [90] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [90] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [90] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [90] Formatted Cary West 11/14/2022 12:22:00 PM

Not Expanded by / Condensed by

Page 2: [91] Formatted Cary West 11/14/2022 12:23:00 PM

Not Expanded by / Condensed by

Page 2: [92] Formatted Cary West 11/14/2022 12:24:00 PM

Right: 0.08", Space Before: 6 pt, Line spacing: single

Page 2: [93] Commented [JS48] Jennifer Sager 7/13/2022 4:14:00 PM

Should this be Monday-Thursday with the 4 10s schedule of the line crew?

Page 2: [94] Commented [RC49] Richard Cole 4/20/2022 10:03:00 AM

Align with Grants current process and allows the expansion of the call center hours.

Page 3: [95] Commented [KW51] Kerri Wendell 5/13/2022 4:49:00 PM

I have a suggestion to break this out with residential customers - deposit requirements and amounts then for Non-Residential or General Service and above since the deposit requirements are similar but there are other ways for commercial and industrial customers to waive the deposit. If that is easier to understand for customers.

Page 3: [96] Commented [RC53] Richard Cole 4/20/2022 10:04:00 AM

Rate 1 customers, upon approval, may have the deposit waived.

Page 3: [97] Commented [RC54] Richard Cole 4/20/2022 10:07:00 AM

Missing appears to be the return of the deposits. Should that be addressed in the policy?

Page 3: [98] Formatted Cary West 11/15/2022 9:49:00 AM

Indent: Left: 0.44", Space Before: 0 pt, Tab stops: 0.88", Left

Page 3: [99] Formatted Cary West 11/15/2022 9:49:00 AM

Not Expanded by / Condensed by , Not Raised by / Lowered by

Page 6: [100] Formatted Cary West 11/15/2022 9:50:00 AM

Not Raised by / Lowered by

Page 6: [100] Formatted Cary West 11/15/2022 9:50:00 AM

Not Raised by / Lowered by

Page 6: [100] Formatted Cary West 11/15/2022 9:50:00 AM

Not Raised by / Lowered by

Page 6: [101] Formatted Cary West 11/15/2022 8:18:00 PM

Default Paragraph Font, Font: Bold

Page 6: [101] Formatted Cary West 11/15/2022 8:18:00 PM

Default Paragraph Font, Font: Bold

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 6: [102] Formatted Cary West 11/14/2022 12:31:00 PM

Not Expanded by / Condensed by

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM

Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM

Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM

Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM

Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM

Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM

Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM

Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM

Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [103] Formatted Cary West 11/14/2022 12:32:00 PM
Default Paragraph Font

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM
Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM
Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM
Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM
Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM
Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM
Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM
Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [104] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [105] Formatted Cary West 11/16/2022 7:04:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [105] Formatted Cary West 11/16/2022 7:04:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [105] Formatted Cary West 11/16/2022 7:04:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [106] Formatted Cary West 11/16/2022 7:04:00 AM

Not Expanded by / Condensed by

Page 8: [107] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [107] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [107] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [108] Formatted Cary West 11/16/2022 7:05:00 AM

Default Paragraph Font, Font: 10 pt

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 8: [109] Formatted Cary West 11/16/2022 7:05:00 AM

Not Expanded by / Condensed by

Page 2: [110] Formatted Cary West 11/14/2022 12:36:00 PM

No underline, Underline color: Auto, Font color: Auto

Page 2: [110] Formatted Cary West 11/14/2022 12:36:00 PM

No underline, Underline color: Auto, Font color: Auto

Page 2: [110] Formatted Cary West 11/14/2022 12:36:00 PM

No underline, Underline color: Auto, Font color: Auto

Page 2: [111] Formatted Cary West 11/14/2022 12:37:00 PM

Not Expanded by / Condensed by

Page 2: [111] Formatted Cary West 11/14/2022 12:37:00 PM

Not Expanded by / Condensed by

Page 2: [111] Formatted Cary West 11/14/2022 12:37:00 PM

Not Expanded by / Condensed by

Page 2: [111] Formatted Cary West 11/14/2022 12:37:00 PM

Not Expanded by / Condensed by

Page 2: [112] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [112] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [113] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [114] Formatted Cary West 11/14/2022 12:35:00 PM

Not Expanded by / Condensed by

Page 2: [115] Formatted Cary West 11/15/2022 9:55:00 AM

Not Raised by / Lowered by

Page 2: [115] Formatted Cary West 11/15/2022 9:55:00 AM

Not Raised by / Lowered by

Page 2: [115] Formatted Cary West 11/15/2022 9:55:00 AM

Not Raised by / Lowered by

Page 5: [116] Formatted Cary West 11/14/2022 12:53:00 PM

Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

Page 5: [117] Formatted Cary West 11/16/2022 7:06:00 AM

Justified, Right: 0.08", Space Before: 6 pt, Outline numbered + Level: 3 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.07", Tab stops: 1.07", Left + Not at 1.23"

Page 5: [118] Formatted Cary West 11/14/2022 12:53:00 PM

Justified, Indent: Left: 0.57", Right: 0.08", Space Before: 6.1 pt

CUSTOMER SERVICE POLICIES
FEE SCHEDULE

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy Section	Item	Fee
2.14	Revenue Protection and Power Diversion Fees	Actual Damages
2.14 B	Meter Resealing Fee	\$100.00
4.5.1 A	<p align="center">Line Extension Fee</p> <p>If the Design cost is \$20,000 or greater, a true-up provision applies pursuant to a Time and Materials Contract.</p> <p>If actual costs are above the Design cost, the Customer will be billed for the difference. If the actual costs are below the Design cost, the Customer will receive an account credit for the difference.</p>	<p align="center">Actual Fee per Design</p> <p>A 25% discount, up to a maximum \$2,500 discount, is available to Residential Customers on Rate Schedule 1, <i>excluding plat developers.</i></p> <p>A 25% discount, up to a maximum \$10,000 discount, is available to Irrigation Customers on Rate Schedule 3.</p>
4.5.1 B	<p align="center">Underground Simple Service Fee (if moped and fiber handhole are already installed)</p> <hr/> <p align="center">Overhead Simple Service Extension Fee (if transformer is already on pole and pole is within 100' of new meter base/mast)</p>	<p align="center">Electric - \$850.00 Fiber - \$400.00</p> <hr/> <p align="center">Electric - \$450.00 Fiber - \$430.00</p>
4.5.1 D	<p align="center">Overhead Temporary Service</p> <p align="center">Underground Temporary Service</p>	<p align="center">\$380.00</p> <p align="center">\$340.00</p>
5.3.5	False Call Fee	\$215.00
5.4.7	Meter Obstruction Fee	Basic Charge
5.6.1	Net Metering Application Fee	\$300.00

CUSTOMER SERVICE POLICIES
FEE SCHEDULE

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy Section	Item	Fee
6.1	Manual Meter Read	Installation Cost - \$250.00 Meter Read - \$65.00 per month
6.8	Return Check Fee	\$25.00
6.101	Late Payment Charge	Refer to CS110042-POL
6.112	Account Service Charge	\$15.00
6.123	After-Hours Fee (Call Center)	\$250.00
	After-Hours Fee (On-Site)	\$450.00
	<i>(Combined fees apply when both call-outs are applicable)</i>	
6.178.1	Disconnect Fee	\$50.00
6.189	Door Tag Fee	\$50.00
8.1	Application Fee	New Demand Load Request 0.5 MW to 2 MW \$2,500 Up to 10 MW \$6,500 Up to 20 MW \$15,000 Up to 40 MW \$52,000 Over 40 MW \$21,000 (*requires different process)
8.5	Redundant Capacity Charge	Monthly charge of \$0.85 per kW

CUSTOMER SERVICE POLICIES
FEES SCHEDULE

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy	Item	Fee
2.1 4 5	Revenue Protection and Power Diversion Fees	Actual Damages
2.1 5 4 B	Meter Resealing Fee	\$ 50 100.00
4.5.1 A .A 4.5.1.A	<p>Line Extension Fees:</p> <p>Permanent Service maximums:</p> <p>\$10,000. per Residence on Schedule 1 \$25,000. per account on Schedule 2 \$40,000. per account on Schedule 3 \$200,000. per account on Schedule 7 (up to 500 KVA)</p> <p><u>Line Extension fees in excess of \$20,000</u></p>	<p><u>Actual Fee per Design</u></p> <p><u>Seventy five percent (75%) of the Estimated Line Extension fee for Permanent Service. Plus 100% of the cost in excess of the applicable maximum amount listed.</u></p> <p><u>See T&M Contract</u></p> <p><u>If the Design cost is \$20,000 or greater, a true-up provision applies pursuant to Time and Materials Contract. If actual costs are above the Design cost, the Customer will be billed for the difference. If the actual costs are below the Design cost, the Customer will receive an account credit for the difference.</u></p> <p><u>A 25% discount, up to a maximum \$2,500 discount, is available to Residential Customers on Rate Schedule 1, excluding plat developers.</u></p> <p><u>A 25% discount, up to a maximum \$10,000 discount, is available to Irrigation Customers on Rate Schedule 3.</u></p>

Commented [RA1]: This does not cover the meter/relay or lineman going out to the site and coming back. If this is due to a customer tampering, it should be more. But if this is due to work in the house being done under L&I, then it should at least cover 1 hour plus overhead. That would be closer to \$100

Commented [CW2R1]: Thank you, @Ron Alexander. I'll update it for 1 hr of labor + OH. If tampering, we multiply tampering charges by 3x.

Commented [CW3R1]: Lineman \$54.18 x 1.0 hr x 1.6 (60% OH rate) = \$86.69

Formatted: Centered, Indent: Left: 0.14", Right: 0.14"

Formatted: Character scale: 100%

Formatted: Centered, Indent: Left: 0.14", Right: 0.14"

Formatted Table

Formatted: Left

Formatted: Font: Italic

CUSTOMER SERVICE POLICIES
FEES SCHEDULE

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

4.5.1-B	<u>Underground Simple Service Extension Fee (if moped and fiber handhole are already installed)</u>	\$300.00 Electric - \$8503.00 & Fiber - \$4008.00
	<u>Overhead Simple Service Extension Fee (if transformer is already on pole and pole is within 100' of new meter base/mast)</u>	Electric - \$4504.00 ###00_ Fiber - \$4309.00
4.5.1-D	<u>Construction Temporary Service</u>	\$60.00
4.5.1 D	<u>Overhead Temporary Service</u>	\$3807.00 76
	<u>Underground Temporary Service</u>	\$3404.00 30
5.3.5	<u>False Call Fee</u>	\$215.00
5.4.7	<u>Meter Obstruction Fee</u>	Basic Charge
5.6.1	<u>Net Metering Application Fee</u>	\$300.00
6.1	<u>Manual Meter Read</u>	Installation Cost - \$250.9900 Meter Read - \$654.3400 per
6.8	<u>Return Check Fee</u>	\$205.00
6.10+	<u>Late Payment Charge</u>	<u>Greater of 2% or \$5</u> <u>Minimum of \$5 or 2%</u>
6.112	<u>Account Service Charge</u>	\$105.00
6.123	<u>After-Hours Fee (Call Center)</u>	\$4250.00
	<u>After-Hours Fee (On-Site)</u>	\$450.00
	<i>(Combined fees apply when both call-outs are applicable)</i>	
6.178.1	<u>Disconnect Fee (Remote Meter)</u>	\$ 50.00
	<u>Disconnect Fee (Non-Remote Meter)</u>	\$ 100.00

Formatted: Centered, Indent: Left: 0.14", Right: 0.14", Space Before: 0 pt, Line spacing: Exactly 13.75 pt

Formatted: Centered, Indent: Left: 0.14", Right: 0.14"

Formatted: Centered

Commented [RA4]: What is the basic charge in \$?

Commented [CW5R4]: It varies by rate class but RS1 (residential) is \$0.55/day. We really don't see this anymore with AMI's ability to get reads. For any manual meter reads, we have the opt-out fee + this obstruction charge if unable to access meter.

Commented [RA6]: Last time I checked, this was \$25. What are we paying for returned check fees?

Commented [CW7R6]: We only pay \$2.50 but we could up this to \$25.00 to help discourage customer from writing checks with NSF's. Also having the higher fee covers the admin time with processing NSF's.

Formatted Table

Commented [RA8]: Is this enough to cover personnel time?

Commented [CW9R8]: Will increase to \$15. Inherently low to encourage customers to sign into service.

Formatted Table

Commented [RA10]: This does not cover the call out and overtime needed to reconnect a person. At present we pay 2.5 hours of OT, which equates to more than this fee. Can we raise it?

Commented [CW11R10]: Thank you. I've updated and have broken out between non-remote vs. remote meters as actual costs are different:

Remote - CSR IV \$31.07 x 2 (OT rate) x 2.5 hrs (min call out) x 1.6 (60% OH rate) = \$248.56

Non-Remote:
Lineman \$54.18 x 2 (OT rate) x 2.5 hrs (min call out) x 1.6 (60% OH rate) = \$433.44

Foreman Lineman \$60.85 x 2 (OT rate) x 2.5 hrs (min call out) x 1.6 (60% OH rate) = \$486.80

Total for Non-Remote = \$920.24

Commented [CW12R10]: Ron has updated the callout procedure to only callout one individual, not two. Can up...

Commented [RA13]: What is the cost difference between a remote disconnect and one where we have to have a line ...

Commented [CW14R13]: Thank you, I've updated and have broken out between non-remote vs. remote meters as ...



Resolution XXXX

Exhibit A

CUSTOMER SERVICE POLICIES
EEE SCHEDULE

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

6.1 89	Door Tag Fee	\$ 50.00
-------------------	--------------	----------

Formatted Table



Resolution XXXX

Exhibit A

CUSTOMER SERVICE POLICIES
EEE SCHEDULE

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

8.1	Application Fee	New Demand Load Request 0.5 MW to 2 MW \$2,500 Up to 10 MW \$6,500 Up to 20 MW \$15,000 Up to 40 MW \$52,000 Over 40 MW \$21,000 (*require different process)
8.5-B	Redundant Capacity Charge	Monthly charge of \$0.85 per kW

Formatted Table

Formatted: Centered, Indent: Left: 0.17", Right: 0.17"

ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 2023-U
BOND RESOLUTION

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

RESOLUTION NO. 9019

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$55,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING ELECTRIC SYSTEM BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS.

PASSED JUNE 13, 2023

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

TABLE OF CONTENTS*

	Page
ARTICLE I DEFINITIONS	
Section 1.1	Definitions..... 2
ARTICLE II FINDINGS	
Section 2.1	Compliance with Parity Conditions 11
Section 2.2	Best Interests of the District..... 12
Section 2.3	Gross Revenue Sufficient 12
Section 2.4	Due Regard 12
ARTICLE III AUTHORIZATION, ISSUANCE AND REDEMPTION OF BONDS	
Section 3.1	Authorization of Issuance and Sale of the Bonds 12
Section 3.2	Reservation of Right to Purchase..... 13
Section 3.3	Redemption of Bonds 13
ARTICLE IV REGISTRATION, FORM AND GENERAL TERMS	
Section 4.1	Registrar; Exchanges and Transfers..... 15
Section 4.2	Form of Bonds 18
Section 4.3	Execution and Authentication of Bonds 18
ARTICLE V SPECIAL FUNDS AND DEFEASANCE	
Section 5.1	Revenue Fund 18
Section 5.2	Bond Fund; Reserve Account 19
Section 5.3	Defeasance 22
Section 5.4	Rate Stabilization Account 22
ARTICLE VI APPLICATION OF BOND PROCEEDS; PLAN OF REFUNDING	
Section 6.1	Application of Bond Proceeds; Plan of Refunding..... 23
ARTICLE VII COVENANTS TO SECURE BONDS	
Section 7.1	Security for Parity Bonds..... 23
Section 7.2	General Covenants 24
Section 7.3	Future Parity Bonds and Resource Obligations 28
Section 7.4	Restrictions on Contracting of Obligations Secured by Revenue..... 30
Section 7.5	Derivative Products..... 31
Section 7.6	Tax Covenants 32
ARTICLE VIII DEFAULTS AND REMEDIES	
Section 8.1	Events of Default 32
Section 8.2	Bondowners' Trustee 33
Section 8.3	Suits a Law or in Equity..... 34
Section 8.4	Application of Money Collected by Bondowners' Trustee 35
Section 8.5	Duties and Obligation of Bondowners' Trustee 35

* This Table of Contents is provided for convenience only and is not a part of this resolution.

Section 8.6	Suits by Individual Bondowners Restricted.....	36
Section 8.7	Waivers of Default.....	36
Section 8.8	Remedies Granted in Resolution Not Exclusive.....	37

ARTICLE IX AMENDMENTS

Section 9.1	Execution of Instruments by Bondowners	37
Section 9.2	Vote Required to Amend Resolution.....	37
Section 9.3	Alternate Method of Obtaining Approval of Amendments	38
Section 9.4	Amendment of Resolution In Any Respect by Approval of All Bondowners	38
Section 9.5	Parity Bonds Owned by District	38
Section 9.6	Endorsement of Amendment on Parity Bonds.....	38
Section 9.7	Amendments by District	39

ARTICLE XI ONGOING DISCLOSURE

Section 10.1	Undertaking to Provide Ongoing Disclosure.....	39
--------------	--	----

ARTICLE XI SALE OF THE BONDS

Section 11.1	Sale of the Bonds	40
Section 11.2	Preliminary and Final Official Statements.....	41

ARTICLE XII MISCELLANEOUS

Section 12.1	Resolution a Contract.....	41
Section 12.2	Benefits of Resolution Limited to District, Bondowners, Registrar, and Bondowners' Trustee	41
Section 12.3	Severability	41
Section 12.4	General Authorization.....	41
Section 12.5	Prior Acts	42
Section 12.6	Effective Date	42

Appendix A:	Refunding Candidate	
Appendix B:	Form of Bonds	

RESOLUTION NO. 9019

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$55,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING ELECTRIC SYSTEM BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS.

WHEREAS, Public Utility District No. 2 of Grant County, Washington (the “District”), owns and operates an electric utility system (as further defined herein, the “Electric System”) for the transmission and distribution of electric energy; and

WHEREAS, the District has issued and has outstanding certain senior parity lien obligations of the Electric System described herein (as defined herein, the “Outstanding Parity Bonds”); and

WHEREAS, the resolutions authorizing the Outstanding Parity Bonds authorize the District to issue Future Parity Bonds (as hereinafter defined) for the purpose of refunding outstanding Electric System obligations if certain conditions are met; and

WHEREAS, the District finds that the subordinate lien obligation of the Electric System listed in Appendix A attached hereto (the “Refunding Candidate”) may be refunded with proceeds of a new series of Future Parity Bonds at an overall debt service savings to the District and its ratepayers; and

WHEREAS, the Commission of the District (the “Commission”) deems it in the best interest of the District to issue Electric System revenue refunding bonds in the aggregate principal amount not to exceed \$55,000,000 (the “Bonds”) to be used, with available funds of the District, if any, to redeem the Refunding Candidate (as described herein, the “Refunded Bond”) and to pay costs of issuing the Bonds; and

WHEREAS, once refunded with proceeds of the Bonds authorized herein, the obligations represented by the Refunded Bond will move from a subordinate lien position to a senior lien position in the District’s debt portfolio; and

WHEREAS, the Commission wishes to delegate authority to the General Manager and the Chief Financial Officer/Treasurer of the District (each, a “Designated Representative”) for a limited time, to approve the interest rates, maturity dates, redemption terms, principal maturities and other terms for the Bonds within the parameters set by this resolution; and

WHEREAS, the Bonds shall be sold by negotiated sale as set forth herein;

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. As used in this resolution, the following terms shall have the following meanings:

“Annual Debt Service” for any Fiscal Year means the sum of the amounts required to be paid into the Bond Fund, in such Fiscal Year, to pay:

- (a) the interest due in such Fiscal Year on all Outstanding Parity Bonds, excluding interest to be paid from the proceeds of the sale of Parity Bonds; and
- (b) the principal of all Outstanding Serial Bonds due in such Fiscal Year; and
- (c) the Sinking Fund Requirement, if any, for such Fiscal Year; and
- (d) any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, during such Fiscal Year.

For purposes of computing Annual Debt Service on any Parity Bonds which constitute Balloon Indebtedness, it shall be assumed that the principal of such Balloon Indebtedness, together with interest thereon at the rate applicable to such Balloon Indebtedness, shall be amortized in equal annual installments over a term equal to the least of (1) 25 years or (2) the average weighted useful life (expressed in years and rounded to the next highest integer) of the properties and assets constituting the project (if any) financed out of the proceeds of such Balloon Indebtedness.

In calculating the Annual Debt Service, the District may exclude the direct payment the District is expected to receive in respect of any Future Parity Bonds for which the federal government will provide the District with a direct payment of a portion of the interest from the interest portion of Annual Debt Service.

“Balloon Indebtedness” means any series or maturity of Parity Bonds that are specifically designated by the District as “Balloon Indebtedness.” The principal amount maturing on any date shall be the amount of bonds scheduled to be amortized by prepayment or redemption prior to their stated maturity date. The Bonds shall constitute Balloon Indebtedness.

“Beneficial Owner” means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Bond Counsel” means Pacifica Law Group LLP or an attorney at law or firm of attorneys, selected by the District, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

“**Bond Fund**” means the Electric System Revenue Bond Fund created by Resolution No. 4744 of the District.

“**Bond Purchase Contract**” means the contract for the purchase of the Bonds between the Underwriter and District.

“**Bond Register**” means the records kept by the Registrar on behalf of the District containing the name and mailing address of each Registered Owner of the Bonds or nominee of such Registered Owner, and such other information as the Registrar shall determine.

“**Bondowners’ Trustee**” means a trustee appointed pursuant to this resolution.

“**Bonds**” mean the Electric System Revenue Refunding Bonds, Series 2023-U of the District issued pursuant to this resolution.

“**Call Date**” means the date specified by a Designated Representative for the refunding of the Refunded Bond.

“**Closing Memorandum**” means the closing memorandum prepared by the Underwriter and delivered on the date of issuance of the Bonds.

“**Code**” means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

“**Commission**” means the general legislative authority of the District, as duly constituted from time to time.

“**Continuing Disclosure Certificate**” means a written undertaking for the benefit of the Registered Owners and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

“**Coverage Requirement**” means rates or charges sufficient to provide Net Revenue, taking into account any transfers to or from the R&C Fund pursuant to this resolution, in any Fiscal Year hereafter in an amount equal to at least 1.25 times the Annual Debt Service in such Fiscal Year, excluding any capitalized interest thereon in said Fiscal Year.

“**Derivative Facility**” means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for the District’s obligations under one or more Derivative Products.

“**Derivative Payment Date**” means any date specified in the Derivative Product on which a District Payment is due and payable under the Derivative Product.

“**Derivative Product**” means a written contract or agreement between the District and the Reciprocal Payor that has (or whose obligations are unconditionally guaranteed by a party that has) as of the date of the Derivative Product at least an investment grade rating from a rating agency, which provides that the District’s obligations thereunder will be conditioned on the performance by the Reciprocal Payor of its obligations under the agreement; and

(a) under which the District is obligated to pay, on one or more scheduled and specified Derivative Payment Dates, the District Payments in exchange for the Reciprocal Payor's obligation to pay or to cause to be paid to the District, on scheduled and specified Derivative Payment Dates, the Reciprocal Payments;

(b) for which the District's obligations to make District Payments may be secured by a pledge of and lien on the Gross Revenue on an equal and ratable basis with the Parity Bonds then Outstanding;

(c) under which Reciprocal Payments are to be made directly into the Bond Fund;

(d) for which the District Payments are either specified to be one or more fixed amounts or are determined as provided by the Derivative Product; and

(e) for which the Reciprocal Payments are either specified to be one or more fixed amounts or are determined as set forth in the Derivative Product.

“Designated Representative” means the General Manager and the Chief Financial Officer/Treasurer of the District, and any successor to the functions of such offices. The signature of one Designated Representative shall be sufficient to bind the District.

“District” means Public Utility District No. 2 of Grant County, Washington, a municipal corporation duly organized and existing under the laws of the State.

“District Payment” means any regularly scheduled payment designated as such by resolution and required to be made by or on behalf of the District under a Derivative Product and which is determined according to a formula set forth in the Derivative Product.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to this resolution.

“Electric System” means the electric utility and telecommunications properties, rights and assets, real and personal, tangible and intangible, now owned and operated by the District and used or useful in the generation, transmission, distribution and sale of electric energy, telecommunication services, and the business incidental thereto, and all properties, rights and assets, real and personal, tangible and intangible, hereafter constructed or acquired by the District as additions, betterments, improvements or extensions to said electric utility and telecommunications properties, rights and assets, including, but not limited to, the contract interest of the District in the P.E.C. Headworks Powerplant Project and in the Quincy Chute Project, but shall not include the Priest Rapids Project or any additions thereto, or any other generating, conservation, transmission or distribution facilities which heretofore have been or hereafter may be acquired or constructed by the District as a utility system that is declared by the Commission, at the time of financing thereof, to be separate from the Electric System, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire or expand such separate utility system or are otherwise pledged to the payment of the bonds of another such separate utility system of the District other than the Electric System. The Electric System

does not include any interest of the District in contracts for the sale to other parties of power and energy from the Priest Rapids Project, but does include the right of the District to receive power and energy from the Priest Rapids Project. The Commission may, by resolution, elect to combine with and include as a part of the Electric System any other separate utility system of the District, provided that full provision for the payment of any Outstanding indebtedness of such separate system shall first be made in the manner set forth herein or such indebtedness shall be refunded with bonds issued in accordance with this resolution.

“Event or Events of Default” means those events described as Events of Default in this resolution.

“Fiscal Year” means the Fiscal Year used by the District at any time. At the time of the adoption of this resolution, the Fiscal Year is the 12-month period beginning January 1 of each year.

“Future Parity Bonds” means any note, bonds or other obligations for borrowed money of the District issued after the date of issuance of the Bonds which will have a lien upon the Gross Revenue of the Electric System for the payment of the principal thereof and interest thereon equal to the lien upon the Gross Revenue of the Electric System for the payment of the principal of and interest on the Bonds and the Outstanding Parity Bonds.

“Government Obligations” mean those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of the United States or obligations unconditionally guaranteed by the United States, as such chapter may be hereafter amended or restated.

“Gross Revenue” means all income and revenues received by the District from the sale of electric energy through the ownership or operation of the Electric System and all other commodities, services and facilities sold, furnished or supplied by the District through the ownership or operation of the Electric System, together with the proceeds received by the District directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Electric System, and together with the investment income earned on money held in any fund or account of the District, including any bond redemption funds and the accounts therein, and federal credit payments for interest on bonds, in connection with the ownership and operation of the Electric System (but exclusive of income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the District, such as bonds heretofore or hereafter refunded, or any Bonds defeased pursuant to this resolution or other bonds defeased, or the payment of which is provided for, under any similar provision of any other bond resolution of the District, exclusive of investment income earned on money in any arbitrage rebate account, grants for capital purposes, assessments in any local utility district, any Reciprocal Payments and any ad valorem tax revenues).

“Letter of Representation” means a blanket issuer letter of representations from the District to DTC, as amended from time to time.

“Maximum Interest Rate” means, with respect to any particular Variable Rate Bond, a numerical rate of interest, which shall be set forth in any Parity Bond resolution authorizing

such bond, that shall be the maximum rate of interest such bond, including any bond registered in the name of the liquidity provider, may at any time bear.

“Minimum Interest Rate” means, with respect to any particular Variable Rate Bond, a numerical rate of interest, which shall be set forth in any Parity Bond resolution authorizing such bond, that shall be the minimum rate of interest such bond may at any time bear.

“MSRB” means the Municipal Securities Rulemaking Board or any successors to its functions.

“Net Revenue” means, for any period, the excess of Gross Revenue over Operating Expenses for such period, excluding from the computation of Gross Revenue (a) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the Electric System, or resulting from the early extinguishment of debt and (b) insurance proceeds other than proceeds to replace lost revenue.

“Official Statement” means the final official statement delivered in connection with the sale of the Bonds.

“Operating Expenses” means the District’s expenses for operation and maintenance of the Electric System and shall include ordinary repairs, renewals, replacements and reconstruction of the Electric System, all costs of delivering electric power and energy and payments into reasonable reserves in the Revenue Fund for items of Operating Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, costs of purchased power (including costs of power and energy required by any resolution or contract of the District to be taken by the District from the Priest Rapids Project for the account of the Electric System); costs of transmission and distribution operation and maintenance expenses; rents; administrative and general expenses; engineering expenses; legal and financial advisory expenses; required payments to pension, retirement, health and hospitalization funds; insurance premiums; and any taxes, assessments, payments in lieu of taxes or other lawful governmental charges, all to the extent properly allocable to the Electric System; and the fees and expenses of the Registrar. Operating Expenses shall not include any costs or expenses for new construction, interest, amortization, any allowance for depreciation and District Payments.

“Outstanding” when used with respect to the Parity Bonds means, as of any date, any Parity Bonds issued pursuant to a resolution of the Commission except (a) any Parity Bonds cancelled by the Registrar or paid at or prior to such date, (b) Parity Bonds in lieu of or in substitution for which other Parity Bonds have been delivered, and (c) Parity Bonds deemed no longer outstanding under the resolution authorizing their issuance.

“Outstanding Parity Bond Resolutions” mean the resolutions authorizing the Outstanding Parity Bonds, as applicable.

“Outstanding Parity Bonds” mean the Outstanding 2017-O Bonds, the 2020-Q Bonds, the 2020-R Bonds and the 2020-S Bonds.

“Parity Bond Reserve Accounts” mean the reserve accounts and/or funds created by the District to secure the payment of principal of and interest on one or more series of Parity Bonds.

As of the date of this resolution, the District maintains separate Parity Bond Reserve Accounts for the 2017-O Bonds and the 2020-Q Bonds, respectively. There are no Parity Bond Reserve Accounts established for the 2020-R Bonds or the 2020-S Bonds.

“Parity Bonds” mean the Outstanding Parity Bonds, the Bonds, and any Future Parity Bonds.

“Parity Lien Obligations” means all charges and obligations against Gross Revenue ranking on a parity of lien with the Parity Bonds, including but not limited to reimbursement agreement obligations so designated, any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, and Resource Obligations for any month such Obligations are not eligible for payment as Operating Expenses. Parity Lien Obligations do not include Parity Bonds.

“Permitted Investments” mean any investments or investment agreements permitted under the laws of the State as amended from time to time.

“Preliminary Official Statement” means the preliminary official statement prepared and delivered in connection with the negotiated sale, issuance and delivery of the Bonds.

“Priest Rapids Development” means the utility system of the District acquired and constructed pursuant to the provisions of Resolution No. 313, adopted by the Commission on June 19, 1956, including a dam at the Priest Rapids Development, all generating and transmission facilities associated therewith, and all additions, betterments and improvements to and extensions of such system, but shall not include any additional generation, transmission and distribution facilities hereafter constructed or acquired by the District as a part of the Electric System, or any other utility properties of the District acquired as a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire such separate utility system.

“Priest Rapids Project” means the Priest Rapids Development and the Wanapum Development, which were consolidated pursuant to Resolution No. 8475.

“Professional Utility Consultant” means the independent person(s) or firm(s) selected by the District having a favorable reputation for skill and experience with electric systems of comparable size and character to the Electric System in such of the following as are relevant to the purposes for which they are retained: (a) engineering and operations and (b) the design of rates.

“Qualified Insurance” means any noncancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of the two highest rating categories by Moody’s Investors Service or S&P Global Ratings or their comparably recognized business successors.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a financial institution for the account of the District on behalf of the owners of any Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance

of such letter of credit, is rated in one of the two highest rating categories by Moody's Investors Service or S&P Global Ratings or their comparably recognized business successors.

"R&C Fund" means the Reserve and Contingency Fund of the District created by Resolution No. 4112.

"Rate Stabilization Account" means the account within the R&C Fund.

"Rebate Amount" means the amount, if any, determined to be payable with respect to the Tax-Exempt Bonds by the District to the United States of America in accordance with Section 148(f) of the Code.

"Reciprocal Payment" means any payment, designated as such by resolution, to be made to, or for the benefit of, the District under a Derivative Product by the Reciprocal Payor.

"Reciprocal Payor" means a party to a Derivative Product that is obligated to make one or more Reciprocal Payments thereunder.

"Record Date" means the close of business for the Registrar that is 15 days preceding any interest and/or principal payment or redemption date.

"Refunded Bond" mean the Refunding Candidate designated by a Designated Representative for refunding pursuant to this resolution and set forth in the Bond Purchase Contract.

"Refunding Agent" means the escrow agent or paying agent, if any, selected by a Designated Representative to perform the duties described herein and under the applicable Refunding Agreement.

"Refunding Agreement" means the agreement, if any, between the District and the Refunding Agent and executed pursuant to this resolution to facilitate the refunding of the Refunded Bond.

"Refunding Candidate" mean the obligation of the Electric System listed in Appendix A attached hereto.

"Registered Owner" means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC (or its nominee) shall be deemed to be the sole Registered Owner.

"Registrar" means the registrar, authenticating agent, paying agent and transfer agent appointed pursuant to Section 4.1 hereof, its successor or successors and any other entity which may at any time be substituted in its place pursuant to this resolution.

"Reserve Account" means the Reserve Account contained in the Bond Fund as provided in this resolution.

"Reserve Account Requirement" means, initially with respect to the Bonds, zero (\$0.00).

“Resource Obligation” means an obligation of the District to pay the following costs associated with a resource from Gross Revenue as:

(a) Operating Expenses for any month in which any power and energy or other goods and services from such resource were made available to the Electric System during such month (regardless of whether or not the Electric System actually scheduled or received energy from such resource during such month) and

(b) at all other times as an indebtedness of the Electric System payable from Gross Revenue on a parity of lien with Parity Bonds and any Parity Lien Obligation:

(i) costs associated with facilities or resources for the generation of power and energy or for the conservation, transformation, transmission or distribution of power and energy (including any common undivided interest therein) hereafter acquired, purchased or constructed by the District and declared by the Commission to be a separate system, which such costs shall include but are not limited to costs of normal operation and maintenance, renewals and replacements, additions and betterments and debt service on the bonds or other obligations of such separate system but shall exclude costs paid or to be paid from the proceeds of the sale of bonds or other obligations of such separate system, or

(ii) costs associated with the purchase of energy, capacity, capability, reserves, conservation or services under a contract.

“Revenue Fund” means the Electric System Revenue Fund of the District created by Section 6 of Resolution No. 75 of the District.

“Rule” means the SEC’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

“SEC” means the Securities and Exchange Commission.

“Serial Bonds” mean Parity Bonds other than Term Bonds.

“Sinking Fund Requirement” means, for any Fiscal Year, the principal amount and premium, if any, of Term Bonds required to be purchased, redeemed or paid at maturity in such Fiscal Year as established by the resolution of the District authorizing the issuance of such Term Bonds.

“Special Tax Counsel” means Nixon Peabody LLP, or an attorney at law or firm of attorneys, selected by the District, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

“State” means the State of Washington.

“Supplemental Resolution” means any resolution amending, modifying or supplementing the provisions of this resolution.

“Tax Certificate” means the tax certificate executed by a Designated Representative pertaining to the Tax-Exempt Bonds, as supplemented and amended.

“Taxable Bonds” means any Bonds determined to be issued on a taxable basis pursuant to Section 11.1 of this resolution.

“Tax-Exempt Bonds” means any Bonds determined to be issued on a tax-exempt basis under the Code pursuant to Section 11.1 of this resolution.

“Term Bonds” means Parity Bonds of any principal maturity which are subject to mandatory distribution or redemption or for which mandatory sinking fund payments are required.

“Treasurer” means the duly appointed and acting Treasurer of the District or any successor in function.

“Underwriter” means J.P. Morgan Securities LLC and its successors.

“Variable Rate” means a variable interest rate or rates to be borne by a series of Parity Bonds or any one or more maturities within a series of Parity Bonds. The method of computing such variable interest rate shall be specified in the bond resolution authorizing such series of Parity Bonds; provided that such variable interest rate shall be subject to a Maximum Interest Rate and may be subject to a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such resolution. Such resolution shall also specify either (a) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable interest rate shall remain in effect or (b) the time or times upon which any change in such variable interest rate shall become effective.

“Variable Rate Bonds” means, for any period of time, Parity Bonds that during such period bear a Variable Rate, provided that Parity Bonds the interest rate on which shall have been fixed for the remainder of the term to the maturity thereof shall no longer be Variable Rate Bonds.

“Wanapum Development” means the second stage of the Priest Rapids Hydroelectric Project (F.P.C. (or FERC) Project No. 2114), as more fully described in Section 2.2 of Resolution No. 474 adopted by the Commission on June 30, 1959, or as the same may be modified in accordance with Section 2.3 of Resolution No. 474, but shall not include any generation, transmission and distribution facilities hereafter constructed or acquired by the District as a part of the Electric System, or any other utility properties of the District acquired as a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire such separate utility system.

“2017-O Bonds” means the District’s Electric System Revenue Refunding Bonds, Series 2017-0 authorized by Resolution No. 8866.

“2020-Q Bonds” means the District’s Electric System Revenue Refunding Bonds, Series 2020-Q (Taxable) authorized by Resolution No. 8933.

“2020-R Bonds” means the District’s Electric System Revenue Refunding Bonds, Series 2020-R (Mandatory Put Bonds) authorized by Resolution No. 8947.

“**2020-S Bonds**” means the District’s Electric System Revenue Refunding Bonds, Series 2020-S (Mandatory Put Bonds) authorized by Resolution No. 8947.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution; and

(b) Words of any gender shall mean and include correlative words of any other genders and words importing the singular number shall mean and include the plural number and vice versa; and

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons; and

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect; and

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and

(f) Words importing the singular number include the plural number and vice versa.

ARTICLE II FINDINGS

Section 2.1 Compliance with Parity Conditions. In accordance with the Outstanding Parity Bond Resolutions, which permit the issuance of Future Parity Bonds upon compliance with the conditions set forth therein, the District hereby finds and determines, as follows:

(a) The Bonds are being issued for the purpose of providing funds to refund and restructure as senior lien bonds certain outstanding obligations of the Electric System;

(b) There is not now and there will not be, at the time of the issuance of the Bonds, any deficiency in the Bond Fund or in any of the accounts therein, and no Event of Default has occurred and is continuing;

(c) This resolution contains the covenants and representations required by the Outstanding Parity Bond Resolutions; and

(d) Prior to the delivery of a series of Bonds, the District shall have on file a certificate meeting the requirements of the Outstanding Parity Bond Resolutions.

As set forth above, the applicable parity conditions required by the Outstanding Parity Bond Resolutions have been or will be satisfied, and the Bonds shall be issued on a parity of lien with the Outstanding Parity Bonds.

The District hereby covenants and agrees that the Bonds will not be issued and delivered to the purchasers thereof as bonds on a parity with the Outstanding Parity Bonds until the certificate required herein, in form and contents satisfactory to the District and its counsel, has been filed with the District.

Section 2.2 Best Interests of the District. The Commission hereby finds and determines that it is in the best interests of the District and its customers that the District issue the bonds authorized herein for the purpose of refunding the Refunded Bond.

Section 2.3 Gross Revenue Sufficient. The Commission hereby finds and determines that the Gross Revenue will be sufficient in the judgment of the Commission to meet all Operating Expenses, to make all payments required to pay the Bonds, to make all necessary repairs, replacements and renewals thereof, and to permit the setting aside out of such Gross Revenue and money in the Revenue Fund into the Bond Fund of such amounts as may be required to pay the principal of and interest on the Bonds and the Outstanding Parity Bonds as the same become due and payable.

Section 2.4 Due Regard. The Commission hereby finds and determines that due regard has been given to the Operating Expenses of the Electric System and that it has not obligated the District to set aside into the Bond Fund for the account of the Parity Bonds a greater amount of the revenues and proceeds of the Electric System than in its judgment will be available over and above such Operating Expenses.

ARTICLE III AUTHORIZATION, ISSUANCE AND REDEMPTION OF BONDS

Section 3.1 Authorization of Issuance and Sale of the Bonds. For the purposes of refunding the Refunded Bond and paying costs of issuance of the Bonds, the District is hereby authorized to issue and sell its Electric System revenue refunding bonds in the aggregate principal amount not to exceed \$55,000,000 (the “Bonds”).

The Bonds shall be designated as the “Electric System Revenue Refunding Bonds, Series 2023-U,” with additional series designation, designation regarding tax status, or other designation as set forth in the Bond Purchase Contract and approved by a Designated Representative.

The Bonds shall be dated as of the date of initial delivery, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof within a maturity, shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification and control, and shall bear interest payable on the dates set forth in the Bond Purchase Contract. The Bonds shall bear interest at the rates set forth in the Bond Purchase Contract and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 11.1 of this resolution.

The Bonds shall be special obligations of the District payable only from the Bond Fund and shall be payable and secured as provided herein. The Bonds shall not be general obligations of the District, the State, or any political subdivision thereof.

Section 3.2 Reservation of Right to Purchase. The District reserves the right to use money in the Revenue Fund or any other funds legally available therefor at any time to purchase any of the Bonds in the open market if such purchase shall be found by the District to be economically advantageous and in the best interest of the District. Any purchases of Bonds may be made with or without tenders of Bonds and at either public or private sale in such amount and at such price as the District shall, in its discretion, deem to be in its best interest. Any money which is to be applied to the purchase or redemption of Bonds shall, prior to such purchase or redemption, be transferred to and deposited in the Bond Fund to the credit of the appropriate account therein. Purchases of Term Bonds may be credited against the Sinking Fund Requirement for such Term Bonds. Bonds purchased pursuant to this Section 3.2 shall be cancelled.

Section 3.3 Redemption of Bonds.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption, if any.* The Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 11.1. The Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 11.1 of this resolution.

(b) *Selection of Bonds for Redemption.* If the District redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds and maturity to be redeemed shall be selected by lot (or in such manner determined by the Registrar or as set forth in the Bond Purchase Contract) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the District and the Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of Bonds by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized. Notwithstanding the foregoing, as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC.

(c) *Notice of Redemption.*

(1) *Official Notice.* Unless waived by any Outstanding of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Registrar on behalf of the District by mailing a copy of an official redemption notice by first-class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register

or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notwithstanding anything herein to the contrary, so long as the Bonds are held in book-entry form, notice of redemption will be given in accordance with the operational arrangements in effect at DTC, and neither the District nor the Registrar will provide any notice of redemption to any Beneficial Owners.

All official notices of redemption shall be dated and shall state:

- (i) the redemption date,
- (ii) the redemption price,
- (iii) if fewer than all Outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (iv) that unless conditional notice of redemption has been given and such conditions have not been satisfied or waived or such notice has been rescinded, on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and if the Registrar then holds sufficient funds to pay such Bonds at the redemption price, interest thereon shall cease to accrue from and after said date,
- (v) any conditions to redemption, and
- (vi) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the District shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The District retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain Outstanding.

(2) *Effect of Notice; Bonds Due.* If an unconditional notice of redemption has been given and not rescinded, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Registrar then holds sufficient funds to pay such Bonds at the redemption price, then from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

(3) *Additional Notice.* In addition to the foregoing notice, further notice shall be given by the District as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to a Continuing Disclosure Certificate and with such additional information as the District shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(d) *Amendment of Notice Provisions.* The foregoing notice provisions of this Section 3.3, including, but not limited to, the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

ARTICLE IV REGISTRATION, FORM AND GENERAL TERMS

Section 4.1 Registrar; Exchanges and Transfers.

(a) *Registrar/Bond Register.* The District hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of a State fiscal agent, and appoints the fiscal agent of the State, U.S. Bank Trust Company, National Association, as the Registrar. The District shall cause a Bond Register to be maintained by the Registrar. So long as any Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its principal office. The Registrar may be removed at any time at the option of the District upon prior notice to the Registrar and a successor Registrar appointed by the District. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder.

(b) *Registered Ownership.* The District and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as otherwise provided in this resolution or in the Continuing Disclosure Certificate of the District), and neither the District nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in subsection (h) below, but such Bond may be transferred as herein provided. All such payments made as described in herein shall be valid and shall satisfy and discharge the liability of the District upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held in book-entry form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the District has executed and delivered to DTC a Blanket Issuer Letter of

Representations. Neither the District nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the District to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in book-entry form, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds of each series in a denomination corresponding to the total principal therein within a series to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the District pursuant to subsection (2) below or such substitute depository’s successor; or (iii) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the District to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the District may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of subsection (1) above, the Registrar shall, upon receipt of all Outstanding Bonds of a series, issue a single new Bond for each series and maturity then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the District determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in book-entry form. The District shall deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Bonds together with a written request of the District to the Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the District's paying agent for the Bonds and to carry out all of the Registrar's powers and duties under this resolution and resolutions of the District establishing a system of registration for the District's bonds and obligations. The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, series, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, series, maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to register the transfer or to exchange any Bond during the period from the Record Date to the redemption or payment date.

(f) *Registrar's Ownership of Bonds.* The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The District covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and 12 30-day months. For so long as all Bonds are in book-entry form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held in book-entry form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Registrar at least 10 days prior to the applicable payment date), such payment shall be made by the Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Registrar.

If any Bond shall be duly presented for payment and funds have not been duly provided by the District on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

Section 4.2 Form of Bonds. The Bonds shall be in substantially the form set forth in Appendix B, which is incorporated herein by this reference.

Section 4.3 Execution and Authentication of Bonds. The Bonds shall be executed on behalf of the District with the manual or facsimile signature of the President or Vice President of the Commission and attested with the manual or facsimile signature of the Secretary of the Commission and the seal of the District shall be imprinted or impressed on each of the Bonds. The Bonds shall bear thereon a certificate of authentication, executed manually by the Registrar. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Registrar. Such certificate of the Registrar upon any Bond executed on behalf of the District shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this resolution and that the Registered Owner thereof is entitled to the benefits of this resolution.

In case any of the officers who shall have signed, attested, or sealed any of the Bonds shall cease to be such officers before the Bonds so signed, attested, authenticated, registered or sealed shall have been actually issued and delivered, such Bonds shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed, attested, authenticated, registered or sealed such Bonds had not ceased to be such officers.

ARTICLE V SPECIAL FUNDS AND DEFEASANCE

Section 5.1 Revenue Fund. The District covenants and agrees that so long as any of the Parity Bonds are Outstanding and unpaid it will continue to pay into the Revenue Fund all Gross Revenue, exclusive of earnings on money on hand in any arbitrage rebate account or any bond fund (including the Bond Fund), the R&C Fund, or the Parity Bond Reserve Accounts, which may be retained in such funds and account or transferred to other funds as required by this resolution or other bond resolution.

(a) The Gross Revenue of the District shall be used only for the following purposes and in the following order of priority:

(1) to pay Operating Expenses and Resource Obligations (to the extent payable as Operating Expenses);

(2) to make all payments required to be made into the Bond Fund for the payment of accrued interest on Parity Bonds on the next interest payment date and to make any District Payments;

(3) to make all payments required to be made into the Bond Fund for the payment of the principal amount of Serial Bonds next coming due, and for the optional or mandatory redemption of Term Bonds;

(4) to make all payments required to be made into the Parity Bond Reserve Accounts, or to meet a reimbursement obligation with respect to any Qualified Insurance or

Qualified Letter of Credit or other credit enhancement device, if so required by resolution of the Commission; and

(5) to make all payments required to be made into any special fund or account created to pay or secure the payment of the principal of and interest on any Subordinate Lien Bonds and any other revenue bonds, warrants or other revenue obligations of the District having a lien upon Gross Revenue and money in the Revenue Fund and Bond Fund and accounts therein subordinate to the lien thereon for the payment of the principal of and interest on the Parity Bonds.

(b) Resource Obligations, not payable as Operating Expenses, shall be paid on a parity with Outstanding Parity Bonds as provided in subsections (2) and (3) above.

(c) After all of the above payments and credits have been made, amounts remaining in the Revenue Fund may be used for any other lawful purpose of the District.

Section 5.2 Bond Fund; Reserve Account.

(a) *Bond Fund.* A special fund of the District known as the “Electric System Revenue Bond Fund” (herein referred to as the “Bond Fund”), was created by Resolution No. 4744 of the District, and shall be continued and used for the purpose of paying the principal of, premium, if any, and interest on the Parity Bonds, and for the purpose of retiring such bonds prior to maturity. At the option of the District, separate accounts may be created in the Bond Fund for the purpose of paying or securing the payment of the principal of, premium, if any, and interest on the Bonds and any Future Parity Bonds.

District Payments shall be made from, and Reciprocal Payments shall be made into, the Bond Fund. The District hereby obligates and binds itself irrevocably to set aside and pay into the Bond Fund out of the Gross Revenue certain fixed amounts, without regard to any fixed proportion of such Gross Revenue, sufficient (together with other available funds on hand and paid into the Bond Fund) to pay the principal of, premium, if any, and interest on the Parity Bonds from time to time Outstanding as the same become due and payable. Such fixed amounts shall be as follows:

(1) In the case of all Parity Bonds other than Variable Rate Bonds, on or prior to the date upon which an installment of interest falls due, the District will pay into the Bond Fund an amount (together with such other money as is on hand and available in such Fund) equal to the installment of interest then falling due on all Outstanding Parity Bonds. In the case of Variable Rate Bonds, the District shall make transfers to the Bond Fund at such time and in such amount as shall be specified in the resolution authorizing the issuance of such Variable Rate Bonds.

(2) On or prior to the date upon which an installment of principal of the Parity Bonds falls due, the District shall pay into the Bond Fund an amount (together with such other money as is on hand and available in such account) equal to the installment of principal then falling due on all Parity Bonds then Outstanding.

(3) The Bond Fund shall be used for the purpose of redeeming Term Bonds pursuant to the Sinking Fund Requirement pertaining to such Term Bonds and to otherwise retire the Bonds prior to maturity. On or prior to the due date of each Sinking Fund Requirement, the District shall pay from the Revenue Fund into the Bond Fund an amount (together with such other

money as is on hand and available in such account) equal to the Sinking Fund Requirement for such date.

The District shall apply the money paid into the Bond Fund to the redemption of Term Bonds on the next ensuing Sinking Fund Requirement due date (or may so apply such money prior to such Sinking Fund Requirement due date), pursuant to the terms of this resolution or of the resolution authorizing the issuance thereof. The District may also apply the money paid into the Bond Fund for the purpose of retiring Term Bonds by the purchase of such Bonds at a purchase price (including any brokerage charge) not in excess of the principal amount thereof, in which event the principal amount of such Bonds so purchased shall be credited against the next ensuing Sinking Fund Requirement. If as of any January 1 the principal amount of Term Bonds retired by purchase or redemption exceeds the cumulative amount required to have been redeemed by sinking fund installments on or before such January 1, then such excess may be credited against the Sinking Fund Requirement for Term Bonds for the following Fiscal Year, or, if determined by resolution of the Commission, may be credited against the Sinking Fund Requirement for any succeeding Fiscal Year. Any such purchase of Bonds by the District may be made with or without tenders of Bonds in such manner as the District shall, in its discretion, deem to be in its best interest.

(b) *Parity Bond Reserve Accounts.* The District has previously established separate debt service reserve accounts and Reserve Account Requirements in connection with the issuance of certain of its Outstanding Parity Bonds. The District may determine to establish new reserve accounts and new reserve account requirements in connection with the issuance of the Bonds and any Future Parity Bonds. Reserve accounts securing the payment of principal of and interest on one or more series of Parity Bonds are referred to herein as “Parity Bond Reserve Accounts.”

Each Designated Representative is authorized to determine if the Bonds are to be secured by a Parity Bond Reserve Account and the corresponding Reserve Account Requirement, which may be zero. Any such designation and Reserve Account Requirement shall be set forth in the Bond Purchase Contract. The District hereby covenants and agrees that it will establish and fund any such Parity Bond Reserve Account, to the extent such reserve account is required to be funded, to the Reserve Account Requirement as set forth herein and in the applicable Bond Purchase Contract.

The Reserve Account Requirement may, at the District’s option, be recalculated as of the date of the defeasance of any Parity Bonds. Notwithstanding the provisions of this subsection, any resolution providing for the issuance of Parity Bonds may provide (or the Commission may provide by resolution at any other time) for the District to obtain Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this section to be paid out of the reserve account. The face amount of any such Qualified Insurance or Qualified Letter of Credit shall be credited against the amounts required to be maintained in the reserve account by this section to the extent that such payments and credits to be made are insured by an insurance company, or guaranteed by a letter of credit from a financial institution. Such Qualified Letter of Credit or Qualified Insurance shall not be cancelable on less than five years notice. In the event of any cancellation, the reserve account shall be funded in accordance with the provisions of this section providing for payment to the reserve account in the event of a deficiency therein.

Money in the Bond Fund and any Parity Bond Reserve Account securing the Bonds may, at the option of the District, be invested and reinvested as permitted by law in Permitted Investments maturing, or which are retireable at the option of the Registered Owner, prior to the maturity date of the final installment of principal of the Parity Bonds. For the purpose of determining the amount credited to any Parity Bond Reserve Account securing the Bonds, obligations in which money in such Parity Bond Reserve Account shall have been invested shall be valued at the market value thereof, plus accrued interest to the date of calculation. The term “market value” shall mean, in the case of securities which are not then currently redeemable at the option of the Outstanding, the current bid quotation for such securities, as reported in any nationally circulated financial journal, and the current redemption value in the case of securities that are then redeemable at the option of the Outstanding. For obligations that mature within six months, the market value shall be the par value thereof. The valuation of the amount in the Parity Bond Reserve Account shall be made by the District as of the close of business on each December 31 (or on the next preceding business day if December 31 does not fall on a business day) and may be made on each June 30 (or on the next preceding business day if June 30 does not fall on a business day).

If the valuation of the amount in the Parity Bond Reserve Account shall be less than the Reserve Account Requirement in effect on the date of valuation, the District shall credit to such Parity Bond Reserve Account on or before the 25th day of each of the six succeeding calendar months one-sixth of the amount necessary to make the valuation of the amount in the Parity Bond Reserve Account equal to 100% of the Reserve Account Requirement. If the valuation of the amount in the Parity Bond Reserve Account is greater than 100% of the Reserve Account Requirement, then and only then may the District withdraw at any time prior to the next date of valuation from the Parity Bond Reserve Account (i) the interest earned on the amounts credited to the Parity Bond Reserve Account, and (ii) the difference, if any, between the amount in the Parity Bond Reserve Account and the Reserve Account Requirement.

In calculating the amount required to be on hand in the Parity Bond Reserve Account at any time, the election by the District to make payments therein pursuant to this resolution may be taken into account.

Money in the Bond Fund shall be transmitted to the Registrar for the Parity Bonds in amounts sufficient to meet the next maturing installments of principal and interest and premiums, if any, at or prior to the time upon which any interest, principal or premium, if any, is to become due. If there is a deficiency in the Bond Fund for such purpose, the District shall make up any such deficiency from the Parity Bond Reserve Account established or maintained for such series of Parity Bonds, by the withdrawal of cash therefrom for that purpose, and, if necessary, by sale or redemption of any authorized investments in such amount as will provide cash in the respective Parity Bond Reserve Account sufficient to make up any such deficiency.

Any reduction in the Parity Bond Reserve Account by reason of any such withdrawal shall be made up from money in the Revenue Fund first available after making the current specified payments into the Bond Fund and after paying and making necessary provision for the payment of Operating Expenses. If a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the District shall then draw from any Qualified Letter of Credit,

Qualified Insurance, or other credit enhancement instrument. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. The District shall pay any reimbursement obligation as a result of a draw under a Qualified Letter of Credit or Qualified Insurance from the Revenue Fund. The District shall deposit Gross Revenue into the Revenue Fund sufficient to meet such reimbursement obligation and all other obligations of the Revenue Fund.

Whenever and so long as the assets of the Bond Fund, the Parity Bond Reserve Account are sufficient to provide money to pay the Parity Bonds then Outstanding, including such interest as may thereafter become due thereon and any premiums upon redemption, no payments need be made into the Bond Fund pursuant to this resolution during any period in which such excess continues.

Money set aside from time to time with the Registrar for the Parity Bonds and the interest thereon shall be held in trust for the owners of such Parity Bonds. Until so set aside for the retirement of principal, payment of sinking fund installments, payment of interest and premium, if any, as aforesaid, money in the Bond Fund shall be held in trust for the benefit of the owners of the Parity Bonds then Outstanding and payable equally and ratably and without preference or distinction as between different installments or maturities.

Section 5.3 Defeasance. In the event that money and/or Government Obligations maturing or having guaranteed redemption prices at the option of the holder at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund or any account therein for the payment of the principal of and interest on the certain Bonds so provided for and such Bonds shall then cease to be entitled to any lien, benefit or security of this resolution, except the right to receive the funds so set aside and pledged, and such Bonds shall no longer be deemed to be Outstanding hereunder, or under any resolution authorizing the issuance of bonds or other indebtedness of the District.

Within 10 business days of defeasance of any Bonds, the Registrar shall provide notice of defeasance of Bonds to Registered Owners of the Bonds being defeased in accordance with a Continuing Disclosure Certificate.

Section 5.4 Rate Stabilization Account. In accordance with the priorities set forth in Section 5.1, the District may from time to time deposit Net Revenue into the Rate Stabilization Account in the R&C Fund and may from time to time withdraw amounts therefrom to enhance rate stability or for other lawful purposes of the District related to the Electric System. Solely for purposes of calculating the Coverage Requirement set forth in Section 7.2, there shall be added to the Net Revenue in any year any amount withdrawn from the Rate Stabilization Account in such calendar year and deposited in the Revenue Fund, and there shall be subtracted from Net Revenue in any year any amount withdrawn from the Revenue Fund and deposited in the Rate Stabilization Account. Money in the R&C Fund may, at the option of the District, be invested and reinvested as permitted by law.

ARTICLE VI
APPLICATION OF BOND PROCEEDS; PLAN OF REFUNDING

Section 6.1 Application of Bond Proceeds; Plan of Refunding.

(a) *Parity Bond Reserve Account.* If and to the extent a Parity Bond Reserve Account is established to secure payment of the principal of and interest on the Bonds as provided in Section 5.2(b) of this resolution, the District is hereby authorized to deposit available funds of the District and/or a portion of the proceeds of the Bonds, and/or purchase Qualified Insurance or a Qualified Letter of Credit and pay the associated policy premium, to satisfy the Reserve Account Requirement at the time of issuance of the Bonds.

(b) *Refunding Plan.* For the purpose of realizing a debt service savings and restructuring the debt service obligations for the Refunded Bond, the District proposes to refund the Refunded Bond as set forth herein. If a Designated Representative determines that it is in the best interest of the District to proceed with the refunding authorized herein, a Designated Representative shall designate the Refunding Candidate as the Refunded Bond and such designation shall be set forth in the Bond Purchase Contract.

The District shall deposit a portion of the Bonds, together with other available funds of the District, if any, into the Bond Fund or other authorized fund and use such funds to refund the Refunded Bond pursuant to the terms of the applicable authorizing bond resolution. Alternatively, the District may direct that the proceeds of the Bonds be deposited with a Refunding Agent pursuant to a Refunding Agreement to be used immediately to refund the Refunded Bond pursuant to the terms of their authorizing bond resolution. Each Designated Representative is hereby authorized to designate the Refunding Candidate as the Refunded Bond, to establish the Call Date for the Refunded Bond, to provide or cause to be provided the notices of redemption of the Refunded Bond in accordance with the provisions of the bond resolution authorizing the Refunded Bond, to select a Refunding Agent (if any), to execute a Refunding Agreement (if any) and to take any action as determined to be necessary and in the best interest of the District to refund the Refunded Bond. The District hereby calls the Refunded Bond for redemption on the Call Date in accordance with the provisions of the bond resolution authorizing the Refunded Bond.

(c) *Costs of Issuance.* The District may allocate a portion of proceeds of the Bonds, net of any Underwriter's discount, and/or available funds of the District to the payment of costs of issuance of the Bonds, including any costs associated with the refunding of the Refunded Bond, in the manner as set forth in the Closing Memorandum for the Bonds. The District may pay such costs of issuance directly or contract with the Refunding Agent to pay costs of issuance of the Bonds on its behalf.

ARTICLE VII
COVENANTS TO SECURE BONDS

Section 7.1 Security for Parity Bonds. All Parity Bonds and Parity Lien Obligations are special limited obligations of the District payable from and secured solely by Gross Revenue, subject to the payment of Operating Expenses and Resource Obligations qualifying for payment as Operating Expenses, and by other money and assets specifically pledged hereunder for the

payment thereof. There are hereby pledged as security for the payment of the principal of, premium, if any, and interest on all Parity Bonds and Parity Lien Obligations in accordance with the provisions of this resolution, subject only to the provisions of this resolution restricting or permitting the application thereof for the purposes and on the terms and conditions set forth in this resolution: (a) the Gross Revenue (exclusive of any money credited to a fund or account for the purpose of paying arbitrage rebate to the federal government), and (b) the money and investments, if any, credited to the Revenue Fund, the Bond Fund, and the R&C Fund and the income therefrom. The Gross Revenue and other money and securities hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District regardless of whether such parties have notice thereof.

All Parity Bonds and Parity Lien Obligations now or hereafter Outstanding shall be equally and ratably payable and secured hereunder without priority by reason of date of adoption of the resolution providing for their issuance or by reason of their series, number or date of sale, issuance, execution or delivery, or by the liens, pledges, charges, trusts, assignments and covenants made herein, except as otherwise expressly provided or permitted in this resolution and except as to insurance which may be obtained by the District to insure the repayment of one or more series or maturities within a series.

The pledge of the Gross Revenue and of the amounts to be paid into and maintained in the funds and accounts described above in this section to pay and secure the payment of Parity Bonds and Parity Lien Obligations is hereby declared to be a prior lien and charge on the Gross Revenue and the money and investments in such funds and accounts superior to all other liens and charges of any kind or nature, subject to prior application for the payment of Operating Expenses and payments associated with Resource Obligations in any month in which any power and energy or other goods and services from such resources were made available to the Electric System during such month (regardless of whether or not the Electric System actually scheduled or received energy from such resource during such month). At all other times such Resource Obligation shall be an obligation payable from Gross Revenue on a parity of lien with any Parity Bonds or Parity Lien Obligations.

Parity Bonds shall not in any manner or to any extent constitute general obligations of the District or of the State, or any political subdivision of the State, or a charge upon any general fund or upon any money or other property of the District or of the State, or of any political subdivision of the State, not specifically pledged thereto by this resolution.

Section 7.2 General Covenants. The District covenants with the Registered Owners of the Parity Bonds as follows:

(a) *Rate Covenant.* The District shall establish, maintain and collect rates or charges for electric energy sold through the ownership or operation of the Electric System, and all other commodities, services and facilities sold, furnished or supplied by the District in connection with the ownership or operation of the Electric System that shall be fair and nondiscriminatory and adequate to provide Gross Revenue, together with other available money, including without limitation transfers from the R&C Fund, sufficient for the payment of the principal of and interest on all Parity Bonds then Outstanding and all payments which the District is obligated to set aside

in the Bond Fund, and for the proper operation and maintenance of the Electric System, and all necessary repairs, replacements and renewals thereof, the working capital necessary for the operation thereof, and for the payment of all amounts that the District may now or hereafter become obligated to pay from Gross Revenue. In the resolutions authorizing the bonds for the Priest Rapids Project, the District has covenanted to pay to the Priest Rapids Project from the Electric System that portion of the annual costs of the Priest Rapids Project for such Fiscal Year, including without limitation for operating expenses and annual debt service, that is not otherwise paid or provided for from payments received by the Priest Rapids Project from the sale of power and energy and related products from the Priest Rapids Project to purchasers other than the District and to establish, maintain and collect rates or charges for electric power and energy and related products sold through the Electric System sufficient to make any such payments to the Priest Rapids Project. Except as provided in the following sentence, the obligation to pay such amounts shall rank as a lien and charge against the revenues of the Electric System subordinate in rank to all other obligations of the Electric System. Payments made by the Electric System for the costs of purchased power and energy shall be an Operating Expense of the Electric System.

(b) Such rates or charges shall be sufficient to provide Net Revenue, taking into account any transfers to or from the R&C Fund pursuant to this resolution, in any Fiscal Year hereafter in an amount equal to at least the Coverage Requirement.

The failure to collect Gross Revenue in any Fiscal Year sufficient to comply with the covenants contained in this section shall not constitute an Event of Default if the District, before the 90th day of the following Fiscal Year, both:

(1) Employs a Professional Utility Consultant to recommend changes in the District's rates which are estimated to produce Gross Revenue sufficient (once the rates recommended by the Professional Utility Consultant have been imposed by the District) to meet the requirements of this section; and

(2) Imposes rates at least as high as those recommended by such Professional Utility Consultant at the time or times so recommended.

The calculation of the Coverage Requirement set forth above, and the calculations set forth in Section 7.3 hereof, and the District's compliance therewith, shall be made solely with reference to this resolution without regard to future changes in generally accepted accounting principles. If the District has changed one or more of the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then an event of default relating to these calculations shall not be considered an Event of Default if the ratios would have been complied with had the District continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this resolution.

(c) *Maintenance and Repair.* The District will maintain, preserve and keep the Electric System and all additions and betterments thereto and extensions thereof and every part and parcel thereof in good repair, working order and condition, and will from time to time make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto so that at all times the business carried on in connection therewith shall be properly and advantageously conducted,

and the District will at all times operate such properties and the business in connection therewith in an efficient manner and at reasonable cost.

(d) *Disposal of Electric System.* The District will not sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the Electric System properties, or permit the sale, mortgage, lease or other disposition thereof, except as hereinafter provided in this subsection (d):

(1) The District may sell, lease or otherwise dispose of all or substantially all of the Electric System, provided that simultaneously with such sale, lease or other disposition, the District shall cause all of the Bonds to be, or deemed to be, no longer Outstanding.

(2) Except as provided in the last paragraph of this subsection (2), the District will not sell, mortgage, lease or otherwise dispose of any part of the Electric System in excess of 5% of the value of the net utility plant of the Electric System in service unless prior to such sale, mortgage, lease or other disposition:

(i) there shall have been filed with the Secretary of the Commission a certificate of a Professional Utility Consultant stating that such sale, mortgage, lease or other disposition will not impair the ability of the District to comply with the covenants set forth in Section 7.2(a) and 7.2(b) of this resolution; or

(ii) the proceeds of such disposition are used to acquire new operating properties of the Electric System or provision is made for the payment, redemption or other retirement of a principal amount of Parity Bonds equal to the greater of the following amounts:

(A) an amount which will be in the same proportion of the net principal amount of Parity Bonds then Outstanding (defined as the total principal amount of such bonds then Outstanding less the amount of cash and investments in the Bond Fund) that the Revenue attributable to the part of the Electric System sold or disposed of for the 12 preceding months bear to the total Revenue for such period; or

(B) an amount which will be in the same proportion to the net principal amount of Parity Bonds then Outstanding that the book value of the part of the Electric System sold or disposed of bears to the book value of the entire Electric System immediately prior to such sale or disposition.

The District may sell or otherwise dispose of any part of the Electric System which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Electric System, or no longer necessary, material to or useful in such operation. The proceeds of any such sale or disposition pursuant to this paragraph shall be paid into the Bond Fund for credit to the Parity Bond Reserve Accounts on a pro rata basis to the extent of any deficiency in such reserve accounts, and the balance of such proceeds, if any, shall be deposited in the Revenue Fund.

(e) *Insurance.* The District will keep the works, plants, properties and facilities comprising the Electric System insured, and will carry such other insurance, with responsible insurers, with policies payable to the District, against risks, accidents or casualties, at least to the extent that insurance is usually carried by municipal corporations operating like properties;

provided, however, that the District may, if deemed necessary and advisable by the Commission, institute or continue a self-insurance program with respect to any or all of the aforementioned risks.

(f) *Books and Records.* The District shall keep proper books of account in accordance with generally accepted accounting principles as applied to governmental entities and with the rules and regulations prescribed by the State Auditor's office of the State, and if no such rules or regulations are prescribed as aforesaid, then in substantial accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission or other federal agency having jurisdiction over electric public utility companies owning and operating properties similar to the properties of the District, whether or not the District is at the time required by law to use such system of accounts. The District shall cause its books of account to be audited annually by the State Auditor's office or other State department or agency as may be authorized and directed by law to make such audits, or if such an audit shall not be made for 12 months after the close of any Fiscal Year of the District, by independent certified public accountants. In keeping said books of account, the District shall accrue depreciation monthly thereon on its depreciable properties in accordance with the accounting practice prescribed by the public departments or agencies above mentioned. Any Registered Owner of any Bond may obtain at the office of the District, copies of the balance sheet and statement of revenues, expenses and changes in net assets showing in reasonable detail the financial condition of the Electric System as of the close of each Fiscal Year, and the income and expenses of such year, including the amounts paid into the Revenue Fund, the Bond Fund, and in any and all special funds created pursuant to the provisions of this resolution, and the amounts expended for maintenance, renewals, replacements, and gross capital additions to the Electric System. All calculations, classifications and other financial determinations required by this resolution shall be made in accordance with the accounting practices then being observed by the District.

(g) *No Free Service.* Except as required by law or in an amount per year not exceeding 1/10 of 1% of annual Operating Expenses, the District will not furnish or supply or permit the furnishing or supplying of electric energy or any other commodity, service or facility furnished by or in connection with the operation of the Electric System, free of charge to any person, firm or corporation, public or private, so long as any Bonds are Outstanding and unpaid, and the District will promptly enforce the payment of any and all accounts owing to the District and delinquent, by discontinuing service to the extent then permitted by law, or by legal suits, actions and proceedings, or both; provided, that, to the extent permitted by law, the District may lend money and may provide commodities, services or facilities free of charge or at a reduced charge in connection with a plan of conservation of electric energy adopted by the Commission.

(h) *Dissolution or Termination.* The District shall not dissolve or terminate its existence without paying or providing for the payment of all Parity Bonds then Outstanding.

(i) *FERC License.* The District will use its best efforts to retain the FERC License for the Priest Rapids Project and to renew the FERC License when it expires.

Section 7.3 Future Parity Bonds and Resource Obligations. The District hereby covenants and agrees that for as long as any Bonds remain Outstanding:

(a) It will not issue any bonds or other obligations on a parity of lien with the Outstanding Parity Bonds and the Bonds, except, upon the conditions hereinafter provided, the District reserves the right to issue Future Parity Bonds and to incur Resource Obligations, obligations under reimbursement agreements and under Derivative Products as provided this resolution. Future Parity Bonds may be issued for any lawful purpose of the District, including but not limited to, acquiring, constructing and installing additions, betterments and improvements to and extensions of, acquiring necessary equipment for, or making necessary renewals, replacements or repairs and capital improvements to the Electric System.

The District covenants that Future Parity Bonds shall be issued only upon compliance with the following conditions:

(1) That at the times of the issuance of such Future Parity Bonds there is no deficiency in the Bond Fund or in any of the accounts therein and no Event of Default has occurred and is continuing.

(2) That Net Revenue of the Electric System for any 12 consecutive months out of the months next preceding the issuance of the Future Parity Bonds (not including any transfer from the R&C Fund), will equal at least 1.25 times the Annual Debt Service required to be paid in any Fiscal Year thereafter. In calculating Annual Debt Service for the purpose of this subparagraph (2), if the interest rate on any Parity Bonds is other than a fixed rate, the rate used shall be any rate published as the Bond Buyer Revenue Bond Index for municipal revenue bonds within the 30-day period prior to the date of such calculation. If such index is no longer published, a comparable index designated by the District shall be utilized in lieu thereof.

If on the date of such calculation the interest rate on any Variable Rate Bonds is then fixed for a specified period, including pursuant to a Derivative Product, the interest rate used for such specified period for the purpose of such calculation shall be such actual interest rate.

For the purposes of this subparagraph (2), the “Net Revenue of the Electric System” may be adjusted as follows:

(i) To include a full 12 months of Net Revenue from any customers added during the 12-month period being considered.

(ii) To include the annual estimated net revenue to be received as a result of any additions, betterments and improvements to and extensions of the Electric System to be acquired, constructed or installed by the District from the proceeds of the Future Parity Bonds to be issued or under construction at the time of such certificate.

(iii) To include the additional Net Revenue which would have been received by the District if any rate change adopted prior to the delivery of the Future Parity Bonds, but subsequent to the beginning of the 12-month period being considered, had been in force during the full 12-month period.

(3) That at or prior to the time of the issuance of such Future Parity Bonds the District shall obtain and have on file a certificate from the Treasurer which shall certify full compliance with conditions (1) and (2) of this subsection (a), or in the alternative the District obtains a certificate from a Professional Utility Consultant stating that the projected annual Net Revenue for the Fiscal Years in which the Parity Bonds, including the Future Parity Bonds being issued, are expected to at least equal 1.25 times the Annual Debt Service required to be paid in any Fiscal Year thereafter. Such certificate shall have attached thereto financial statements of the District for the period upon which the same is based and audits by the Division of Municipal Corporations of the State Auditor's Office of the State of Washington or from an independent certified public accountant for as many fiscal years within such period as such audits have been made and completed.

(4) That the resolution authorizing the issuance of the Future Parity Bonds shall contain covenants and provisions substantially the same as Sections 5.1, 5.2 and 5.4, 7.1 through 7.5, 8.1 through 8.8, and 9.1 through 9.7 hereof.

(b) *Refunding Bonds.* In the event that any Future Parity Bonds provided for in this Section 7.3 are issued for the sole purpose of exchanging with or providing funds to purchase or refund or redeem and retire at or prior to their maturity any or all Parity Bonds then Outstanding and the issuance of such refunding Future Parity Bonds and retirement of Outstanding bonds and such refunding Future Parity Bonds will not require a greater amount (except as necessary to round maturities to the nearest \$5,000) to be paid in any Fiscal Year thereafter as Annual Debt Service than would have been required to be paid in the same Fiscal Year for Annual Debt Service on the bonds being refunded, then subsections (2) and (3) of subsection (a) of this Section 7.3 need not be complied with to permit such refunding Future Parity Bonds to be issued, although the provisions of subsections (1) and (4) of subsection (a) of this Section 7.3 must still be complied with.

(c) *Resource Obligations.* The District may enter into or incur a Resource Obligation pursuant to a resolution of the Commission provided that the following requirements shall be met at the time of adoption of such resolution:

(1) No Event of Default with respect to any Parity Bonds or Resource Obligations has occurred and is continuing.

(2) There shall have been filed with the Secretary of the Commission a certificate of the Professional Utility Consultant stating that the additional source of power and energy or conservation from such Resource Obligation is consistent with sound utility power supply planning.

(3) There shall have been filed with the Secretary of the Commission a report of the Professional Utility Consultant stating that estimated annual Net Revenue for the second full Fiscal Year after the date of initial operation of the facilities, costs of which are to be financed as a Resource Obligation, or after the date of first delivery of energy, capacity, reserves or services pursuant to a contract, costs of which are declared to be a Resource Obligation, as the case may be, shall be at least equal to 125% of maximum Annual Debt Service in any future Fiscal Year. In estimating Net Revenue, the Professional Utility Consultant shall base such an estimate on factors

the Professional Utility Consultant deems to be reasonable and shall treat the costs of the Resource Obligation as Operating Expenses.

(4) In the event that the Resource Obligation is a contract to purchase energy, capacity, reserves or services, there shall have been filed with the Secretary of the Commission opinions of counsel to all other parties to the contract which opinions state that each such party to such contract has all requisite right, power and authority to execute and deliver such contract and to perform its obligations thereunder and that such contract constitutes a legally valid and binding obligation of such party thereto.

(5) The Resource Obligations shall not be subject to acceleration if an event of default has occurred.

(d) *Separate System.* Nothing in this resolution shall prevent the District from entering into contracts to purchase energy, capacity, capability, reserves, conservation or services or from authorizing and issuing bonds, notes, certificates or other obligations or evidences of indebtedness, other than Bonds, to acquire or construct facilities or resources for the generation of power and energy, or for the conservation, transformation or transmission of power and energy, and any incidental properties to be constructed or acquired in connection therewith, which facilities or resources shall be a separate system, provided that such contractual obligations, bonds or other obligations or evidences of indebtedness shall be payable solely from the revenues or other income derived from the ownership or operation of such separate system.

(e) *Reimbursement Obligations.*

(1) In the event that the District elects to meet the requirements with respect to a Parity Bond Reserve Account through the use of a Qualified Letter of Credit, Qualified Insurance or other credit enhancement device, the District may contract with the person providing such Qualified Letter of Credit, Qualified Insurance or other credit enhancement device that the District's reimbursement obligation, if any, to such entity ranks on a parity of lien with payments into the Reserve Account to secure the Bonds.

(2) In the event that the District elects additionally to secure any issue of Variable Rate Bonds through the use of a letter of credit, insurance or other credit enhancement device, the District may contract with the entity providing such letter of credit, insurance or other credit enhancement device that the District's reimbursement obligation, if any, to such entity ranks on a parity of lien with the Bonds; provided that the payments due under such reimbursement obligation are such that if such reimbursement obligation were a series of Future Parity Bonds and assuming that such credit enhancement device were to be drawn upon for the full amount available, such Future Parity Bonds could be issued in compliance with the provisions of Section 7.3(a)(2) excluding Annual Debt Service on the Variable Rate Bonds.

Section 7.4 Restrictions on Contracting of Obligations Secured by Revenue.

(a) The District will not hereafter issue any bonds, warrants or other obligations or create any additional indebtedness which will have a lien and charge on the Gross Revenue and funds of the Electric System prior to the lien and charge thereon established by this resolution. The District will not issue any Future Parity Bonds except as provided under Section 7.3.

(b) The District may issue bonds, notes, warrants or other obligations payable from and secured by a lien on the Gross Revenue and funds of the Electric System that is subordinate to the lien on such Gross Revenue of the Parity Bonds and may create a special fund or funds for payment of such subordinate obligations (provided, however, that such bonds, notes, warrants or other obligations and the resolutions authorizing the same shall expressly state that the right to receive payment thereon is subordinated to the rights of the Registered Owners of the Parity Bonds to receive payment at the times and in the amounts provided in this resolution and the resolutions authorizing Parity Bonds and that any money received by the owners of such subordinate lien bonds, notes, warrants or other obligations which should have been paid to the Registered Owners of the Parity Bonds by reason of such subordination provision shall be held in trust for the Registered Owners of such Parity Bonds and shall be forthwith turned over to the Registrar for payment to the Registered Owners of such Parity Bonds). Subordinate lien bonds, notes, warrants or other obligations shall not be subject to acceleration upon the occurrence of an event of default.

(c) The District shall not hereafter enter into any agreement, other than a Resource Obligation, obligating the District to pay to another person or corporate entity, from Gross Revenue, for (1) generating or transmission capacity or the use or lease of generating or transmission facilities, which agreement is not conditioned on the availability of such capacity or facility, or (2) the installment purchase or lease of property which, whether or not subject to annual appropriations, otherwise transfers to the District the burdens and benefits of ownership of such property, unless such agreement specifically states that the obligation of the District thereunder is subordinate to the obligation of the District to make payments from the Revenue Fund into the Bond Fund. This paragraph shall not be applicable to, and shall not restrict the District in entering into, any agreement relating to the Priest Rapids Project or any other hydroelectric facility owned and operated by the District.

Section 7.5 Derivative Products. To the extent permitted by State law, the District may enter into Derivative Products on a parity with the Parity Bonds subject to the conditions provided in this section. The following shall be conditions precedent to the use of any Derivative Product on a parity with any Bonds under this resolution:

(a) *General Parity Tests.* The Derivative Product (and the obligations to which it relates) must satisfy the requirements for Future Parity Bonds described in Section 7.3 of this resolution taking into consideration District Payments and Reciprocal Payments under the Derivative Product. Termination payments owed pursuant to a Derivative Product shall not be on a parity with the Parity Bonds.

(b) *Opinion of Bond Counsel.* The District shall obtain an opinion of Bond Counsel and/or Special Tax Counsel on the due authorization and execution of such Derivative Product, the validity and enforceability thereof and opining that the action proposed to be taken is authorized or permitted by this resolution and will not adversely affect the excludability for federal income tax purposes of the interest on any Outstanding tax-exempt Parity Bonds, as applicable.

(c) *Payments.* Each Derivative Product shall set forth the manner in which the District Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.

(d) *Supplemental Resolutions to Govern Derivative Products.* Prior to entering into a Derivative Product, the District shall adopt a Supplemental Resolution, which shall:

(i) establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and

(ii) set forth such other matters as the District deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this resolution.

Section 7.6 Tax Covenants.

(a) The District hereby covenants to comply with all applicable requirements set forth in the Code and the Tax Certificate to the extent that such compliance shall be necessary to maintain the exclusion from gross income for federal income taxes of the interest on the Tax-Exempt Bonds. The District hereby further covenants to observe all applicable requirements in any future federal tax legislation to the extent that such compliance is determined by the District to be legal and practicable and required for such exemption.

(b) The District will pay the Rebate Amount, if any, to the United States of America at the times and in the amounts necessary to meet the requirements of the Code to maintain the exclusion from gross income for federal income tax purposes of interest payments on the Tax-Exempt Bonds, in accordance with the Tax Certificate.

The covenants of this section will survive payment in full or defeasance of the Tax-Exempt Bonds.

ARTICLE VIII
DEFAULTS AND REMEDIES

Section 8.1 Events of Default. The Commission hereby finds that the continuous operation of the Electric System and the collection, deposit and disbursement of the Gross Revenue in the manner provided in this resolution are essential to the payment and security of the Bonds, and the failure or refusal of the District to perform the covenants and obligations contained in this resolution will endanger the necessary continuous operation of the Electric System and the application of the Gross Revenue to the purposes set forth in this resolution.

The District hereby covenants and agrees with the Registered Owners from time to time of the Bonds, in order to protect and safeguard the covenants and obligations undertaken by the District securing the Bonds, that the following shall constitute “Events of Default”:

(a) If default shall be made in the due and punctual payment of the principal of and premium, if any, on any of the Parity Bonds when the same shall become due and payable, either at maturity or by proceedings for mandatory distribution or otherwise;

(b) If default shall be made in the due and punctual payment of interest on any Parity Bond when the same shall be due and payable;

(c) If the District shall fail to purchase or redeem Term Bonds in an aggregate principal amount at least equal to the Sinking Fund Requirement for the applicable Fiscal Year;

(d) If the District shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the District contained in this resolution and such default or defaults shall have continued for a period of 90 days after the District shall have received from the Bondowners Trustee or from the Registered Owners of not less than 20% in principal amount of Parity Bonds then Outstanding, a written notice specifying and demanding the cure of such default;

(e) If the District shall (except as herein permitted) sell, transfer, assign or convey any properties constituting the Electric System or interests therein, or any part or parts thereof, or shall make any agreement for such sale or transfer (except as expressly authorized by Section 7.2(d) hereof);

(f) If an order, judgment or decree shall be entered by any court of competent jurisdiction: (1) appointing a receiver, trustee or liquidator for the District or the whole or any substantial part of the Electric System; (2) approving a petition filed against the District seeking the bankruptcy, arrangement or reorganization of the District under any applicable law of the United States or the State; or (3) assuming custody or control of the District or of the whole or any substantial part of the Electric System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated) within 60 days from the date of the entry of such order, judgment or decree; or

(g) If the District shall: (1) admit in writing its inability to pay its debts generally as they become due; (2) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (3) make an assignment for the benefit of its creditors; (4) consent to the appointment of a receiver of the whole or any substantial part of the Electric System; or (5) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the District or of the whole or any substantial part of the Electric System.

Section 8.2 Bondowners' Trustee. If an Event of Default has occurred, is continuing, and has not been remedied, the owners of 25% in principal amount of Parity Bonds then Outstanding may appoint a bondowners' trustee (the "Bondowners' Trustee") by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Parity Bonds or by their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to the District. That appointment shall become effective immediately upon acceptance thereof by the Bondowners' Trustee. Any Bondowners' Trustee appointed under the provisions of this section shall be a bank or trust company organized under the laws of the State or the State of New York or a national banking association. The bank or trust company acting as Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed, by the Registered Owners of a majority in principal amount of the Parity Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners of the Parity Bonds or by their attorneys-in-fact duly authorized. The Bondowners' Trustee may require such security and indemnity as may be

reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties.

The Bondowners' Trustee may resign upon 60 days' notice and a new Bondowners' Trustee appointed by the owners of at least 25% in principal amount of Parity Bonds; provided, however, that no such resignation or removal shall be effective until a successor Bondowners' Trustee shall have been appointed and shall have delivered a written instrument of acceptance of the duties and responsibilities of the Bondowners' Trustee under this resolution to the District and the owners of the Parity Bonds then Outstanding.

In the event that any Event of Default in the sole judgment of the Bondowners' Trustee is cured and the Bondowners' Trustee furnishes to the District a certificate so stating, that Event of Default shall be conclusively deemed to be cured, and the District, the Bondowners' Trustee and the Registered Owners of the Parity Bonds then Outstanding shall be restored to the same rights and position which they would have held if no Event of Default had occurred.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the Registered Owners of all the Parity Bonds then Outstanding and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.

Section 8.3 Suits at Law or in Equity. Upon the happening of an Event of Default and during the continuance thereof, the Bondowners' Trustee may, and upon the written request of the Registered Owners of not less than 25% in principal amount of the Parity Bonds then Outstanding shall, take such steps and institute such suits, actions or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the Registered Owners of the Parity Bonds, to collect any amounts due and owing to or from the District, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution or in any of the Parity Bonds.

Nothing contained in this resolution shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Parity Bonds, and the remedy of acceleration is expressly denied to the Registered Owners of the Parity Bonds under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

Any action, suit or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the Bondowners and all such rights of action upon or under any of the Parity Bonds or the provisions of this resolution may be enforced by the Bondowners' Trustee without the possession of any of those Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any such suit, action or proceeding instituted by the Bondowners' Trustee shall be brought for the ratable benefit of all of the Registered Owners of those Parity Bonds, subject to the provisions of this resolution. The respective Registered Owners of the Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective Registered Owners of those Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust

any sums becoming distributable on account of those Parity Bonds; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the Registered Owner himself or herself might have done in person. Nothing herein shall be deemed to authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf of any Registered Owner of the Parity Bonds, any plan of reorganization or adjustment affecting the Parity Bonds or any right of any Registered Owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the Registered Owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the District is a party.

Section 8.4 Application of Money Collected by Bondowners' Trustee. Any money collected by the Bondowners' Trustee at any time pursuant to this Article shall be applied in the following order of priority:

(a) first, to the payment of the charges, expenses, advances and compensation of the Bondowners' Trustee and the charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys; and

(b) second, to the payment to the persons entitled thereto first of required interest and then of unpaid principal amounts on any Parity Bonds which shall have become due (other than Parity Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

When the Bondowners' Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief.

Section 8.5 Duties and Obligation of Bondowners' Trustee. The Bondowners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bondowners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Bondowners' Trustee shall have no liability for any act or omission to act hereunder except for the Bondowners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bondowners' Trustee shall be determined solely by the express provisions of this resolution, and no implied powers, duties or obligations of the Bondowners' Trustee shall be read into this resolution.

The Bondowners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bondowners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct.

The Bondowners' Trustee shall not be bound to recognize any person as a Registered Owner of any Bond until his or her title thereto, if disputed, has been established to its reasonable satisfaction.

The Bondowners' Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Bondowners' Trustee shall not be answerable for any neglect or default of any person, firm or corporation employed and selected by it with reasonable care.

Section 8.6 Suits by Individual Bondowners Restricted. Neither the Registered Owner nor the Beneficial Owner of any one or more of Parity Bonds shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the same unless:

- (a) an Event of Default has happened and is continuing; and
- (b) a Bondowners' Trustee has been appointed; and
- (c) such Outstanding previously shall have given to the Bondowners' Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted; and
- (d) the Registered Owners of 25% in principal amount of the Parity Bonds, after the occurrence of such Event of Default, has made written request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a reasonable opportunity to institute such suit, action or proceeding; and
- (e) there have been offered to the Bondowners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and
- (f) the Bondowners' Trustee has refused or neglected to comply with such request within a reasonable time.

No Registered Owner or Beneficial Owner of any Parity Bond shall have any right in any manner whatever by his or her action to affect or impair the obligation of the District to pay from the Net Revenue the principal of and interest on such Parity Bonds to the respective Registered Owner thereof when due.

Section 8.7 Waivers of Default. No delay or omission of the Bondowners' Trustee or of any Outstanding of Parity Bonds to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or to be an acquiescence therein; and every power and remedy given by this Article to the Bondowners' Trustee or to the Registered Owners of Parity Bonds may be exercised from time to time and as often as may be deemed expedient by the Bondowners' Trustee or by such Registered Owners.

The Bondowners' Trustee or the owners of not less than 50% in principal amount of the Parity Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of

the owners of all of the Parity Bonds waive any past default under this resolution and any resolution authorizing the issuance of other Parity Bonds and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any of the Parity Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto:

Section 8.8 Remedies Granted in Resolution Not Exclusive. No remedy conferred by this resolution upon or reserved to the Bondowners' Trustee or the owners of the Parity Bonds is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under this resolution or existing at law or in equity or by statute on or after the date of adoption of this resolution.

ARTICLE IX AMENDMENTS

Section 9.1 Execution of Instruments by Bondowners. Any request, direction, consent or other instrument in writing required or permitted by this resolution to be signed or executed by Registered Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument shall be sufficient for any purpose of this resolution if made in the following manner: (1) the fact and date of the execution by any person of any such instrument may be proved by either (a) an acknowledgment executed by a notary public or other officer empowered to take acknowledgments of deeds to be recorded in the particular jurisdiction, or (b) an affidavit of a witness to such execution sworn to before such a notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such acknowledgment or affidavit shall also constitute sufficient proof of his authority.

The foregoing shall not be construed as limiting the District to such proof, it being intended that the District may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Registered Owner of any Parity Bond shall bind every future Outstanding of the same Parity Bond in respect of anything done by the District in pursuance of such request, direction or consent.

Section 9.2 Vote Required to Amend Resolution. Any amendment to the provisions of this resolution, may be made by a Supplemental Resolution of the District and with written consent, as hereinafter provided in Section 9.3, of the Registered Owners of not less than 66-2/3% in principal amount of the Parity Bonds then Outstanding; provided, however, that no such amendment shall (a) extend the date of payment of the principal of any Parity Bond or of any installment of interest thereon or reduce the principal or redemption price thereof or the rate of interest thereon or advance the date upon which any Parity Bond may first be called for redemption prior to its fixed maturity date; (b) give to any Parity Bond or Bonds any preference over any other Parity Bond or Bonds secured equally and ratably therewith; (c) reduce the aforesaid percentage of Parity Bonds, the Registered Owners of which are required to consent to any such resolution amending the provisions of this resolution; or (d) authorize the creation of any pledge prior to or, except as provided in this resolution for the issuance of Future Parity Bonds, on a parity with the pledge afforded by this resolution, without the consent of the Registered Owner of each such Parity Bond affected thereby.

Section 9.3 Alternate Method of Obtaining Approval of Amendments. The District may at any time adopt a resolution amending the provisions of this resolution, or of any Parity Bonds, to the extent that such amendment is permitted by the provisions of this Article, to take effect when and as provided in this section. Upon adoption of such resolution, the District shall mail a form of consent to the Registered Owners. Such resolution shall not be effective unless and until there shall have been filed with the District the written consents of the percentages of Registered Owners of Parity Bonds then Outstanding specified in Section 9.2 hereof and a notice shall have been published in The Bond Buyer. Each such consent shall be effective only if accompanied by proof of ownership of the Parity Bonds for which such consent is given. A certificate or certificates of the Secretary of the Commission that he or she has examined such proof and that such proof is sufficient shall be conclusive that the consents have been given by the Registered Owners of the Parity Bonds described in such certificate or certificates. Any such consent shall be binding upon the Registered Owner of the Parity Bonds giving such consent and on every subsequent Registered Owner of such Parity Bonds (whether or not such subsequent Registered Owner has notice thereof). A notice stating that the resolution has been consented to by the Registered Owners of the required percentages of Parity Bonds and will be effective as provided in this section, may be given to the Registered Owners by mailing such notice to the Registered Owners by first-class mail, and shall be given by publishing the same at least once in The Bond Buyer. A record, consisting of the papers required by this section to be filed with the District, shall be proof of the matters therein stated, and the resolution shall be deemed conclusively to be binding upon the District and the Registered Owners of all Parity Bonds at the expiration of 30 days after the notice last provided for in this section, except in the event of a final decree of a court of competent jurisdiction setting aside such consent or annulling the action taken thereby in a legal action or equitable proceeding for such purpose commenced within such period.

Section 9.4 Amendment of Resolution In Any Respect by Approval of All Bondowners. Notwithstanding anything contained in the foregoing provisions of this Article, the rights and obligations of the District and of the Registered Owners of the Parity Bonds and the terms and provisions of the Parity Bonds and of this resolution may be amended in any respect with the consent of the District, by the affirmative vote of the Registered Owners of all said Parity Bonds then Outstanding, such consent to be given as provided in Section 9.3, except that no notice to Registered Owners either by mailing or publication shall be required, and the amendment shall be effective immediately upon such unanimous vote or written consent of all of the Registered Owners.

Section 9.5 Parity Bonds Owned by District. Parity Bonds owned or held by or for the account of the District shall not be deemed Outstanding for the purpose of any vote or consent or other action or any calculation of Parity Bonds then Outstanding in this resolution provided for, and shall not be entitled to vote or consent or take any other action in this resolution provided for.

Section 9.6 Endorsement of Amendment on Parity Bonds. Parity Bonds delivered after the effective date of any action amending this resolution taken as hereinabove provided may bear a notation by endorsement or otherwise as to such action, and in that case, upon demand of the Registered Owner of any Parity Bond then Outstanding at such effective date and presentation of his or her Parity Bond for the purpose at the designated office of the Registrar, suitable notation shall be made on such Parity Bond by the Registrar as to any such action. If the District shall so determine, new Parity Bonds so modified as in the opinion of the District and its counsel to

conform to such action shall be prepared, delivered and, upon demand of the Registered Owner of any Parity Bond then Outstanding, shall be exchanged without cost to such Outstanding for Parity Bonds then Outstanding hereunder, upon surrender of such Parity Bonds.

Section 9.7 Amendments by District.

(a) Notwithstanding the preceding provisions of this Article IX, or the provisions of Section 7.3(a)(4), the District from time to time and at any time may adopt a Supplemental Resolution or resolutions, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the District contained in this resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interest of the Registered Owners of any Parity Bonds or Future Parity Bonds in any material way, or to surrender any right or power herein reserved to or conferred upon the District.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provisions contained in this resolution or any resolution authorizing Future Parity Bonds in regard to matters or questions arising under such resolutions as the District may deem necessary or desirable and which shall not adversely affect the interest of the owners of such bonds in any material respect.

(3) To modify any of the provisions of this resolution in any other respect, if such modification does not adversely affect any Registered Owner in any material respect.

Any such Supplemental Resolution of the District may be adopted without the consent of the Registered Owners of any Parity Bonds or Parity Lien Obligations at any time Outstanding.

(b) Upon the adoption of any Supplemental Resolution pursuant to the provisions of this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the District under this resolution and all Registered Owners of Parity Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes.

ARTICLE X
ONGOING DISCLOSURE

Section 10.1 Undertaking to Provide Ongoing Disclosure. The District covenants to execute and deliver on the date of issuance of the Bonds a Continuing Disclosure Certificate, and hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate. The Designated Representatives are each hereby authorized and directed to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interests of the District, upon consultation with counsel to the District. Notwithstanding any other provision of this resolution, failure of the District to comply with a Continuing Disclosure Certificate shall not be considered an Event of Default as to the Bonds and shall not be deemed to

create any monetary liability on the part of the District to any other persons, including the Registered Owners of the Bonds, or result in acceleration of the Bonds.

ARTICLE XI SALE OF THE BONDS

Section 11.1 Sale of the Bonds. The Bonds shall be sold at negotiated sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The Commission has determined that it would be in the best interest of the District to delegate to the Designated Representatives for a limited time the authority to determine whether to issue the Bonds as Taxable Bonds or Tax-Exempt Bonds, to designate the Refunding Candidate as a Refunded Bond, to establish the Reserve Account Requirement (if any) for the Bonds, and to approve the final interest rates, aggregate principal amount, principal amounts of each maturity, and redemption rights for the Bonds. The final determination of the terms for the Bonds shall be set forth in a Bond Purchase Contract to be signed by a Designated Representative.

The Designated Representatives are each hereby authorized to make such determinations with respect to the Bonds so long as:

- (a) the aggregate principal amount of the Bonds issued under this resolution does not exceed \$55,000,000;
- (b) the final maturity date for the Bonds is no later than January 1, 2030;
- (c) the Bonds are sold (in the aggregate) at a price not less than 90%;
- (d) the true interest cost for the Bonds (in the aggregate) does not exceed 5.0%; and
- (e) the Bonds conform to all other terms of this resolution.

The Bonds shall be sold by negotiated sale to the Underwriter selected by a Designated Representative. Subject to the terms and conditions set forth in this Section 11.1, the Designated Representatives are each hereby authorized to execute the Bond Purchase Contract.

Following the sale of the Bonds and the execution of a Bond Purchase Contract, a Designated Representative shall provide a report to the Commission describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 11.1 shall expire June 1, 2024. If the Bonds authorized herein have not been sold by June 1, 2024, and a Bond Purchase Contract has not been executed by such date, the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by resolution of the Commission. The resolution re-authorizing the issuance and sale of such Bonds may be in the form of a new resolution repealing this resolution in whole or in part or may be in the form of an amendatory resolution approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 11.1.

Section 11.2 Preliminary and Final Official Statements.

(a) *Preliminary Official Statement.* The District hereby approves and authorizes the use and distribution of a Preliminary Official Statement by the Underwriter in connection with the offer and sale of the Bonds, including any amendments or supplements thereto. Prior to the distribution of the Preliminary Official Statement, the Designated Representatives are each hereby authorized, empowered and directed to deem such Preliminary Official Statement final as of its date for purposes of the Rule (except for the omission of certain information as provided in and pursuant to Rule), such action to be conclusively evidenced by delivery of the Preliminary Official Statement to the Underwriter for distribution thereof.

(b) *Official Statement.* The Designated Representatives are each hereby authorized, empowered and directed to execute and deliver a final Official Statement, including any amendments or supplements thereto, with such changes therein from the Preliminary Official Statement as such officer shall deem appropriate and in the best interests of the District, as conclusively evidenced by execution thereof. The Underwriter for the Bonds is hereby authorized to distribute the Official Statement in connection with the offer and sale of such Bonds.

ARTICLE XII
MISCELLANEOUS

Section 12.1 Resolution a Contract. This resolution and the provisions of Title 54 RCW shall constitute a contract with the Registered Owners of each of the Bonds, enforceable by any Registered Owner of any Bond by mandamus or any other appropriate suit or action in any court of competent jurisdiction subject to the provisions of limitations on remedies contained in this resolution.

Section 12.2 Benefits of Resolution Limited to District, Bondowners, Registrar, and Bondowners' Trustee. Nothing in this resolution, expressed or implied, is intended or shall be construed to confer upon or give to any person or corporation other than the District, the Registrar, the Bondowners' Trustee and the Registered Owners from time to time of the Bonds any rights, remedies or claims under or by reason of this resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this resolution contained by or on behalf of the District shall be for the sole and exclusive benefit of the District, the Registrar, the Bondowners' Trustee and the Registered Owners from time to time of the Bonds.

Section 12.3 Severability. If any one or more of the covenants or agreements provided in this resolution on the part of the District to be performed shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this resolution or of the Bonds issued hereunder.

Section 12.4 General Authorization. The General Manager of the District, the Chief Financial Officer/Treasurer of the District, and the President, Vice President and Secretary of the Commission and each of the other appropriate officers of the District are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters,

certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution. Such documents may include, but are not limited to, documents related to Qualified Insurance and/or a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of the Bonds as provided therein, if such insurance is determined by a Designated Representative to be in the best interest of the District.

Section 12.5 Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 12.6 Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 13th day of June, 2023.

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON

By _____
President and Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Secretary of the Commission

**APPENDIX A:
Refunding Candidate**

Series	Final Maturity Date	Outstanding Principal Amount
Electric System Revenue Refunding Bond, Series 2021-T (subordinate lien obligation)	June 10, 2024	\$50,000,000

**APPENDIX B:
Bond Form**

The Bonds shall be in substantially the following form, with additions and deletions as permitted by the Resolution.

NO. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF WASHINGTON

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON
ELECTRIC SYSTEM REVENUE REFUNDING BOND, SERIES 2023-U

INTEREST RATE: % MATURITY DATE: CUSIP NO.:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, a municipal corporation of the state of Washington (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from the date of delivery, or the most recent date to which interest has been paid or duly provided for, until payment of this bond at the Interest Rate set forth above, payable on _____, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in book-entry form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations from the District to DTC.

Principal of and interest and premium, if any, on this bond are payable solely out of the special fund of the District known as the "Electric System Revenue Bond Fund" (the "Bond Fund"). This bond is not a general obligation of the District.

This bond is one of a duly authorized series of bonds aggregating [\$_____] in principal amount and designated as "Electric System Revenue Refunding Bonds, Series 2023-U." This bond and the bonds of the series of which it is a part (the "Bonds") are issued under and pursuant to Resolution No. 9019 of the District adopted on June 13, 2023 (the "Bond Resolution"), and under the authority of and in full compliance with the Constitution and laws of the state of Washington, including Title 54 of the Revised Code of Washington. The Bonds are issued for the purpose of refunding certain outstanding revenue bonds of the District, and paying costs of issuance for the Bonds. Terms not otherwise defined herein shall have the meanings set forth in the Bond Resolution.

The Bonds are being issued on a parity of lien on Gross Revenue of the Electric System with the District's Outstanding Parity Bonds, subject only to the prior payment of Operating Expenses. The District has reserved the right in the Bond Resolution to issue additional bonds ("Future Parity Bonds") and certain Parity Lien Obligations on a parity with the Bonds and the Outstanding Parity Bonds. The Outstanding Parity Bonds, the Bonds and any Future Parity Bonds are referred to herein as the "Parity Bonds."

Under the Bond Resolution, the District is obligated to set aside and pay into the Bond Fund out of the Gross Revenue of the Electric System, certain fixed amounts sufficient to pay the principal of and interest and premium, if any, on all Parity Bonds as the same become due and payable, all as is more fully provided in the Bond Resolution.

Copies of the Bond Resolution are on file at the office of the District, and reference thereto, and to any and all modifications and amendments thereof, is hereby made for a more complete description of the Gross Revenue available for the payment of the principal of, premium, if any, and interest on the Bonds and the rights and remedies of the Registered Owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds have been issued, and the terms and conditions upon which this bond shall no longer be secured by the Bond Resolution or deemed to be Outstanding thereunder if money or certain specified securities sufficient for the payment of this bond shall have been set aside in a special account and held in trust for the payment thereof.

In and by the Bond Resolution, the District covenants to establish, maintain and collect rates or charges for electric energy sold through the ownership or operation of the Electric System and all other services, facilities and commodities sold, furnished or supplied by the District in connection with the ownership or operation of the Electric System that shall be fair and nondiscriminatory and reasonably anticipated to provide Gross Revenue sufficient for the payment of the Parity Bonds, and any other indebtedness of the Electric System, and all payments that the District is obligated to set aside in the Bond Fund and for the proper operation and maintenance of the Electric System, all necessary repairs thereto and replacements and renewals thereof and all other costs of the Electric System.

This bond is subject to redemption prior to maturity as provided in the Bond Resolution and Bond Purchase Contract.

This bond shall be transferable by the Registered Owner at the designated office of the Registrar upon surrender and cancellation of this bond, and thereupon a new registered Bond of the same principal amount and interest rate and maturity will be issued to the transferee as provided in the Bond Resolution. The District, the Registrar, and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof and for all purposes.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

It is hereby certified, recited and declared that all acts, conditions and things essential to the validity of this bond and the Bonds of this series, required by the Constitution and statutes of the state of Washington do exist, have happened and have been performed.

IN WITNESS WHEREOF, Public Utility District No. 2 of Grant County, Washington, by its Commission, has caused this bond to be executed in its name with the manual or facsimile signature of the President of its Commission, and attested by the manual or facsimile signature of the Secretary of the Commission and the seal of said District to be impressed or imprinted hereon, all as of the 13th day of June, 2023.

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON

(SEAL)

President of the Commission

Attest:

Secretary of the Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the revenue bonds described in the within mentioned Bond Resolution and is one of the Electric System Revenue Refunding Bonds, Series 2023-U, of Public Utility District No. 2 of Grant County, Washington.

WASHINGTON STATE FISCAL
AGENCY, Registrar

By _____
Authorized Signer

CERTIFICATE

I, the undersigned, Secretary of the Board of Commissioners of Public Utility District No. 2 of Grant County, Washington, and keeper of the records of said Commission (herein called the "Commission"), DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. 9019 (herein called the "Resolution") of the Commission, duly passed at a regular meeting thereof held on the 13th day of June, 2023.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper passage of said Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

DATED this 13th day of June, 2023.

Secretary, Board of Commissioners

MEMORANDUM

May 9, 2023

TO: Bonnie Overfield, Chief Financial Officer/Treasurer
VIA: Angelina Johnson, Senior Manager of Treasury/Deputy Treasurer
FROM: Amy Thompson, Financial Analyst - Treasury
SUBJECT: Resolution for the Refunding / Defeasing Bonds

Angelina Johnson

Purpose:

To request Commission review of the bond resolutions for the refunding and/or defeasing of Priest Rapids Project (PRP) and Electric System (ES) bonds during the May 23rd commission meeting.

Discussion:

The financing transaction requires board delegation of authority to specified management (Designated Representative) to execute the transaction and associated details. Due to there being a combination of PR/Wanapum, PRP, and ES bonds being chosen for this transaction, a resolution for each system delegating authority to the District Representative(s) to proceed with the transactions has been attached. The District Representative as defined in the bond resolutions is the CFO/Treasurer or CEO/Manager (secondary).

Market conditions have presented an opportunity for the District to defease and refund select PR/Wanapum, and PRP taxable Make-Whole Call (MWC) bond series into tax exempt series; providing the opportunity for the District to realize savings with reduced future debt service costs, eliminating the associated sureties, and reducing compliance and administration related to the bonds. Additionally, refunding the existing ES variable rate series with associated interest rate volatility into a short-term fixed rate product will provide stability and debt service predictability. Analysis of the bonds to be considered for inclusion in the transactions began in December of 2022 as the District began receiving updates on market changes. From the initial analysis to current, the District has identified potential candidates to include in the transaction that will generate savings to the District through either refunding or defeasance. The attached bond resolutions list the outstanding series that are potential candidates generating savings for the transaction.

- PRP Series: 2005Z, 2006Z, 2010Z, and 2012Z
- Wanapum Series: 2006Z
- Electric System Series: 2021T

The predicted par amount of the refunded / defeased bonds currently is \$198M but is subject to conditions at the time of market. The District reserves the right not to price bonds if the market is unfavorable due to a variety of economic stressors and the bond resolution will be in effect if a replacement time is needed thru June 2024. It is anticipated that the pricing of bonds will occur in the later part of June/early July. The resulting new series of new and refunding bonds will be a calculation of sources to fund redemption, closing costs, and premium/pricing. Per the resolution, a detailed report will be provided to the District upon executing the transaction from the CFO/Treasurer as to the result of the financing. Terms and conditions of the refunding bonds will remain consistent with past practice and in alignment with the parity obligations in addition to district policy/procedures. Note this bond resolution only covers the series listed above. The upcoming November transaction to refund the mandatory redemption of the Electric System 2020-S bonds will be separate and distinct.

The District's Financial Advisor, Public Financial Management, and JP Morgan assisted the District in analyzing the options and costs associated with the refunding and/or defeasance of each of these products. After extensive analysis, the products and options chosen for each are the best savings and use of cash for the District at this time. Continual analysis will take place up to the transaction date to adjust for any market changes that may occur.

District bond counsel, Pacifica Law Group LLC, and tax counsel, Nixon Peabody LLC, represent the District on legal matters in execution of the transaction, including the preparation of the delegating resolution. Due to size of the transaction, Bank of America, NA will be listed in the syndicate to support financing needs/requirements.

Recommendation:

To request Commission review of the PR/Wanapum, PRP, and ES bond resolutions for the refunding and/or defeasance transaction during the May 23rd meeting and for approval at the June 13th meeting.

Amy Thompson

From: Mitchell Delabarre
Sent: Wednesday, May 10, 2023 11:16 AM
To: Amy Thompson; Jennifer Sager
Cc: Angelina Johnson; Bonnie Overfield; Leah Mauceri
Subject: RE: Notice of upcoming Debt Activity-Commission Bond Resolutions

The bond resolutions are approved and there is no objection to you proceeding.
Mitch

Mitchell P. Delabarre
General Counsel/Chief Legal Officer
Grant PUD
mdelaba@gcpud.org
509 793-1565

The information contained in this e-mail message is privileged, confidential and protected from disclosure. If you are not the intended recipient, dissemination, distribution or copying of the information contained herein is strictly prohibited. If you think you have received this e-mail message in error, please reply to mdelaba@gcpud.org or call (509) 793-1565.

From: Amy Thompson <athompson@gcpud.org>
Sent: Wednesday, May 3, 2023 8:24 AM
To: Jennifer Sager <Jsager@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>
Cc: Angelina Johnson <Ajohnso@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>
Subject: FW: Notice of upcoming Debt Activity-Commission Bond Resolutions
Importance: High

Good morning, Jennifer and Mitch-

Please see the attached draft resolutions for the PRP and Electric System debt transactions for your review and approval. Please let us know if you are unable to review and approve by this Friday, May 5, as this is extremely time sensitive.

Once you have reviewed and approved, we will send to Bonnie for her final review and approval to meet the Commission Packet deadline.

Thank you,
Amy

From: Angelina Johnson <Ajohnso@gcpud.org>
Sent: Thursday, April 20, 2023 3:31 PM
To: Richard Wallen <rwallen@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>; Charles Meyer <cmeyer@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; John Mertlich <jmertlich@gcpud.org>; Tod Ayers <tayers@gcpud.org>; Julio Aguirre Carmona <jaguirre@gcpud.org>; Fallon Long <flong@gcpud.org>; Paul Dietz <Pdietz@gcpud.org>; Rich Flanigan <Rflanig@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Susan Manville <smanville@gcpud.org>; Louis Szablya <lszablya@gcpud.org>; Christopher Buchmann <Cbuchmann@gcpud.org>; Chuck Allen <Callen@gcpud.org>; Brett Lenz <Blenz@gcpud.org>; Ross Hendrick <Rhendr1@gcpud.org>; Rebecca Simpson <Rsimpso@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>

Cc: Amy Thompson <athompson@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Mark Buchta <mbuchta@gcpud.org>

Subject: Notice of upcoming Debt Activity

Hello,

Treasury has been working on some upcoming debt transaction activity that we would like you all to be aware of, if you are receiving this you have been identified as part of the official statement review process. The timeline for the transaction is quite condensed due to the uncertainty of market movement and wanting to optimize the availability of savings.

We anticipate the preliminary OS to be circulated around the middle of May for review and approval, we are looking for a two week turn around to receive feedback.

Much of the information in the OS is derived from the annual report and information that you have already provided. There may be additional information requests, please remember that we have a responsibility to disclose the most accurate information we can for our investors.

Thank you for your attention to this matter, and please let Treasury know if you have any questions.

Angelina

Angelina Johnson

Grant County Public Utility District

Senior Manager of Treasury / Deputy Treasurer

ajohnso@gcpud.org

(509) 361-9947

PRIEST RAPIDS HYDROELECTRIC PROJECT
REVENUE AND REFUNDING BONDS, 2023 SERIES A
BOND RESOLUTION

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

RESOLUTION NO. 9020

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF PRIEST RAPIDS HYDROELECTRIC PROJECT REVENUE AND REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$180,000,000 FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE DISTRICT'S PRIEST RAPIDS HYDROELECTRIC PROJECT AND DEFEASING AND/OR REFUNDING CERTAIN OUTSTANDING PRIEST RAPIDS PROJECT REVENUE BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS.

PASSED JUNE 13, 2023

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

TABLE OF CONTENTS*

	Page
ARTICLE I DEFINITIONS	
Section 1.1	Definitions..... 2
ARTICLE II FINDINGS	
Section 2.1	Compliance with Parity Conditions 12
Section 2.2	Best Interests of the District..... 13
Section 2.3	Plan and System..... 13
Section 2.4	Gross Revenues Sufficient..... 13
Section 2.5	Due Regard 13
ARTICLE III AUTHORIZATION, ISSUANCE AND REDEMPTION OF BONDS	
Section 3.1	Authorization of Issuance and Sale of the Bonds 13
Section 3.2	Reservation of Right to Purchase..... 14
Section 3.3	Redemption of Bonds 14
ARTICLE IV REGISTRATION, FORM AND GENERAL TERMS	
Section 4.1	Registrar; Exchanges and Transfers..... 16
Section 4.2	Form of Bonds 19
Section 4.3	Execution and Authentication of Bonds 19
ARTICLE V SPECIAL FUNDS AND DEFEASANCE	
Section 5.1	Revenue Fund 19
Section 5.2	Bond Fund; Reserve Account 21
Section 5.3	RR&C Fund 24
Section 5.4	Defeasance 26
ARTICLE VI APPLICATION OF BOND PROCEEDS; PLAN OF REFUNDING	
Section 6.1	Application of Bond Proceeds; Plan of Refunding..... 26
ARTICLE VII COVENANTS TO SECURE BONDS	
Section 7.1	Security for Parity Bonds..... 27
Section 7.2	General Covenants 28
Section 7.3	Future Parity Bonds 31
Section 7.4	Derivative Products..... 33
Section 7.5	Tax Covenants 33
ARTICLE VIII DEFAULTS AND REMEDIES	
Section 8.1	Events of Default 34
Section 8.2	Books of District Open to Inspection..... 35
Section 8.3	Bondowners' Trustee 35
Section 8.4	Suits a Law or in Equity..... 36
Section 8.5	Application of Money Collected by Bondowners' Trustee 36

* This Table of Contents is provided for convenience only and is not a part of this resolution.

Section 8.6	Duties and Obligation of Bondowners' Trustee	37
Section 8.7	Suits by Individual Bondowners Restricted.....	37
Section 8.8	Waivers of Default.....	38
Section 8.9	Remedies Granted in Resolution Not Exclusive.....	38
Section 8.10	Voting of Bonds Held by District	38

ARTICLE IX AMENDMENTS

Section 9.1	Amending and Supplementing Resolution Without Consent of Bondowners	39
Section 9.2	Amending and Supplementing Resolution With Consent of Bondowners.....	39
Section 9.3	Endorsement of Amendment on Parity Bonds.....	40

ARTICLE XI ONGOING DISCLOSURE

Section 10.1	Undertaking to Provide Ongoing Disclosure.....	41
--------------	--	----

ARTICLE XI SALE OF THE BONDS

Section 11.1	Sale of the Bonds	41
Section 11.2	Preliminary and Final Official Statements.....	42

ARTICLE XII MISCELLANEOUS

Section 12.1	Resolution a Contract.....	42
Section 12.2	Benefits of Resolution Limited to District, Bondowners, Registrar, and Bondowners' Trustee	42
Section 12.3	Severability	43
Section 12.4	General Authorization.....	43
Section 12.5	Rebates to Purchasers	43
Section 12.6	Prior Acts	43
Section 12.7	Effective Date	43

Appendix A: Refunding Candidates

Appendix B: Form of Bonds

RESOLUTION NO. 9020

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF PRIEST RAPIDS HYDROELECTRIC PROJECT REVENUE AND REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$180,000,000 FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE DISTRICT'S PRIEST RAPIDS HYDROELECTRIC PROJECT AND DEFEASING AND/OR REFUNDING CERTAIN OUTSTANDING PRIEST RAPIDS PROJECT REVENUE BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS.

WHEREAS, Public Utility District No. 2 of Grant County, Washington (the "District"), owns and operates the Priest Rapids Development and the Wanapum Development, which in 2010 were consolidated into a single electric utility system known as the "Priest Rapids Hydroelectric Project" pursuant to Resolution No. 8475, for the generation and transmission of electric energy (as further defined herein, the "Priest Rapids Project"); and

WHEREAS, as part of the consolidation of the Priest Rapids Development and the Wanapum Development into the Priest Rapids Project, pursuant to Resolution No. 8475, the bond funds securing bonds payable from revenues of the separate developments were combined; and

WHEREAS, the District has issued and has outstanding certain senior parity lien obligations of the Priest Rapids Development, the Wanapum Development and the Priest Rapids Project described herein (as defined herein, the "Outstanding Parity Bonds"); and

WHEREAS, the resolutions authorizing the Outstanding Parity Bonds authorize the District to issue Future Parity Bonds (as hereinafter defined) for the purpose of refunding Outstanding Parity Bonds if certain conditions are met; and

WHEREAS, the District finds that it is necessary and desirable to undertake certain improvements at the Priest Rapids Project as further described herein (the "Improvements") and to issue revenue bonds to finance costs of the Improvements; and

WHEREAS, the District further finds that the Outstanding Parity Bonds listed in Appendix A attached hereto (the "Refunding Candidates") may be defeased and/or refunded with proceeds of Priest Rapids Project revenue and refunding bonds and available funds of the District at an overall debt service savings to the District and its ratepayers; and

WHEREAS, the Commission of the District (the "Commission") deems it in the best interest of the District to issue one or more series of Priest Rapids Project revenue and refunding bonds in the aggregate principal amount not to exceed \$180,000,000 (the "Bonds") to be used, with available funds of the District, to finance costs of the Improvements, to defease and/or redeem all or a portion of the Refunding Candidates (as described herein, the "Refunded Bonds") and to pay costs of issuing the Bonds; and

WHEREAS, the Commission wishes to delegate authority to the General Manager and the Chief Financial Officer/Treasurer of the District (each, a “Designated Representative”) for a limited time, to select the Refunding Candidates to be refunded and to approve the interest rates, maturity dates, redemption terms, principal maturities and other terms for the Bonds within the parameters set by this resolution; and

WHEREAS, the Bonds shall be sold by negotiated sale as set forth herein;

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. As used in this resolution, the following terms shall have the following meanings:

“**Annual Debt Service**” for any Fiscal Year means the sum of the amounts required to be paid in such Fiscal Year to pay:

- (a) the interest due in such Fiscal Year on all Parity Bonds then Outstanding, excluding interest to be paid from the proceeds of the sale of Parity Bonds; and
- (b) the principal of all Outstanding Serial Bonds due in such Fiscal Year; and
- (c) the Sinking Fund Requirement, if any, for any Term Bonds for such Fiscal Year (reduced by any credits made pursuant to any resolution authorizing the issuance of Parity Bonds); and
- (d) any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, during such Fiscal Year.

With the consent of the appropriate percentage of Registered Owners of Outstanding Parity Bonds, when calculating Annual Debt Service, the District may exclude the direct payment the District is expected to receive in respect of any Parity Bonds for which the federal government will provide the District with a direct payment of a portion of the interest from the interest portion of Annual Debt Service. The Registered Owners of the Priest Rapids Project bonds issued in 2012, 2013, 2014, 2015 and 2020 have consented to such provision, and Registered Owners of the Bonds, by taking and holding the same, shall be deemed to have consented to such provision.

“**Acquired Obligations**” means the Government Obligations, if any, acquired by the District under the terms of this resolution and the Escrow Agreement to effect the defeasance and/or refunding of the Refunded Bonds.

“**Beneficial Owner**” means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Bond Counsel” means Pacifica Law Group LLP or an attorney at law or firm of attorneys, selected by the District, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

“Bond Fund” means the Priest Rapids Project Revenue Bond Fund created by Resolution No. 8475.

“Bond Purchase Contract” means the contract for the purchase of the Bonds between the Underwriter and District.

“Bond Register” means the records kept by the Registrar on behalf of the District containing the name and mailing address of each Registered Owner of the Bonds or nominee of such Registered Owner, and such other information as the Registrar shall determine.

“Bondowners’ Trustee” means a trustee appointed pursuant to this resolution.

“Bonds” mean the Priest Rapids Hydroelectric Project Revenue and Refunding Bonds, 2023 Series A of the District issued pursuant to this resolution.

“Call Date” means the date specified by a Designated Representative for the refunding of the Refunded Bonds.

“Closing Memorandum” means the closing memorandum prepared by the Underwriter and delivered on the date of issuance of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

“Commission” means the general legislative authority of the District, as duly constituted from time to time.

“Continuing Disclosure Certificate” means a written undertaking for the benefit of the Registered Owners and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

“Coverage Requirement” means (a) 1.15 times the Annual Debt Service in a Fiscal Year, plus (b) any money required by Sections 5.2 and 7.3 to be deposited into the Reserve Account in the Bond Fund and payments required under Section 5.2 in that Fiscal Year, less (c) any amounts transferred into the Bond Fund or the Subordinate Lien Bond Fund as surplus money as of the end of the preceding Fiscal Year pursuant to Section 5.3.

“Current Power Sales Contracts” means the contracts entered into in December 2001 between the District and other electric utilities for the sale of power and energy from the Priest Rapids Project and as such contracts have been and may be amended or supplemented from time to time.

“Derivative Facility” means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for the District’s obligations under one or more Derivative Products.

“Derivative Payment Date” means any date specified in the Derivative Product on which a District Payment is due and payable under the Derivative Product.

“Derivative Product” means a written contract or agreement between the District and the Reciprocal Payor that has (or whose obligations are unconditionally guaranteed by a party that has) as of the date of the Derivative Product at least an investment grade rating from a rating agency, which provides that the District’s obligations thereunder will be conditioned on the performance by the Reciprocal Payor of its obligations under the agreement; and

(a) under which the District is obligated to pay, on one or more scheduled and specified Derivative Payment Dates, the District Payments in exchange for the Reciprocal Payor’s obligation to pay or to cause to be paid to the District, on scheduled and specified Derivative Payment Dates, the Reciprocal Payments;

(b) for which the District’s obligations to make District Payments may be secured by a pledge of and lien on the Gross Revenues on an equal and ratable basis with the Parity Bonds then Outstanding;

(c) under which Reciprocal Payments are to be made directly into the Bond Fund;

(d) for which the District Payments are either specified to be one or more fixed amounts or are determined as provided by the Derivative Product; and

(e) for which the Reciprocal Payments are either specified to be one or more fixed amounts or are determined as set forth in the Derivative Product.

“Designated Representative” means the General Manager and the Chief Financial Officer/Treasurer of the District, and any successor to the functions of such offices. The signature of one Designated Representative shall be sufficient to bind the District.

“District” means Public Utility District No. 2 of Grant County, Washington, a municipal corporation duly organized and existing under the laws of the State.

“District Payment” means any regularly scheduled payment designated as such by resolution and required to be made by or on behalf of the District under a Derivative Product and which is determined according to a formula set forth in the Derivative Product.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to this resolution.

“Electric System” means the electric utility and telecommunications properties, rights and assets, real and personal, tangible and intangible, now owned and operated by the District and used or useful in the generation, transmission, distribution and sale of electric energy, telecommunication services, and the business incidental thereto, and all properties, rights and assets, real and personal, tangible and intangible, hereafter constructed or acquired by the District as additions, betterments, improvements or extensions to said electric utility and telecommunications properties, rights and assets, including, but not limited to, the contract interest

of the District in the P.E.C. Headworks Powerplant Project and in the Quincy Chute Project, but shall not include the Priest Rapids Project or any additions thereto, or any other generating, conservation, transmission or distribution facilities which heretofore have been or hereafter may be acquired or constructed by the District as a utility system that is declared by the Commission, at the time of financing thereof, to be separate from the Electric System, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire or expand such separate utility system or are otherwise pledged to the payment of the bonds of another such separate utility system of the District other than the Electric System. The Electric System does not include any interest of the District in the Power Sales Contracts, but does include the right of the District to receive power and energy from the Priest Rapids Project.

“Escrow Agent” means the escrow agent, if any, selected by a Designated Representative to perform the duties described herein and under the Escrow Agreement with respect to the Refunded Bonds.

“Escrow Agreement” means one or more Escrow Deposit Agreements, if any, between the District and the Escrow Agent, executed pursuant to this resolution.

“Event or Events of Default” means those events described as Events of Default in this resolution.

“FERC License” means the license granted by the Federal Power Commission to develop the Priest Rapids site on the Columbia River, which development consisted of two stages designated the Priest Rapids Development and the Wanapum Development, as such license has been amended and may be amended from time to time.

“FGIC” means Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto, as issuer of a bond insurance policy and a surety bond for the 2005 Priest Rapids Bonds.

“Fiscal Year” means the Fiscal Year used by the District at any time. At the time of the adoption of this resolution, the Fiscal Year is the 12-month period beginning January 1 of each year.

“Future Parity Bonds” means any note, bonds or other obligations for borrowed money of the District issued after the date of issuance of the Bonds which will have a lien upon the Gross Revenues of the Priest Rapids Project for the payment of the principal thereof and interest thereon equal to the lien upon the Gross Revenues of the Priest Rapids Project for the payment of the principal of and interest on the Bonds and the Outstanding Parity Bonds.

“Government Obligations” mean those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of the United States or obligations unconditionally guaranteed by the United States, as such chapter may be hereafter amended or restated.

“Gross Revenues” mean all income, revenues, receipts and profits derived by the District through the ownership and operation of the Priest Rapids Project, together with the proceeds

received by the District directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Priest Rapids Project, and together with the investment income earned on money held in any fund or account of the District, including any bond redemption funds and the accounts therein and federal credit payments for interest on bonds, in connection with the ownership and operation of the Priest Rapids Project, exclusive of insurance proceeds and income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the District, such as bonds heretofore or hereafter refunded, or any Bonds defeased pursuant to this resolution or other bonds defeased, or the payment of which is provided for, under any similar provision of any other bond resolution of the District, and exclusive of investment income earned on money in any arbitrage rebate fund established for any Parity Bonds.

“Improvements” means those improvements to the Priest Rapids Project authorized in Section 2.3 of this resolution.

“Interest Account” means the Interest Account created in the Bond Fund pursuant to this resolution.

“Letter of Representation” means a blanket issuer letter of representations from the District to DTC, as amended from time to time.

“Maximum Interest Rate” means, with respect to any particular Variable Rate Bond, a numerical rate of interest, which shall be set forth in any Parity Bond Resolution authorizing such bond, that shall be the maximum rate of interest such bond, including any bond registered in the name of the liquidity provider, may at any time bear.

“Minimum Interest Rate” means, with respect to any particular Variable Rate Bond, a numerical rate of interest, which shall be set forth in any Parity Bond resolution authorizing such bond, that shall be the minimum rate of interest such bond may at any time bear.

“MSRB” means the Municipal Securities Rulemaking Board or any successors to its functions.

“Net Revenue” means, for any period, the excess of Gross Revenues over Operating Expenses for such period, excluding from the computation of Gross Revenues any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the Priest Rapids Project, or resulting from the early extinguishment of debt.

“Official Statement” means the final official statement delivered in connection with the sale of the Bonds.

“Operating Expenses” means the District's expenses for operation and maintenance of the Priest Rapids Project, and ordinary repairs, renewals of and replacements to the Priest Rapids Project, including payments into working capital reserves in the Revenue Fund for items of Operating Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, operation and maintenance expenses; rents; administrative and general expenses; engineering expenses; legal and financial advisory expenses; required payments to pension, retirement, health and hospitalization funds; insurance premiums; and any taxes, assessments, payments in lieu of taxes or other lawful governmental charges, all to the extent

properly allocable to the Priest Rapids Project; and the fees and expenses of the Registrar. Operating Expenses shall not include any costs or expenses for new construction, interest, amortization or any allowance for depreciation.

“Outstanding” when used with respect to the Parity Bonds means, as of any date, any Parity Bonds issued pursuant to a resolution of the Commission except (a) any Parity Bonds cancelled by the Registrar or paid at or prior to such date, (b) Parity Bonds in lieu of or in substitution for which other Parity Bonds have been delivered, and (c) Parity Bonds deemed no longer outstanding under the resolution authorizing their issuance.

“Outstanding Parity Bond Resolutions” mean the resolutions authorizing the Outstanding Parity Bonds, as applicable.

“Outstanding Parity Bonds” means the Outstanding Priest Rapids Bonds, the Outstanding Wanapum Bonds, and the Outstanding Priest Rapids Project Bonds.

“Outstanding Priest Rapids Bonds” means the currently Outstanding 2005 Priest Rapids Bonds and 2006 Priest Rapids Bonds.

“Outstanding Priest Rapids Project Bonds” means the Parity Bonds Outstanding as of the date of this resolution, including the 2010 Priest Rapids Project Bonds, 2012 Priest Rapids Project Bonds, 2015 Priest Rapids Project Bonds, 2017 Priest Rapids Project Bond, and the 2020 Priest Rapids Project Bonds.

“Outstanding Wanapum Bonds” means the currently Outstanding 2006 Wanapum Bonds.

“Parity Bonds” mean the Outstanding Parity Bonds, the Bonds, and any Future Parity Bonds.

“Permitted Investments” mean any investments or investment agreements permitted under the laws of the State as amended from time to time.

“Power Sales Contracts” means the Current Power Sales Contracts, and any other contracts entered into by the District for the sale of power and energy from the Priest Rapids Project, and as such contracts may be amended and supplemented from time to time.

“Preliminary Official Statement” means the preliminary official statement prepared and delivered in connection with the negotiated sale, issuance and delivery of the Bonds.

“Priest Rapids Development” means the utility system of the District acquired and constructed pursuant to the provisions of Resolution No. 313, adopted by the Commission on June 19, 1956, including a dam at the Priest Rapids Development, all generating and transmission facilities associated therewith, and all additions, betterments and improvements to and extensions of such system, but shall not include any additional generation, transmission and distribution facilities hereafter constructed or acquired by the District as a part of the Electric System or the Wanapum Development, or any other utility properties of the District acquired as a separate utility system, the revenues of which may be pledged to

the payment of bonds issued to purchase, construct or otherwise acquire such separate utility system.

“*Priest Rapids Project*” means the Priest Rapids Development and the Wanapum Development, which were consolidated pursuant to Resolution No. 8475.

“*Principal and Bond Retirement Account*” means the Principal and Bond Retirement Account created in the Bond Fund pursuant to Resolution No. 8475.

“*Professional Utility Consultant*” means the independent person(s) or firm(s) selected by the District having a favorable reputation for skill and experience with generation, transmission and distribution systems of comparable size and character to the Priest Rapids Project in such areas as are relevant to the purposes for which they are retained: (a) engineering and operations and (b) the design of rates.

“*Project Account*” means the special account or fund of that name authorized to be created pursuant to this resolution.

“*Qualified Insurance*” means any municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or companies, as of the time of issuance of such policy or surety bond, are currently rated in the highest rating category (one of the two highest rating categories if the conditions of Section 5.2(b) are met) by Moody's Investors Service or S&P Global Ratings or their comparably recognized business successors or both Moody's Investors Service and S&P Global Ratings or their comparably recognized business successors if such institution is rated by both. So long as the 2005 Priest Rapids Bonds are insured by FGIC and FGIC is not in default under such policy, any Qualified Insurance must satisfy the requirements of Section 13.1.B of Resolution No. 7777 or be otherwise acceptable to FGIC.

“*Qualified Letter of Credit*” means any irrevocable letter of credit issued by a financial institution for the account of the District on behalf of the Registered Owners of the Parity Bonds, which institution maintains an office, agency or branch in the United States and, as of the time of issuance of such letter of credit, is currently rated in the highest rating category (one of the two highest rating categories if the conditions of Section 5.2(b) are met) by Moody's Investors Service or S&P Global Ratings or their comparably recognized business successors or both Moody's Investors Service and S&P Global Ratings or their comparably recognized business successors if such institution is rated by both. So long as the 2005 Priest Rapids Bonds are insured by FGIC and FGIC is not in default under such policy, any Qualified Letter of Credit must satisfy the requirements of Section 13.1.B of Resolution No. 7777 or be otherwise acceptable to FGIC.

“*Rebate Amount*” means the amount, if any, determined to be payable with respect to the Tax-Exempt Bonds by the District to the United States of America in accordance with Section 148(f) of the Code.

“*Reciprocal Payment*” means any payment, designated as such by resolution, to be made to, or for the benefit of, the District under a Derivative Product by the Reciprocal Payor.

“Reciprocal Payor” means a party to a Derivative Product that is obligated to make one or more Reciprocal Payments thereunder.

“Record Date” means the close of business for the Registrar that is 15 days preceding any interest and/or principal payment or redemption date.

“Refunded Bonds” mean those Refunding Candidates designated by a Designated Representative for refunding pursuant to this resolution and set forth in the Bond Purchase Contract.

“Refunding Candidates” mean the Outstanding Parity Bonds listed in Appendix A attached hereto.

“Registered Owner” means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC (or its nominee) shall be deemed to be the sole Registered Owner.

“Registrar” means the registrar, authenticating agent, paying agent and transfer agent appointed pursuant to Section 4.1 hereof, its successor or successors and any other entity which may at any time be substituted in its place pursuant to this resolution.

“Reserve Account” means the Reserve Account created in the Bond Fund as provided in this resolution.

“Reserve Account Requirement” means (a) with respect to the Outstanding Parity Bonds, the maximum amount of interest due in any Fiscal Year on such Parity Bonds computed as of the date of closing of such issue, (b) with respect to all Outstanding Parity Bonds then Outstanding, the sum of all amounts computed under (a) above, (c) with respect to the Bonds, the amount, if any, determined by a Designated Representative and set forth in the Bond Purchase Contract, and (d) with respect to an issue of Future Parity Bonds, the amount set forth in the resolution authorizing such Future Parity Bonds; provided, however, that so long as any 2005 Priest Rapids Bonds are insured under a policy issued by FGIC and such insurer is not in default thereunder, or so long as any 2006 Priest Rapids Bonds or 2006 Wanapum Bonds are insured under a policy issued by MBIA Insurance Corporation and such insurer is not in default thereunder, the Reserve Account Requirement with respect to any Future Parity Bonds secured by the Reserve Account shall be an amount equal to the maximum amount of interest due in any Fiscal Year on such Future Parity Bonds.

The resolution authorizing Future Parity Bonds may establish a separate reserve account for any such Future Parity Bonds or provide that some or all of such Future Parity Bonds be secured by a common reserve account.

In the case of Variable Interest Rate Bonds, the interest rate thereon shall be calculated on the assumption that such Bonds will bear interest at a rate equal to the rate most recently reported by The Bond Buyer as The Bond Buyer's index for long-term revenue bonds; provided that if on such date of calculation the interest rate on such Parity Bonds shall then be fixed to maturity, the interest rate used for such specified period for the purpose of the foregoing calculation shall be such actual interest rate.

“**Revenue Fund**” means the Priest Rapids Project Revenue Fund created pursuant to Resolution No. 8475.

“**RR&C Fund**” means the Priest Rapids Project Repair, Renewal and Contingency Fund created pursuant to Resolution No. 8475.

“**Rule**” means the SEC’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

“**SEC**” means the Securities and Exchange Commission.

“**Serial Bonds**” mean Parity Bonds other than Term Bonds.

“**Sinking Fund Requirement**” means, for any Fiscal Year, the principal amount and premium, if any, of Term Bonds required to be purchased, redeemed or paid at maturity in such Fiscal Year as established by the resolution of the District authorizing the issuance of such Term Bonds.

“**Special Tax Counsel**” means Nixon Peabody LLP, or an attorney at law or firm of attorneys, selected by the District, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

“**State**” means the State of Washington.

“**Subordinate Lien Bond Fund**” means the fund created by the District to pay the principal of and interest on the Subordinate Lien Debt.

“**Subordinate Lien Debt**” means bonds, notes, warrants or other obligations of the District payable from and secured by a lien and charge on Gross Revenues of the Priest Rapids System subordinate to the lien and charge thereon of the Parity Bonds.

“**Supplemental Resolution**” means any resolution amending, modifying or supplementing the provisions of this resolution.

“**Tax Certificate**” means the tax certificate executed by a Designated Representative pertaining to the Tax-Exempt Bonds, as supplemented and amended.

“**Taxable Bonds**” means any Bonds determined to be issued on a taxable basis pursuant to Section 11.1 of this resolution.

“**Tax-Exempt Bonds**” means any Bonds determined to be issued on a tax-exempt basis under the Code pursuant to Section 11.1 of this resolution.

“**Term Bonds**” means Parity Bonds of any principal maturity which are subject to mandatory distribution or redemption or for which mandatory sinking fund payments are required.

“**Treasurer**” means the duly appointed and acting Treasurer of the District or any successor in function.

“Underwriter” means J.P. Morgan Securities LLC and BofA Securities, Inc., and each of their successors.

“Variable Rate” means a variable interest rate or rates to be borne by a series of Parity Bonds or any one or more maturities within a series of Parity Bonds. The method of computing such variable interest rate shall be specified in the bond resolution authorizing such series of Parity Bonds; provided that such variable interest rate shall be subject to a Maximum Interest Rate and may be subject to a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such resolution. Such resolution shall also specify either (a) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable interest rate shall remain in effect or (b) the time or times upon which any change in such variable interest rate shall become effective.

“Variable Rate Bonds” means, for any period of time, Parity Bonds that during such period bear a Variable Rate, provided that Parity Bonds the interest rate on which shall have been fixed for the remainder of the term to the maturity thereof shall no longer be Variable Rate Bonds.

“Wanapum Development” means the second stage of the Priest Rapids Hydroelectric Project (F.P.C. (or FERC) Project No. 2114), as more fully described in Section 2.2 of Resolution No. 474 adopted by the Commission on June 30, 1959, or as the same may be modified in accordance with Section 2.3 of Resolution No. 474, but shall not include any generation, transmission and distribution facilities hereafter constructed or acquired by the District as a part of the Electric System, or any other utility properties of the District acquired as a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire such separate utility system.

“2005 Priest Rapids Bonds” means the Priest Rapids Hydroelectric Development Revenue and Refunding Bonds, 2005 Series Z (Taxable) authorized by Resolution No. 7901.

“2006 Priest Rapids Bonds” means the Priest Rapids Hydroelectric Development Revenue and Refunding Bonds, 2006 Series Z (Taxable) authorized by Resolution No. 8056.

“2006 Wanapum Bonds” means the Wanapum Hydroelectric Development Revenue and Refunding Bonds, 2006 Series Z (Taxable), authorized by Resolution No. 8057.

“2010 Priest Rapids Project Bonds” means the Priest Rapids Hydroelectric Project Revenue and Refunding Bonds, 2010 Series L (Taxable Build America Bonds – Direct Payment), M (Taxable New Clean Renewable Energy Bonds – Direct Payment) and Z (Taxable) authorized by Resolution No. 8475.

“2012 Priest Rapids Project Bonds” means the Priest Rapids Hydroelectric Project Revenue and Refunding Bonds, 2012 M (Taxable New Clean Renewable Energy Bonds – Direct Payment) and Z (Taxable) authorized by Resolution No. 8625

“2015 Priest Rapids Project Bonds” means the Priest Rapids Hydroelectric Project Revenue Bonds, 2015 Series M (Taxable New Clean Renewable Energy Bonds) authorized by Resolution No. 8789.

“*2017 Priest Rapids Project Bond*” means the Priest Rapids Hydroelectric Project Revenue Refunding Bond, 2017 Series B (AMT).

“*2020 Priest Rapids Project Bonds*” mean the Priest Rapids Hydroelectric Project Revenue Refunding Bonds, 2020 Series Z (Taxable) and Z-2 (Taxable) authorized by Resolution No. 8934.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution; and

(b) Words of any gender shall mean and include correlative words of any other genders and words importing the singular number shall mean and include the plural number and vice versa; and

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons; and

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect; and

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and

(f) Words importing the singular number include the plural number and vice versa.

ARTICLE II FINDINGS

Section 2.1 Compliance with Parity Conditions. In accordance with the Outstanding Parity Bond Resolutions, which permit the issuance of Future Parity Bonds upon compliance with the conditions set forth therein, the District hereby finds and determines, as follows:

(a) The Bonds are being issued for the purpose of providing funds to finance certain improvements to the Priest Rapids Project and to refund, for debt service savings and/or restructuring the debt service obligations for the Refunded Bonds, certain Outstanding Parity Bonds;

(b) There is not now and there will not be, at the time of the issuance of a series of Bonds, any deficiency in the Bond Fund or in any of the accounts therein, and no Event of Default has occurred and is continuing;

(c) This resolution contains the covenants and representations required by the Outstanding Parity Bond Resolutions; and

(d) Prior to the delivery of a series of Bonds, the District shall have on file a certificate meeting the requirements of the Outstanding Parity Bond Resolutions.

As set forth above, the applicable parity conditions required by the Outstanding Parity Bond Resolutions have been or will be satisfied, and the Bonds shall be issued on a parity of lien with the Outstanding Parity Bonds.

The District hereby covenants and agrees that the Bonds will not be issued and delivered to the purchasers thereof as bonds on a parity with the Outstanding Parity Bonds until the certificate required herein, in form and contents satisfactory to the District and its counsel, has been filed with the District.

Section 2.2 Best Interests of the District. The Commission hereby finds and determines that it is in the best interests of the District and its customers that the District issue the bonds authorized herein for the purpose of financing costs of the Improvements and refunding and/or defeasing the Refunded Bonds.

Section 2.3 Plan and System. The public interest welfare convenience and necessity require that the District design, construct, improve, renovate and equip facilities of the Priest Rapids Project as set forth in the capital improvement plan of the District, as it may be amended from time to time (the “Improvements”). The Commission hereby specifies and adopts the Improvements as plan and system for additions and betterments to the Priest Rapid Project.

Section 2.4 Gross Revenues Sufficient. The Commission hereby finds and determines that the Gross Revenues to be derived by the District from the operation of the Priest Rapids Project at the rates to be charged for the electricity furnished thereby will be sufficient, in the judgment of the Commission, to meet all expenses of operation and maintenance, and to make all necessary repairs, replacements and renewals thereof, and to permit the setting aside out of such Gross Revenues and money in the Revenue Fund into the Bond Fund of such amounts as may be required to pay the principal of and interest on the Parity Bonds as the same become due and payable.

Section 2.5 Due Regard. The Commission hereby finds and determines that due regard has been given to the Operating Expenses of the Priest Rapids Project and that it has not obligated the District to set aside into the Bond Fund for the account of the Parity Bonds a greater amount of the revenues and proceeds of the Priest Rapids Project than in its judgment will be available over and above such Operating Expenses.

ARTICLE III AUTHORIZATION, ISSUANCE AND REDEMPTION OF BONDS

Section 3.1 Authorization of Issuance and Sale of the Bonds. For the purposes of financing and/or reimbursing the District for costs of the Improvements, defeasing and/or refunding the Refunded Bonds and paying costs of issuance of the Bonds, the District is hereby authorized to issue and sell one or more series of its Priest Rapids Project revenue and refunding bonds in the aggregate principal amount not to exceed \$180,000,000 (the “Bonds”).

Each series of the Bonds shall be designated as the “Priest Rapids Hydroelectric Project Revenue and Refunding Bonds, 2023 Series A,” with additional series designation, designation regarding tax status, or other designation as set forth in the Bond Purchase Contract and approved by a Designated Representative.

The Bonds of each series shall be dated as of the date of initial delivery, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof within a series and maturity, shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification and control, and shall bear interest payable on the dates set forth in the Bond Purchase Contract. The Bonds shall bear interest at the rates set forth in the Bond Purchase Contract and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 11.1 of this resolution.

The Bonds shall be special obligations of the District payable only from the Bond Fund and shall be payable and secured as provided herein. The Bonds shall not be general obligations of the District, the State, or any political subdivision thereof.

Section 3.2 Reservation of Right to Purchase. The District reserves the right to use money in the Revenue Fund or any other funds legally available therefor at any time to purchase any of the Bonds in the open market if such purchase shall be found by the District to be economically advantageous and in the best interest of the District. Any purchases of Bonds may be made with or without tenders of Bonds and at either public or private sale in such amount and at such price as the District shall, in its discretion, deem to be in its best interest. Any money which is to be applied to the purchase or redemption of Bonds shall, prior to such purchase or redemption, be transferred to and deposited in the Bond Fund to the credit of the appropriate account therein. Purchases of Term Bonds may be credited against the Sinking Fund Requirement for such Term Bonds. Bonds purchased pursuant to this Section 3.2 shall be cancelled.

Section 3.3 Redemption of Bonds.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption, if any.* The Bonds of each series shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 11.1. The Bonds of each series shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 11.1 of this resolution.

(b) *Selection of Bonds for Redemption.* If the District redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such manner determined by the Registrar or as set forth in the Bond Purchase Contract) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the District and the Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of Bonds by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Registrar there shall be issued to the Registered Owner, without charge

therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized. Notwithstanding the foregoing, as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC.

(c) *Notice of Redemption.*

(1) *Official Notice.* Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Registrar on behalf of the District by mailing a copy of an official redemption notice by first-class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notwithstanding anything herein to the contrary, so long as the Bonds are held in book-entry form, notice of redemption will be given in accordance with the operational arrangements in effect at DTC, and neither the District nor the Registrar will provide any notice of redemption to any Beneficial Owners.

All official notices of redemption shall be dated and shall state:

- (i) the redemption date,
- (ii) the redemption price,
- (iii) if fewer than all Outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (iv) that unless conditional notice of redemption has been given and such conditions have not been satisfied or waived or such notice has been rescinded, on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and if the Registrar then holds sufficient funds to pay such Bonds at the redemption price, interest thereon shall cease to accrue from and after said date,
- (v) any conditions to redemption, and
- (vi) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the District shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The District retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any

notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain Outstanding.

(2) *Effect of Notice; Bonds Due.* If an unconditional notice of redemption has been given and not rescinded, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Registrar then holds sufficient funds to pay such Bonds at the redemption price, then from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

(3) *Additional Notice.* In addition to the foregoing notice, further notice shall be given by the District as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to a Continuing Disclosure Certificate and with such additional information as the District shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(d) *Amendment of Notice Provisions.* The foregoing notice provisions of this Section 3.3, including, but not limited to, the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

ARTICLE IV REGISTRATION, FORM AND GENERAL TERMS

Section 4.1 Registrar; Exchanges and Transfers.

(a) *Registrar/Bond Register.* The District hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of a State fiscal agent, and appoints the fiscal agent of the State, U.S. Bank Trust Company, National Association, as the Registrar. The District shall cause a Bond Register to be maintained by the Registrar. So long as any Bonds of a series remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its principal office. The Registrar may be removed at any time at the option of the District upon prior notice to the Registrar and a successor Registrar appointed by the District. No resignation or

removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder.

(b) *Registered Ownership.* The District and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as otherwise provided in this resolution or in the Continuing Disclosure Certificate of the District), and neither the District nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in subsection (h) below, but such Bond may be transferred as herein provided. All such payments made as described in herein shall be valid and shall satisfy and discharge the liability of the District upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds of each series initially shall be held in book-entry form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the District has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the District nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the District to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in book-entry form, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds of each series in a denomination corresponding to the total principal therein within a series to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the District pursuant to subsection (2) below or such substitute depository’s successor; or (iii) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the District to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the District may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of subsection (1) above, the Registrar shall, upon receipt of all Outstanding Bonds of a series, issue a single new Bond for each series and maturity then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the District determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in book-entry form. The District shall deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Bonds together with a written request of the District to the Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the District's paying agent for the Bonds and to carry out all of the Registrar's powers and duties under this resolution and resolutions of the District establishing a system of registration for the District's bonds and obligations. The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, series, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, series, maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to register the transfer or to exchange any Bond during the period from the Record Date to the redemption or payment date.

(f) *Registrar's Ownership of Bonds.* The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The District covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and 12 30-day months. For so long as all Bonds are in book-entry form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held in book-entry form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Registrar at least 10 days prior to the applicable payment date), such payment shall be made by the Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Registrar.

If any Bond shall be duly presented for payment and funds have not been duly provided by the District on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

Section 4.2 Form of Bonds. The Bonds shall be in substantially the form set forth in Appendix B, which is incorporated herein by this reference.

Section 4.3 Execution and Authentication of Bonds. The Bonds shall be executed on behalf of the District with the manual or facsimile signature of the President or Vice President of the Commission and attested with the manual or facsimile signature of the Secretary of the Commission and the seal of the District shall be imprinted or impressed on each of the Bonds. The Bonds shall bear thereon a certificate of authentication, executed manually by the Registrar. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Registrar. Such certificate of the Registrar upon any Bond executed on behalf of the District shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this resolution and that the Registered Owner thereof is entitled to the benefits of this resolution.

In case any of the officers who shall have signed, attested, or sealed any of the Bonds shall cease to be such officers before the Bonds so signed, attested, authenticated, registered or sealed shall have been actually issued and delivered, such Bonds shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed, attested, authenticated, registered or sealed such Bonds had not ceased to be such officers.

ARTICLE V SPECIAL FUNDS AND DEFEASANCE

Section 5.1 Revenue Fund. A special fund of the District, known as the “Columbia River-Priest Rapids Hydroelectric Development Revenue Fund,” was created by Resolution No. 313. A special fund of the District, known as the “Columbia River-Wanapum Hydroelectric Development Revenue Fund” was created by Resolution No. 474. A special fund of the District, known as the “Priest Rapids Project Revenue Fund” (the “Revenue Fund”), which is held in trust

by the District, was created by Resolution No. 8475. The Columbia River-Priest Rapids Hydroelectric Development Revenue Fund and the Columbia River-Wanapum Hydroelectric Development Revenue Fund were merged into the Revenue Fund by Resolution No. 8475.

The District covenants and agrees that so long as any of the Parity Bonds are Outstanding and unpaid it will continue to pay into the Revenue Fund all Gross Revenues, exclusive of earnings on money on hand in the RR&C Fund and the Bond Fund, which may be retained in such funds or transferred to other funds as required by this resolution and the resolutions authorizing the Outstanding Parity Bonds and the Subordinate Lien Debt.

(a) The District hereby creates a charge and obligation against the Revenue Fund, which charge and obligation shall remain in effect so long as any Parity Bonds are Outstanding, in an amount equal to the Coverage Requirement. The District shall pay from the Revenue Fund, after paying or making provision for the payment of Operating Expenses, the Coverage Requirement. The Coverage Requirement shall be disbursed as follows:

(1) The payments into the Bond Fund required by subsections 5.2(a), 5.2(b) and 5.2(c) shall be made.

(2) The deposits into the Reserve Account required by Sections 5.2 and 7.3 and other payments required by Section 5.2 shall be made.

(3) An amount equal to 0.0125 of Annual Debt Service shall be deposited into the RR&C Fund on or prior to the 25th day of each month, to the extent there is not the required amount in the RR&C Fund, and applied to the purposes set forth in Sections 5.2 and 5.3.

(4) Any required deposits to the Subordinate Lien Bond Fund shall be made.

(b) The amounts on deposit in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

(1) to pay or provide for Operating Expenses;

(2) to make all payments required to be made into the Interest Account in the Bond Fund and to make any District Payments;

(3) to make all payments required to be made into the Principal and Bond Retirement Account in the Bond Fund and to make all payments required to be made into the Bond Retirement Account in the Bond Fund;

(4) to make all payments required to be made into the Reserve Account in the Bond Fund and to make all payments required to be made pursuant to a reimbursement agreement or agreements (or other equivalent documents) in connection with Qualified Insurance or a Qualified Letter of Credit obtained for the Reserve Account; provided that if there is not sufficient money to make all payments under such reimbursement agreements, the payments will be made on a pro rata basis;

(5) to make all payments required to be made into the RR&C Fund to the extent such amount is not on deposit; and

(6) to make all payments required to be made into any special fund or account created, including the Subordinate Lien Bond Fund, to pay or secure the payment of any subordinate lien obligations, including the Subordinate Lien Debt.

After all of the above payments and credits have been made, amounts remaining in the Revenue Fund may be used for any other lawful purpose of the District relating to the Priest Rapids Project.

Section 5.2 Bond Fund; Reserve Account.

(a) *Bond Fund.* A special fund of the District, known as the “Priest Rapids Development Second Series Bond Fund,” was created by Resolution No. 5403, and was renamed the “Priest Rapids Development Revenue Bond Fund” pursuant to Resolution No. 7901. A special fund of the District, known as the “Wanapum Development Second Series Bond Fund,” was created by Resolution No. 5404, and was renamed the “Wanapum Development Revenue Bond Fund” pursuant to Resolution No. 7777. A special fund of the District, known as the “Priest Rapids Project Revenue Bond Fund” (the “Bond Fund”), was created by Resolution No. 8475. The Priest Rapids Development Revenue Bond Fund and the Wanapum Development Revenue Bond Fund were merged into the Bond Fund by Resolution No. 8475. The Bond Fund contains three accounts: the Interest Account, the Principal and Bond Retirement Account, and the Reserve Account.

The Bond Fund is held in trust by the District and shall be used for the purpose of paying the principal of, premium, if any, and interest on all Parity Bonds and for the purpose of purchasing Parity Bonds prior to maturity. The District holds the Interest Account, the Principal and Bond Retirement Account and the Reserve Account.

At the option of the District, separate accounts may be created in the Bond Fund for the purpose of paying or securing the payment of the principal of, premium, if any, and interest on any series of Parity Bonds and of calculating and paying the Rebate Amount. District Payments shall be made from, and Reciprocal Payments shall be made into, the Interest Account. The District hereby obligates and binds itself irrevocably to set aside and pay into the Bond Fund out of the Gross Revenues certain fixed amounts, without regard to any fixed proportion of such Gross Revenues, sufficient (together with other available funds on hand and paid into the Bond Fund) to pay the principal of, premium, if any, and interest on all Parity Bonds from time to time Outstanding as the same become due and payable. Such fixed amounts shall be as follows:

(1) On or prior to each date interest on the Parity Bonds becomes due, the District shall transfer from the Revenue Fund into the Interest Account in the Bond Fund the amount sufficient (together with such other money as is on hand and available in such account) to pay the interest on all Parity Bonds then Outstanding becoming due on such date.

(2) On or prior to each date principal of the Parity Bonds becomes due, the District shall transfer from the Revenue Fund into the Principal and Bond Retirement Account in the Bond Fund the amount sufficient (together with such other money as is on hand and available in such account) to pay the principal of all Parity Bonds then Outstanding becoming due on such

date and on or prior to the due date of each Sinking Fund Requirement, the District shall transfer from the Revenue Fund into the Principal and Bond Retirement Account in the Bond Fund the amount sufficient (together with such other money as is on hand and available in such account) to pay the Sinking Fund Requirement (reduced by any credits made pursuant to any of the resolutions authorizing the Parity Bonds) for such date. If authorized by the Chief Financial Officer or Treasurer, the District may make sinking fund installment payments for the Series M Bonds as provided herein.

The District shall apply the money paid into the Bond Fund for credit to the Principal and Bond Retirement Account to the redemption of Term Bonds on the next ensuing Sinking Fund Requirement due date (or may so apply such money prior to such Sinking Fund Requirement due date), pursuant to the terms of this resolution or of the resolution authorizing the issuance thereof. The District may also apply the money paid into the Bond Fund for credit to the Principal and Bond Retirement Account for the purpose of retiring Term Bonds by the purchase of such Bonds at a purchase price (including any brokerage charge) not in excess of the principal amount thereof. The District shall apply such money to the redemption or purchase of Term Bonds in an amount such that the aggregate principal amount of Bonds so purchased or redeemed is at least equal to such next ensuing Sinking Fund Requirement. Any such purchase of Bonds by the District may be made with or without tenders of Bonds in such manner as the District shall, in its discretion, deem to be in its best interest.

(3) *Reserve Account.* The District has previously established a common debt service reserve account and Reserve Account Requirements with respect to the Outstanding Parity Bonds. Each Designated Representative is authorized to determine the Reserve Account Requirement, which may be zero (\$0.00), with respect to the Bonds. Any such determination shall be set forth in the Bond Purchase Contract. The District hereby covenants that on the date of delivery of the Bonds to the initial purchasers thereof, if necessary it will deposit Bond proceeds or other available funds of the District into the Reserve Account in an amount sufficient, together with money and investments deposited therein, to meet the Reserve Account Requirement.

The Reserve Account shall be maintained in an amount equal to the Reserve Account Requirement by additional payments to the Reserve Account in the manner provided below until such time as all of the Parity Bonds secured by the Reserve Account and the interest thereon are retired and paid. Notwithstanding the foregoing provisions of this paragraph (3), any resolution providing for the issuance of Parity Bonds may provide for payments into the Bond Fund for credit to the Reserve Account from any other money lawfully available therefor (in which event, in providing for deposits and credits required by the foregoing provisions of this paragraph (3), allowance shall be made for any such amounts so paid into such Account) or may provide for the District to obtain Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to Section 5.2 hereof to be paid out of the Reserve Account. The face amount of any such Qualified Insurance or Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Account by this Section 5.2 to the extent that such payments and credits to be made are insured by an insurance company or guaranteed by a letter of credit from a financial institution. Such Qualified Letter of Credit or Qualified Insurance shall not be cancelable on less than five years notice. In the event of any cancellation, the Reserve Account shall be funded in accordance with the provisions of this section providing for payments to the Reserve Account in the event of a deficiency therein so that within six months from the date of such cancellation,

the Reserve Account Requirement is met for the Parity Bonds that were secured by such Qualified Letter of Credit or Qualified Insurance.

If the amount in the Reserve Account is less than the Reserve Account Requirement for the Parity Bonds secured by the Reserve Account, the District shall transfer from the Revenue Fund, the RR&C Fund or the Project Account for credit to the Reserve Account on or before the 25th day of each of the six succeeding calendar months one-sixth of the amount necessary to restore the Reserve Account to the applicable Reserve Account Requirement. If the amount in the Reserve Account is greater than the Reserve Account Requirement, then and only then may the District withdraw at any time prior to the next date of valuation from the Reserve Account the difference between the amount in the Reserve Account and the applicable Reserve Account Requirement and deposit such difference in the Revenue Fund.

The Registered Owners of the Bonds by taking and holding the same shall be deemed to have consented to the adoption by the District of any Supplemental Resolution amendatory to this resolution to provide that Qualified Insurance or a Qualified Letter of Credit may be obtained if the provider is rated in one of the two highest categories by Moody's Investor's Service or S&P Global Rating or their comparable recognized business successors or both Moody's Investor's Service or S&P Global Rating at the time the letter of credit or insurance is obtained.

(4) Money in the Bond Fund may, at the option of the District, be invested and reinvested as permitted by law in Permitted Investments maturing, or which are retireable at the option of the Registered Owner, prior to the date needed or prior to the maturity date of the final installment of principal of the Parity Bonds payable out of the Bond Fund. Earnings on investments in the Bond Fund shall be transferred to the Revenue Fund, except that earnings on investments in the Reserve Account shall first be applied to remedy any deficiency in such account.

For the purpose of determining the amount credited to the Reserve Account, obligations in which money in the Reserve Account shall have been invested shall be valued at the market value thereof. The term "market value" shall mean, in the case of securities which are not then currently redeemable at the option of the Registered Owner, the current bid quotation for such securities, as reported to the District by such source as it selects, and the current redemption value in the case of securities that are then redeemable at the option of the holder. For obligations that mature within six months, the market value shall be the par value thereof. The valuation shall include accrued interest thereon. The valuation of the amount in the Reserve Account shall be made by the District as of the close of business on each December 31 (or on the preceding business day if December 31 does not fall on a business day) and after any withdrawal pursuant to this resolution and may be made on each June 30 (or on the preceding business day if June 30 does not fall on a business day). In calculating the amount required to be on hand in the Reserve Account at any time, the election by the District to make payments therein pursuant to Section 7.3 shall be taken into account.

(5) Money in the Interest Account and Principal and Bond Retirement Account shall be transmitted by the District to the Registrar for the Parity Bonds secured by the Reserve Account in amounts sufficient to meet the next maturing installments of principal and interest and premiums, if any, and Sinking Fund Installments at or prior to the time upon which any interest, principal or premium, if any, is to become due. In the event there is a deficiency in the Interest

Account or the Principal and Bond Retirement Account for such purpose, the District shall make up any such deficiency from the Reserve Account by the withdrawal of cash therefrom for that purpose, and, if necessary, by sale or redemption of any authorized investments in such amount as will provide cash in the Reserve Account sufficient to make up any such deficiency. If a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the District shall then draw from any Qualified Letter of Credit, Qualified Insurance, or other credit enhancement instrument. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. The District shall pay any reimbursement obligation as a result of a draw under a Qualified Letter of Credit or Qualified Insurance from the Revenue Fund as provided in Section 5.1(b)(4). The District shall deposit Gross Revenues into the Revenue Fund sufficient to meet such reimbursement obligation and all other obligations of the Revenue Fund.

Whenever and so long as amounts on deposit in the Bond Fund, including the Reserve Account, are sufficient to provide money to pay the Parity Bonds then Outstanding, including such interest as may thereafter become due thereon and any premiums upon redemption, no payments need be made into the Bond Fund pursuant to this resolution.

Money transferred from the Bond Fund to the Registrar for the Parity Bonds and the interest thereon shall be held in trust for the Registered Owners of such Parity Bonds. Until so set aside for the retirement of principal, payment of sinking fund installments, payment of interest and premium, if any, as aforesaid, money in the Bond Fund shall be held in trust for the benefit of the Registered Owners of the Parity Bonds then Outstanding and payable equally and ratably and without preference or distinction as between different installments or maturities.

In the event that a Bond is not presented to the Registrar within two years from the date of its maturity or redemption, the money held in the Bond Fund for the payment of the principal of and interest on such Bond shall be returned to the District. If a Bond is presented for payment any time after two years from its maturity or redemption date, the District shall be responsible for paying the principal of and interest on such Bond, and all liability of the Registrar for such amount shall cease. Before repaying the unclaimed money to the District pursuant to this paragraph, the Registrar may publish a notice or notices, at the expense of the District, relating to such repayment. In the event money is paid to the District, the Registered Owners of the Bonds in respect of which such money was paid shall be deemed to be unsecured creditors of the District for amounts equal to the principal of and interest on such Bonds so repaid to the District (without interest thereon).

Section 5.3 RR&C Fund. A special fund of the District known as the “Supplemental Repair and Renewal Fund” was created by Resolution No. 5403. A special fund of the District known as the “Supplemental Renewal and Contingency Fund” was created by Resolution No. 5404. A special fund of the District, known as the “Priest Rapids Project Repair, Renewal and Contingency Fund” (the “RR&C Fund”), which is held in trust by the District, was created by Resolution No. 8475. The Supplemental Repair and Renewal Fund and the Supplemental Renewal and Contingency Fund were merged into the RR&C Fund by Resolution No. 8475. The initial amount in the RR&C Fund was \$12,000,000 (as such amount may be revised, the “RR&C Fund Cap”). The amount in the RR&C Fund shall not exceed the RR&C Fund Cap as of the last day of any Fiscal Year. The District may increase or decrease the amount of the RR&C Fund Cap from time to time by resolution of the Commission, pursuant to which the Commission finds that the

proposed revised RR&C Fund Cap is both necessary and adequate to maintain the Priest Rapids Project in good operating condition.

Any money representing earnings on investments in the RR&C Fund may be transferred to the Revenue Fund to the extent not required to maintain in the RR&C Fund an amount equal to the RR&C Fund Cap. To the extent that the money on hand in the RR&C Fund at the end of any Fiscal Year, after making transfers into the Revenue Fund as provided in the preceding sentence, exceed the RR&C Fund Cap, such excess shall be transferred to the Bond Fund as surplus money.

If so required by contract with the purchasers of power and energy from the Priest Rapids Project, the District may rebate money on hand in the RR&C Fund to these purchasers. Such a rebate may be paid to the Electric System on the same basis as to these other purchasers. Following any such rebate, the District may again establish in such Fund an amount equal to the RR&C Fund Cap, from the proceeds of Parity Bonds, from Gross Revenues, or from any combination of such sources or other sources. This paragraph shall not limit the District's right to rebate money pursuant to Section 12.5.

Money in the RR&C Fund shall be used from time to time to make up any deficiency in the payments required to be made into the Bond Fund, and such money is hereby pledged as additional payments into the Bond Fund to the extent required to make up any such deficiencies.

To the extent not required to make up any deficiency in the Bond Fund, money in the RR&C Fund may be applied by the District to any one or more of the following purposes

- (a) to pay the cost of any project of repair, renewal, replacement, extraordinary maintenance, and safety improvement for the Priest Rapids Project;
- (b) to pay the cost of other improvements to and extensions of the Priest Rapids Project, including planning and design and feasibility studies for such improvements and extensions; and
- (c) to pay extraordinary operation costs.

No expenditure shall be made from proceeds of Parity Bonds deposited in the RR&C Fund for the purposes set forth in subparagraphs (b) or (c) above unless the District has obtained an opinion from Bond Counsel or Special Tax Counsel that such expenditure will not adversely affect the exemption from federal income tax of the interest on any Parity Bonds then Outstanding.

Money held for the credit of the RR&C Fund shall, to the fullest extent practicable and reasonable, be invested and reinvested by the District solely in, and obligations deposited in such accounts shall consist of, Permitted Investments. For the purpose of determining the amount credited to the RR&C Fund, obligations in which money in the RR&C Fund shall have been invested shall be valued at the actual cost of such obligations. The valuation shall include accrued interest thereon. The valuation of the amount in the RR&C Fund shall be made by the District as of the close of business on each December 31 (or on the next preceding business day if December 31 does not fall on a business day) and may be made on each June 30 (or on the next preceding business day if June 30 does not fall on a business day).

Section 5.4 Defeasance. In the event that money and/or Government Obligations maturing or having guaranteed redemption prices at the option of the holder at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund or any account therein for the payment of the principal of and interest on the certain Bonds so provided for and such Bonds shall then cease to be entitled to any lien, benefit or security of this resolution, except the right to receive the funds so set aside and pledged, and such Bonds shall no longer be deemed to be Outstanding hereunder, or under any resolution authorizing the issuance of bonds or other indebtedness of the District.

Within 10 business days of defeasance of any Bonds, the Registrar shall provide notice of defeasance of Bonds to Registered Owners of the Bonds being defeased in accordance with a Continuing Disclosure Certificate.

ARTICLE VI APPLICATION OF BOND PROCEEDS; PLAN OF REFUNDING

Section 6.1 Application of Bond Proceeds; Plan of Refunding.

(a) *Reserve Account*. The District is hereby authorized to deposit available funds of the District and/or a portion of the proceeds of the Bonds, and/or purchase Qualified Insurance or a Qualified Letter of Credit and pay the associated policy premium, to satisfy the Reserve Account Requirement, if any, at the time of issuance of the Bonds.

(b) *Project Account; Costs of Issuance*. There is hereby authorized to be created a special account of the District to be known as the 2023 Project Account (the “Project Account”). Funds in the Project Account shall be applied to pay or reimburse the District for costs of the Improvements, and unless paid by the Escrow Agent, to pay costs of issuance of the Bonds in the amount set forth in the Closing Memorandum for the Bonds. Money in the Project Account may at the option of the District be invested in Permitted Investments. Payments from the Project Account shall be made in accordance with law and the District’s rules and procedures for the management and control of District funds.

The District may allocate a portion of proceeds of the Bonds, net of any Underwriter’s discount, and/or available funds of the District to the payment of costs of issuance of the Bonds, including any costs associated with the refunding of the Refunded Bond, in the manner as set forth in the Closing Memorandum for the Bonds. The District may pay such costs of issuance directly or contract with the Refunding Agent to pay costs of issuance of the Bonds on its behalf.

(c) *Refunding Plan*. For the purpose of realizing a debt service savings and restructuring the debt service obligations for the Refunded Bonds, the District proposes to defease and/or refund the Refunded Bonds as set forth herein. If a Designated Representative determines that it is in the best interest of the District to proceed with the refunding authorized herein, a

Designated Representative shall designate all or a portion of the Refunding Candidates as Refunded Bonds and such designation shall be set forth in the Bond Purchase Contract.

Notwithstanding anything herein to the contrary, prior to the issuance of the Bonds the District may use available funds to redeem all or a portion of the Refunding Candidates. Each Designated Representative is hereby authorized to determine whether available funds of the District shall be used to refund all or a portion of each series of Refunding Candidates, to determine the amount to be cash redeemed, and to determine the date such redemption will occur. If such cash redemption occurs prior to the issuance of the Bonds, the list of Refunding Candidates contained herein shall be deemed to exclude such obligations.

A portion of the proceeds of the Bonds, together with other available funds of the District, if any, shall be deposited with the paying agent for the Refunded Bonds selected for redemption and used immediately to refund the Refunded Bonds or shall be deposited with the Escrow Agent pursuant to an Escrow Agreement to be used immediately upon receipt thereof to defease the Refunded Bonds as authorized by the Bond Resolution(s) authorizing the Refunded Bonds. The net proceeds of the Bonds shall be in an amount sufficient, together with other available funds of the District, if any, to pay the principal of, interest on and redemption premium for the Refunded Bonds on the Call Date.

Any net proceeds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by being held as cash or by the purchase of certain Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of the principal of, interest on and redemption premium for the Refunded Bonds on the Call Date.

Each Designated Representative is hereby authorized to designate the Refunding Candidates as Refunded Bonds, to establish the Call Date for the Refunded Bonds, to provide or cause to be provided the notices of redemption of the Refunded Bonds in accordance with the provisions of the bond resolution(s) authorizing the Refunded Bonds, to select an Escrow Agent (if any), to execute an Escrow Agreement (if any) and to take any action as determined to be necessary and in the best interest of the District to refund the Refunded Bonds. The District hereby calls the Refunded Bonds for redemption on the Call Date in accordance with the provisions of the bond resolution(s) authorizing the Refunded Bonds.

ARTICLE VII COVENANTS TO SECURE BONDS

Section 7.1 Security for Parity Bonds. All Parity Bonds are special limited obligations of the District payable from and secured solely by a pledge and lien set forth in the next sentence. There are hereby pledged as security for the payment of the principal of, premium, if any, and interest on all Parity Bonds in accordance with the provisions of this resolution, subject only to the provisions of this resolution restricting or permitting the application thereof for the purposes and on the terms and conditions set forth in this resolution: (a) the Gross Revenues and (b) the money and assets, if any, credited to the Revenue Fund, the Bond Fund, the RR&C Fund, the Project Account, and the income therefrom. The Gross Revenues and other money and assets hereby

pledged shall immediately be subject to such lien and charge under this resolution without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District regardless of whether such parties have notice thereof.

All Parity Bonds now or hereafter Outstanding shall be equally and ratably payable and secured hereunder without priority by reason of date of adoption of the resolution providing for their issuance or by reason of their series, number or date of sale, issuance, execution or delivery, or by the liens, pledges, charges, trusts, assignments and covenants made herein, except as otherwise expressly provided or permitted in this resolution and except as to insurance which may be obtained by the District to insure the repayment of one or more series or maturities within a series.

The pledge set forth above is hereby declared to be a prior lien and charge on the Gross Revenues and the money and assets in such funds and accounts superior to all other liens and charges of any kind or nature, subject to prior application as set forth in Section 5.1 hereof.

Parity Bonds shall not in any manner or to any extent constitute general obligations of the District or of the State, or any political subdivision of the State, or a charge upon any general fund or upon any money or other property of the District or of the State, or of any political subdivision of the State, not specifically pledged thereto by this resolution.

Section 7.2 General Covenants. The District covenants with the Registered Owners of the Parity Bonds as follows:

(a) *Rate Covenant.* The District shall establish, maintain and collect rates and charges in connection with the ownership and operation of the Priest Rapids Project that shall be fair and nondiscriminatory and adequate to provide Gross Revenues sufficient for the payment of the principal of and interest on all Parity Bonds and the Subordinate Lien Debt then Outstanding, all amounts that the District is obligated to set aside in the Bond Fund and the Subordinate Lien Bond Fund, the payment of all Operating Expenses of the Priest Rapids Project, and the payment of any and all amounts that the District may now or hereafter become obligated to pay from the Gross Revenues, including, inter alia, payments to providers of Qualified Insurance and Qualified Letters of Credit in accordance with this resolution.

(b) Such rates or charges in connection with the ownership and operation of the Priest Rapids Project shall be sufficient to provide Net Revenues in any Fiscal Year hereafter in an amount that is at least equal to the Coverage Requirement, and such amounts as are required to pay the principal of and interest on any Subordinate Lien Debt, excluding any capitalized interest thereon in such Fiscal Year.

The failure to collect Gross Revenues in any Fiscal Year sufficient to comply with the covenants contained in this section shall not constitute an Event of Default if the District, before the 90th day of the following Fiscal Year, both:

(1) Employs a Professional Utility Consultant to recommend changes in the District's rates that are estimated to produce Gross Revenues sufficient (once the rates recommended by the

Professional Utility Consultant have been imposed by the District) to meet the requirements of Section 7.2; and

(2) Imposes rates at least as high as those recommended by such Professional Utility Consultant at the time or times so recommended.

The calculation of the Coverage Requirement set forth above, and the District's compliance therewith, may be made solely with reference to this resolution without regard to future changes in generally accepted accounting principles. If the District has changed one or more of the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then an event of default relating to this section shall not be considered an Event of Default if the Coverage Requirement ratio would have been complied with had the District continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this resolution.

(c) *Maintenance and Repair.* The District will at all times maintain, preserve and keep the Priest Rapids Project in good repair, working order and condition, and will from time to time make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto so that at all times the business carried on in connection therewith shall be properly and advantageously conducted, and the District will at all times operate such properties and the business in connection therewith in an efficient manner and at reasonable cost.

(d) *Disposal of Properties.* The District will not sell or otherwise dispose of the Priest Rapids Project in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment of cash into the Bond Fund sufficient to pay the principal of and interest on all Parity Bonds then Outstanding and any premium upon the retirement thereof in full and in accordance with the requirements of the resolutions authorizing the issuance of such bonds, nor will it sell or otherwise dispose of any part of the useful operating properties of the Priest Rapids Project if such sale or disposition would result in a reduction of Net Revenues below the amounts required in subsection (a) above.

The District may sell or otherwise dispose of any of the properties of the Priest Rapids Project or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Priest Rapids Project or no longer necessary, material to or useful in such operation. The proceeds of any such sale or disposition of a portion of the properties of the Priest Rapids Project shall be deposited in any construction fund heretofore or hereafter created, and may be used for any purposes for which Parity Bonds may be issued. Such proceeds shall be transferred to the Reserve Account to the extent that such transfer shall be necessary to make up any deficiency in the Reserve Account. The balance, if any, shall, at the option of the District, be used for repairs, renewals, replacements, or additions to or extensions of the Priest Rapids Project or be used in the retirement of Parity Bonds prior to maturity, either by purchase at prices not to exceed the next applicable redemption price or by call for redemption.

If the FERC License is awarded to another party, the District shall deposit into the Bond Fund, promptly following receipt, any compensation received from the new licensee or otherwise

up to the amount necessary to pay or provide for the payment of principal of and interest on the Parity Bonds then Outstanding

(d) *Insurance.* The District will keep the works, plants, properties and facilities comprising the Priest Rapids Project insured, and will carry such other insurance, with responsible insurers, with policies payable to the District, against risks, accidents or casualties, at least to the extent that insurance is usually carried by municipal corporations operating like properties; provided, however, that the District may, if deemed necessary and advisable by the Commission, institute or continue a self-insurance program with respect to any or all of the aforementioned risks. In the event of any loss or damage, the District will promptly deposit the insurance proceeds into any construction fund heretofore or hereafter created, and use such funds to repair or replace the damaged portion of the insured property and apply the proceeds of any insurance policy or self-insurance funding for that purpose; or in the event the District should determine not to repair or reconstruct such damaged portion of the properties of the District, the proceeds of such insurance or self-insurance funding shall be transferred to the Reserve Account to the extent that such transfer shall be necessary to make up any deficiency in the Reserve Account and the balance, if any, shall, at the option of the District, be used for repairs, renewals, replacements, or additions to or extensions of the Priest Rapids Project or be used in the retirement of Parity Bonds prior to maturity, either by purchase at prices not to exceed the next applicable redemption price or by call for redemption.

(e) *Books and Records.* The District shall keep proper books of account, showing as a separate utility system the accounts of the Priest Rapids Project, in accordance with the rules and regulations prescribed by the State Auditor's office of the State, or other State department or agency succeeding to such duties of the State Auditor's office, and if no such rules or regulations are prescribed as aforesaid, then in substantial accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission or other federal agency having jurisdiction over public electric utility companies owning and operating properties similar to the properties of the District, whether or not the District is at the time required by law to use such system of accounts. The District shall cause its books of account to be audited annually by the State Auditor's office or other State department or agency as may be authorized and directed by law to make such audits, or if such an audit shall not be completed and the audit report presented within 12 months after the close of any Fiscal Year of the District, by independent certified public accountants. In keeping such books of account, the District shall accrue depreciation monthly thereon on its depreciable properties in accordance with the accounting practice prescribed by the public departments or agencies above mentioned. Any Registered Owner of any Bond may obtain at the office of the District, copies of the balance sheet and statements of revenues, expenses and changes in net assets showing in reasonable detail the financial condition of the Priest Rapids Project as of the close of each Fiscal Year, and the income and expenses of such year, including the amounts paid into the Revenue Fund, the Bond Fund, and in any and all special funds created pursuant to the provisions of this resolution, and the amounts expended for maintenance, renewals, replacements, and gross capital additions to the Priest Rapids Project. All calculations, classifications and other financial determinations required by this resolution shall be made in accordance with the accounting practices then being observed by the District.

(f) *Make Only Economically Sound Improvements.* The District shall not expend any of the revenues derived by it from the operation of the Priest Rapids Project or the

proceeds of Parity Bonds or other obligations for any extensions, betterments and improvements to the Priest Rapids Project which will not properly and advantageously contribute to the conduct of the business of the Priest Rapids Project.

(g) *Merger or Consolidation.* The District shall not dissolve or terminate its existence without paying or providing for the payment of all Parity Bonds then Outstanding.

(h) *Obligation of the Electric System.* The District covenants to (1) pay to the Priest Rapids Project from the Electric System that portion of the annual costs of the Priest Rapids Project for such Fiscal Year, including without limitation for Operating Expenses and Annual Debt Service on the Parity Bonds, that is not otherwise paid or provided for from payments received by the Priest Rapids Project from the sale of power and energy and related products from the Priest Rapids Project to purchasers other than the District and (2) to establish, maintain and collect rates or charges for electric power and energy and related products sold through the Electric System sufficient to make any such payments to the Priest Rapids Project. The Electric System shall be obligated to pay as provided in this section whether or not the Priest Rapids Project has produced or is capable of producing power and energy in a Fiscal Year.

Except as provided in the following sentence, the obligation to pay such amounts shall rank as a lien and charge against the revenues of the Electric System subordinate in rank to all other obligations of the Electric System. Payments made by the Electric System for the costs of purchased power and energy shall be an operating expense of the Electric System.

(i) *FERC License.* The District hereby covenants to use its best efforts to retain the FERC License for the Priest Rapids Project and to renew the FERC License when it expires.

(j) *Enforcement of Power Sales Contracts.* The District hereby covenants to enforce its rights and the obligations of power purchasers under the Power Sales Contracts.

Section 7.3 Future Parity Bonds. The District hereby covenants and agrees with the Registered Owner of each of the Bonds for as long as any of the same remain Outstanding that the District shall not issue additional bonds or other obligations with a lien on Gross Revenues prior to the lien of the Parity Bonds and that it will not issue any Parity Bonds, except, upon the conditions provided below, the District reserves the right to issue Future Parity Bonds. Future Parity Bonds may be issued from time to time as may be required for any lawful purpose of the District relating to the Priest Rapids Project, including, but not limited to, acquiring, constructing and installing additions, betterments and improvements to and extensions of, acquiring necessary equipment for, or making necessary renewals, replacements or repairs and capital improvements to the Priest Rapids Project, refunding any Outstanding indebtedness, and funding the RR&C Fund.

(a) The District covenants that Future Parity Bonds shall be issued only upon compliance with the following conditions:

(1) That at the times of the issuance of such Future Parity Bonds there is no deficiency in the Bond Fund or in any of the accounts therein.

(2) That there shall have been delivered to the District a report of a Professional Utility Consultant to the effect that (i) the plan pursuant to which proceeds of such Future Parity Bonds are to be expended is consistent with prudent utility practice and will not materially adversely interfere with operation of the Priest Rapids Project, and (ii) in the opinion of the Professional Utility Consultant, based upon such assumptions as he/she believes to be reasonable, such plan will not result in Net Revenues below the amounts covenanted in Section 7.2(a) to be maintained; provided, however, no such report of a Professional Utility Consultant shall be required where contracts with the Electric System (which may include a resolution of the District with respect to such obligation of the Electric System) and/or other purchasers are in effect for a term at least as long as the term of the proposed Future Parity Bonds and require the Electric System and/or other purchasers to purchase 100% of the power from and to pay 100% of the costs of the Priest Rapids Project, including the cost of maintaining Net Revenues in the amounts required under Section 7.2(a).

In making any calculations required to be made by the Professional Utility Consultant above, in the case of Variable Interest Rate Bonds, the interest rate thereon shall be calculated on the assumption that such Variable Interest Rate Bonds will bear interest at a rate equal to the rate most recently reported by The Bond Buyer as The Bond Buyer's index for long-term revenue bonds. If such index is no longer published, a comparable index designated by the District shall be utilized in lieu thereof.

(3) That the resolution authorizing the issuance of the Future Parity Bonds shall require that there shall be paid into the Reserve Account in the Bond Fund (a) from the proceeds of such Future Parity Bonds an amount such that the amount on deposit in the Reserve Account is equal to the Reserve Account Requirement or (b) from Gross Revenues (I) in not more than five equal annual installments commencing one year from the date of issuance of such Future Parity Bonds or (II) on the date of issuance of such Future Parity Bonds, or so long as any 2005 Priest Rapids Bonds or 2005 Wanapum Bonds are insured under a policy issued by FGIC and such insurer is not in default thereunder, an amount such that the amount on deposit in the Reserve Account is equal to the applicable Reserve Account Requirement, or (c) by deposit of a Qualified Letter of Credit or Qualified Insurance in the manner specified herein. Upon the issuance of any series of Future Parity Bonds, the District shall recalculate the applicable Reserve Account Requirement, which recalculated Reserve Account Requirement shall become effective as of such date of recalculation.

(4) That the resolution authorizing the issuance of the Future Parity Bonds shall contain covenants and provisions substantially the same as Sections 5.1 through 5.4, 7.1 through 7.5, and 8.1 through 8.10 hereof.

(b) *Refunding Bonds.* In the event that any Future Parity Bonds are issued for refunding purposes and the issuance of such refunding Future Parity Bonds results in a present value monetary saving to the District and such refunding Future Parity Bonds will not require a greater amount (exclusive of costs incidental to such refunding, any call premium or premiums, and except as necessary to round out maturities to the nearest \$5,000) to be paid in any Fiscal Year thereafter than would have been required to be paid in the same Fiscal Year for Annual Debt Service on the bonds being refunded, then subsection (2) of subsection (a) need not be complied with to permit

such refunding Future Parity Bonds to be issued, although the provisions of subsections (1) and (3) of subsection (a) of this Section 7.3 must still be complied with.

(c) *Subordinate Lien Obligations.* The District may issue bonds, notes, warrants or other obligations payable from and secured by a lien and charge subordinate to the lien and charge created by Section 7.1 and may create a special fund or funds for payment of such subordinate obligations; provided, however, that such obligations and the resolutions authorizing the same shall expressly state that the lien and charge securing such obligations is subordinate to the lien and charge created herein and by the resolutions authorizing Parity Bonds. Any such subordinate lien obligations shall not be subject to acceleration.

Section 7.4 Derivative Products. To the extent permitted by State law, the District may enter into Derivative Products on a parity with the Parity Bonds subject to the conditions provided in this section. The following shall be conditions precedent to the use of any Derivative Product on a parity with any Bonds under this resolution:

(a) *General Parity Tests.* The Derivative Product (and the obligations to which it relates) must satisfy the requirements for Future Parity Bonds described in Section 7.3 of this resolution taking into consideration District Payments and Reciprocal Payments under the Derivative Product. Termination payments owed pursuant to a Derivative Product shall not be on a parity with the Parity Bonds.

(b) *Opinion of Bond Counsel.* The District shall obtain an opinion of Bond Counsel or Special Tax Counsel on the due authorization and execution of such Derivative Product, the validity and enforceability thereof and opining that the action proposed to be taken is authorized or permitted by this resolution and will not adversely affect the excludability for federal income tax purposes of the interest on any Parity Bonds then Outstanding, as applicable.

(c) *Payments.* Each Derivative Product shall set forth the manner in which the District Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.

(d) *Supplemental Resolutions to Govern Derivative Products.* Prior to entering into a Derivative Product, the District shall adopt a Supplemental Resolution, which shall:

(i) establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and

(ii) set forth such other matters as the District deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this resolution.

Section 7.5 Tax Covenants.

(a) The District hereby covenants to comply with all applicable requirements set forth in the Code and the Tax Certificate to the extent that such compliance shall be necessary to maintain the exclusion from gross income for federal income taxes of the interest on the Tax-Exempt Bonds. The District hereby further covenants to observe all applicable requirements in

any future federal tax legislation to the extent that such compliance is determined by the District to be legal and practicable and required for such exemption.

(b) The District will pay the Rebate Amount, if any, to the United States of America at the times and in the amounts necessary to meet the requirements of the Code to maintain the exclusion from gross income for federal income tax purposes of interest payments on the Tax-Exempt Bonds, in accordance with the Tax Certificate.

The covenants of this section will survive payment in full or defeasance of the Tax-Exempt Bonds.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.1 Events of Default. The Commission hereby finds that the continuous operation of the Priest Rapids Project and the collection, deposit and disbursement of the Gross Revenues in the manner provided in this resolution are essential to the payment and security of the Bonds, and the failure or refusal of the District to perform the covenants and obligations contained in this resolution will endanger the necessary continuous operation of the Priest Rapids Project and the application of the Gross Revenues to the purposes set forth in this resolution.

The District hereby covenants and agrees with the Registered Owners from time to time of the Bonds, in order to protect and safeguard the covenants and obligations undertaken by the District securing the Bonds, that the following shall constitute “Events of Default”:

(a) If default shall be made in the due and punctual payment of the principal of and premium, if any, on any of the Parity Bonds when the same shall become due and payable, either at maturity or by proceedings for mandatory distribution or otherwise;

(b) If default shall be made in the due and punctual payment of interest on any Parity Bond when the same shall be due and payable;

(c) If the District shall fail to purchase or redeem Term Bonds in an aggregate principal amount at least equal to the Sinking Fund Requirement for the applicable Fiscal Year;

(d) If the District shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the District contained in this resolution and such default or defaults shall have continued for a period of 90 days after the District shall have received from the Bondowners’ Trustee or from the Registered Owners of not less than 66% in principal amount of any series of Parity Bonds then Outstanding, a written notice specifying and demanding the cure of such default; or

(e) If the District shall: (1) admit in writing its inability to pay its debts generally as they become due; (2) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (3) make an assignment for the benefit of its creditors; (4) consent to the appointment of a receiver of the whole or any substantial part of the Priest Rapids Project; or (5) consent to the assumption by any court of competent jurisdiction under

the provisions of any other law for the relief or aid of debtors of custody or control of the District or of the whole or any substantial part of the Priest Rapids Project.

Section 8.2 Books of District Open to Inspection. The District covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the District and all other records relating to the Priest Rapids Project shall at all times be subject to the inspection and use of any persons owning at least 66% of the principal amount of any series of Parity Bonds Outstanding and their respective agents and attorneys.

The District covenants that if an Event of Default shall happen and shall not have been remedied, the District will continue to account, as a trustee of an express trust, for all Gross Revenues and other money, securities and funds pledged under this resolution.

Section 8.3 Bondowners' Trustee. If an Event of Default has occurred, is continuing, and has not been remedied, the owners of 25% in principal amount of Parity Bonds then Outstanding may appoint a bondowners' trustee (the "Bondowners' Trustee") by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Parity Bonds or by their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to the District. That appointment shall become effective immediately upon acceptance thereof by the Bondowners' Trustee. Any Bondowners' Trustee appointed under the provisions of this section shall be a bank or trust company organized under the laws of the State of New York or a national banking association. The bank or trust company acting as Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed, by the Registered Owners of a majority in principal amount of Parity Bonds Outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners of the Parity Bonds or by their attorneys-in fact-duly authorized. The Bondowners' Trustee may require such security and indemnity as may be reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties.

The Bondowners' Trustee may resign upon 60 days' notice and a new Bondowners' Trustee appointed by the Registered Owners of at least 25% in principal amount of Parity Bonds; provided, however, that no such resignation or removal shall be effective until a successor Bondowners' Trustee shall have been appointed and shall have delivered a written instrument of acceptance of the duties and responsibilities of the Bondowners' Trustee under this resolution to the District and the Registered Owners of the Parity Bonds then Outstanding.

In the event that any Event of Default in the sole judgment of the Bondowners' Trustee is cured and the Bondowners' Trustee furnishes to the District a certificate so stating, that Event of Default shall be conclusively deemed to be cured, and the District, the Bondowners' Trustee and the Registered Owners of Parity Bonds then Outstanding shall be restored to the same rights and position which they would have held if no Event of Default had occurred.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the Registered Owners of all Parity Bonds then Outstanding and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.

Section 8.4 Suits at Law or in Equity. Upon the happening of an Event of Default and during the continuance thereof, the Bondowners' Trustee may, and upon the written request of the Registered Owners of not less than 25% in principal amount of the Parity Bonds then Outstanding shall, take such steps and institute such suits, actions or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the Registered Owners of the Parity Bonds, to collect any amounts due and owing to or from the District, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution or in any of the Parity Bonds.

Nothing contained in this resolution shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Parity Bonds, and the remedy of acceleration is expressly denied to the Registered Owners of the Parity Bonds under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

Any action, suit or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the Bondowners and all such rights of action upon or under any of the Parity Bonds or the provisions of this resolution may be enforced by the Bondowners' Trustee without the possession of any of those Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any such suit, action or proceeding instituted by the Bondowners' Trustee shall be brought for the ratable benefit of all of the Registered Owners of those Parity Bonds, subject to the provisions of this resolution. The respective Registered Owners of the Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective Registered Owners of those Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of those Parity Bonds; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the Registered Owner himself or herself might have done in person. Nothing herein shall be deemed to authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf of any Registered Owner of the Parity Bonds, any plan of reorganization or adjustment affecting the Parity Bonds or any right of any Registered Owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the Registered Owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the District is a party.

Section 8.5 Application of Money Collected by Bondowners' Trustee. Any money collected by the Bondowners' Trustee at any time pursuant to this Article shall be applied in the following order of priority:

(a) first, to the payment of the charges, expenses, advances and compensation of the Bondowners' Trustee and the charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys; and

(b) second, to the payment to the persons entitled thereto first of required interest and then of unpaid principal amounts on any Parity Bonds which shall have become due (other than Parity Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in

the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

When the Bondowners' Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief.

Section 8.6 Duties and Obligation of Bondowners' Trustee. The Bondowners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bondowners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Bondowners' Trustee shall have no liability for any act or omission to act hereunder except for the Bondowners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bondowners' Trustee shall be determined solely by the express provisions of this resolution, and no implied powers, duties or obligations of the Bondowners' Trustee shall be read into this resolution.

The Bondowners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bondowners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct.

The Bondowners' Trustee shall not be bound to recognize any person as a Registered Owner of any Bond until his or her title thereto, if disputed, has been established to its reasonable satisfaction.

The Bondowners' Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Bondowners' Trustee shall not be answerable for any neglect or default of any person, firm or corporation employed and selected by it with reasonable care.

Section 8.7 Suits by Individual Bondowners Restricted. Neither the Registered Owner nor the Beneficial Owner of any one or more of Parity Bonds shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the same unless:

- (a) an Event of Default has happened and is continuing; and
- (b) a Bondowners' Trustee has been appointed; and
- (c) such owner previously shall have given to the Bondowners' Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted; and

(d) the Registered Owners of 25% in principal amount of the Parity Bonds, after the occurrence of such Event of Default, has made written request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a reasonable opportunity to institute such suit, action or proceeding; and

(e) there have been offered to the Bondowners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and

(f) the Bondowners' Trustee has refused or neglected to comply with such request within a reasonable time.

No Registered Owner or Beneficial Owner of any Parity Bond shall have any right in any manner whatever by his or her action to affect or impair the obligation of the District to pay from the Net Revenues the principal of and interest on such Parity Bonds to the respective Registered Owner thereof when due.

Section 8.8 Waivers of Default. No delay or omission of the Bondowners' Trustee or of any Registered Owner or Beneficial Owner of Parity Bonds to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or to be an acquiescence therein; and every power and remedy given by this Article to the Bondowners' Trustee or to the Registered Owners of Parity Bonds may be exercised from time to time and as often as may be deemed expedient by the Bondowners' Trustee or by such Registered Owners.

The Bondowners' Trustee or the owners of not less than 50% in principal amount of the Parity Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the owners of all of the Parity Bonds waive any past default under this resolution and any resolution authorizing the issuance of other Parity Bonds and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any of the Parity Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto:

Section 8.9 Remedies Granted in Resolution Not Exclusive. No remedy conferred by this resolution upon or reserved to the Bondowners' Trustee or the owners of the Parity Bonds is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under this resolution or existing at law or in equity or by statute on or after the date of adoption of this resolution.

Section 8.10 Voting of Bonds Held by District. In determining whether the owners of the requisite aggregate amount of Parity Bonds have concurred in any demand, request, direction, consent or waiver under this resolution, Parity Bonds which are owned or held by or for the account of the District, or by any person or entity directly or indirectly controlling or controlled by, or under direct or indirect common control with, the District on the Parity Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

ARTICLE IX
AMENDMENTS

Section 9.1 Amending and Supplementing Resolution Without Consent of Bondowners.

(a) The District from time to time and at any time may adopt a Supplemental Resolution or resolutions, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the District contained in this resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interest of the owners of any Parity Bonds in any material way, or to surrender any right or power herein reserved to or conferred upon the District.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provisions contained in this resolution or any resolution authorizing Future Parity Bonds in regard to matters or questions arising under such resolutions as the District may deem necessary or desirable and which shall not materially adversely affect the interest of the owners of such bonds in any material way.

(3) To change any provision of or to add any provision to this resolution if such change or addition will not materially adversely affect the interest of the owners of any Bonds.

Any such Supplemental Resolution of the District may be adopted without the consent of the owners of any Parity Bonds at any time Outstanding. Before any such Supplemental Resolution is adopted, the District shall obtain an opinion of nationally recognized bond counsel that approval of such resolution is not required pursuant to Section 9.2.

(b) Upon the adoption of any Supplemental Resolution pursuant to the provisions of this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the District under this resolution and all owners of Parity Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes.

Section 9.2 Amending and Supplementing Resolution With Consent of Bondowners.

(a) With the consent of the Registered Owners of not less than 66% in aggregate principal amount of the Parity Bonds then Outstanding, the District from time to time and at any time may adopt a resolution amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this resolution, or modifying or amending the rights and obligations of the District hereunder, or modifying in any manner the rights of the owners of the Parity Bonds then Outstanding and in determining whether the owners of not less than 66% in aggregate principal amount of the Parity Bonds then Outstanding consent thereto; provided, however, that, without the specific consent of the Registered Owner of each such Parity Bond that would be affected thereby, no such

Supplemental Resolution amending or supplementing the provisions hereof shall: (i) change the fixed maturity date for the payment of the principal of any Parity Bond or the date for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Parity Bond or the rate of interest thereon or the redemption price (or the redemption premium) payable upon the redemption or prepayment thereof; (ii) reduce the aforesaid percentage of Parity Bonds the owners of which are required to consent to any Supplemental Resolution amending or supplementing the provisions of this resolution; (iii) give to any Parity Bond or Bonds any preference over any other Parity Bond or Bonds secured hereby; (iv) authorize the creation of any pledge of the Gross Revenues and other money pledged hereunder prior, superior or equal to the pledge of and lien and charge for the payment of the Parity Bonds; or (v) deprive any Registered Owner of the Parity Bonds of the security afforded by this resolution. (Nothing herein contained, however, shall be construed as making necessary the approval of the owners of the Bonds of the adoption of any Supplemental Resolution authorized by the provisions of Section 9.1.)

(b) It shall not be necessary that the consents of the owners of the Parity Bonds approve the particular form or wording of the proposed amendment or supplement or of the Supplemental Resolution effecting such amendment or supplement, but it shall be sufficient if such consents approve the substance of the proposed amendment or supplement. After the owners of the required percentage of Parity Bonds shall have filed their consents to the amending or supplementing hereof pursuant to this Section 9.2, the District may thereafter adopt such Supplemental Resolution and thereafter shall mail a copy of such notice, postage prepaid to each Registered Owner of Parity Bonds then Outstanding, at his/her address, if any, appearing upon the Bond Register, but failure of such registered owners to receive such notice or any defect therein shall not affect the validity of the Supplemental Resolution effecting such amendments or supplements or the consents thereto. (Nothing in this Section 9.2 contained, however, shall be construed as requiring the giving of notice of any amending or supplementing of this resolution authorized by Section 9.1.) A record, consisting of the papers required by this Section 9.2, shall be filed with the District and shall be proof of the matters therein stated until the contrary is proved. No action or proceeding to set aside or invalidate such Supplemental Resolution or any of the proceedings for its adoption shall be instituted or maintained unless such action or proceeding is commenced within 60 days after the mailing of the notice required by this Section 9.2.

Section 9.3 Endorsement of Amendment on Parity Bonds. Parity Bonds delivered after the effective date of any action amending this resolution taken as hereinabove provided may bear a notation by endorsement or otherwise as to such action, and in that case, upon demand of the Registered Owner of any Parity Bond Outstanding at such effective date and presentation of his or her Parity Bond for the purpose at the designated office of the Registrar, suitable notation shall be made on such Parity Bond by the Registrar as to any such action. If the District shall so determine, new Parity Bonds so modified as in the opinion of the District and its counsel to conform to such action shall be prepared, delivered and, upon demand of the Registered Owner of any Parity Bond then Outstanding, shall be exchanged without cost to such Registered Owner for Parity Bonds then Outstanding hereunder, upon surrender of such Parity Bonds.

ARTICLE X
ONGOING DISCLOSURE

Section 10.1 Undertaking to Provide Ongoing Disclosure. The District covenants to execute and deliver on the date of issuance of the Bonds a Continuing Disclosure Certificate, and hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate. The Designated Representatives are each hereby authorized and directed to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interests of the District, upon consultation with counsel to the District. Notwithstanding any other provision of this resolution, failure of the District to comply with a Continuing Disclosure Certificate shall not be considered an Event of Default as to the Bonds and shall not be deemed to create any monetary liability on the part of the District to any other persons, including the Registered Owners of the Bonds, or result in acceleration of the Bonds.

ARTICLE XI
SALE OF THE BONDS

Section 11.1 Sale of the Bonds. The Bonds shall be sold at negotiated sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The Commission has determined that it would be in the best interest of the District to delegate to the Designated Representatives for a limited time the authority to determine whether to issue the Bonds as Taxable Bonds or Tax-Exempt Bonds, to designate all or a portion of the Refunding Candidates as Refunded Bonds, to determine the Reserve Account Requirement for the Bonds, and to approve the final interest rates, aggregate principal amount, principal amounts of each maturity, and redemption rights for the Bonds. The final determination of the terms for the Bonds shall be set forth in a Bond Purchase Contract to be signed by a Designated Representative.

The Designated Representatives are each hereby authorized to make such determinations with respect to the Bonds so long as:

- (a) the aggregate principal amount of all Bonds issued under this resolution does not exceed \$180,000,000;
- (b) the final maturity date for each series of Bonds is no later than January 1, 2053;
- (c) the Bonds of each series are sold (in the aggregate) at a price not less than 90%;
- (d) the true interest cost for each series of Bonds (in the aggregate) does not exceed 5.0%;
- (e) the Bonds are sold for a price that results in a minimum aggregate net present value debt service savings over the Refunded Bonds of at least 1.0% (determined as an aggregate savings target and not per series); and
- (f) the Bonds conform to all other terms of this resolution.

The Bonds shall be sold by negotiated sale to the Underwriter selected by a Designated Representative. Subject to the terms and conditions set forth in this Section 11.1, the Designated Representatives are each hereby authorized to execute the Bond Purchase Contract.

Following the sale of the Bonds and the execution of a Bond Purchase Contract, a Designated Representative shall provide a report to the Commission describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 11.1 shall expire June 1, 2024. If the Bonds authorized herein have not been sold by June 1, 2024, and a Bond Purchase Contract has not been executed by such date, the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by resolution of the Commission. The resolution re-authorizing the issuance and sale of such Bonds may be in the form of a new resolution repealing this resolution in whole or in part or may be in the form of an amendatory resolution approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 11.1.

Section 11.2 Preliminary and Final Official Statements.

(a) *Preliminary Official Statement.* The District hereby approves and authorizes the use and distribution of a Preliminary Official Statement by the Underwriter in connection with the offer and sale of the Bonds, including any amendments or supplements thereto. Prior to the distribution of the Preliminary Official Statement, the Designated Representatives are each hereby authorized, empowered and directed to deem such Preliminary Official Statement final as of its date for purposes of the Rule (except for the omission of certain information as provided in and pursuant to Rule), such action to be conclusively evidenced by delivery of the Preliminary Official Statement to the Underwriter for distribution thereof.

(b) *Official Statement.* The Designated Representatives are each hereby authorized, empowered and directed to execute and deliver a final Official Statement, including any amendments or supplements thereto, with such changes therein from the Preliminary Official Statement as such officer shall deem appropriate and in the best interests of the District, as conclusively evidenced by execution thereof. The Underwriter for the Bonds is hereby authorized to distribute the Official Statement in connection with the offer and sale of such Bonds.

ARTICLE XII
MISCELLANEOUS

Section 12.1 Resolution a Contract. This resolution and the provisions of Title 54 RCW shall constitute a contract with the Registered Owners of each of the Bonds, enforceable by any Registered Owner of any Bond by mandamus or any other appropriate suit or action in any court of competent jurisdiction subject to the provisions of limitations on remedies contained in this resolution.

Section 12.2 Benefits of Resolution Limited to District, Bondowners, Registrar, and Bondowners' Trustee. Nothing in this resolution, expressed or implied, is intended or shall be construed to confer upon or give to any person or corporation other than the District, the Registrar, the Bondowners' Trustee and the Registered Owners from time to time of the Bonds any rights, remedies or claims under or by reason of this resolution or any covenant, condition or stipulation

thereof; and all the covenants, stipulations, promises and agreements in this resolution contained by or on behalf of the District shall be for the sole and exclusive benefit of the District, the Registrar, the Bondowners' Trustee and the Registered Owners from time to time of the Bonds.

Section 12.3 Severability. If any one or more of the covenants or agreements provided in this resolution on the part of the District to be performed shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this resolution or of the Bonds issued hereunder.

Section 12.4 General Authorization. The General Manager of the District, the Chief Financial Officer/Treasurer of the District, and the President, Vice President and Secretary of the Commission and each of the other appropriate officers of the District are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution. Such documents may include, but are not limited to, documents related to Qualified Insurance and/or a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of a series of Bonds as provided therein, if such insurance is determined by a Designated Representative to be in the best interest of the District.

Section 12.5 Rebates to Purchasers. If so required by contract with the purchasers of power and energy from the Priest Rapids Project, the District may rebate money on hand in any fund, except the Bond Fund, relating to the Priest Rapids Project to such purchasers. Such a rebate may be paid to the Electric System on the same basis as to the other purchasers.

Section 12.6 Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 12.7 Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 13th day of June, 2023.

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON

By _____
President and Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Secretary of the Commission

**APPENDIX A:
Refunding Candidates**

Series	Final Maturity Date (January 1)	Outstanding Principal Amount
Priest Rapids Hydroelectric Development Revenue and Refunding Bonds, 2005 Series Z (Taxable)	2033	\$14,195,000
Priest Rapids Hydroelectric Development Revenue and Refunding Bonds, 2006 Series Z (Taxable)	2036	22,960,000
Wanapum Hydroelectric Development Revenue and Refunding Bonds, 2006 Series Z (Taxable)	2043	72,615,000
Priest Rapids Hydroelectric Project Revenue and Refunding Bonds, 2010 Series Z (Taxable)	2040	29,740,000
Priest Rapids Hydroelectric Project Revenue and Refunding Bonds, 2012 Series Z (Taxable)	2035	8,895,000

**APPENDIX B:
Bond Form**

Each series of Bonds shall be in substantially the following form, with additions and deletions as permitted by the Resolution.

NO. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF WASHINGTON

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON
PRIEST RAPIDS HYDROELECTRIC PROJECT REVENUE AND REFUNDING BOND,
2023 SERIES A

INTEREST RATE: % MATURITY DATE: CUSIP NO.:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, a municipal corporation of the state of Washington (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from the date of delivery, or the most recent date to which interest has been paid or duly provided for, until payment of this bond at the Interest Rate set forth above, payable on _____, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in book-entry form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations from the District to DTC.

Principal of and interest and premium, if any, on this bond are payable solely out of the special fund of the District known as the "Priest Rapids Project Revenue Bond Fund" (the "Bond Fund"). This bond is not a general obligation of the District.

This bond is one of a duly authorized series of bonds aggregating [\$ _____] in principal amount and designated as "Priest Rapids Hydroelectric Project Revenue and Refunding Bonds, 2023 Series A." This bond and the bonds of the series of which it is a part (the "Bonds") are issued under and pursuant to Resolution No. 9020 of the District adopted on June 13, 2023 (the "Bond Resolution"), and under the authority of and in full compliance with the Constitution and laws of the state of Washington, including Title 54 of the Revised Code of Washington. The Bonds are issued for the purpose of financing costs of certain improvements to the Priest Rapids Project, defeasing and/or refunding certain revenue bonds of the District, and paying costs of issuance for

the Bonds. Terms not otherwise defined herein shall have the meanings set forth in the Bond Resolution.

The Bonds are being issued on a parity of lien on Gross Revenues of the Priest Rapids Project with the District's Outstanding Parity Bonds, subject only to the prior payment of Operating Expenses. The District has reserved the right in the Bond Resolution to issue additional bonds ("Future Parity Bonds") on a parity with the Bonds and the Outstanding Parity Bonds. The Outstanding Parity Bonds, the Bonds and any Future Parity Bonds are referred to herein as the "Parity Bonds."

Under the Bond Resolution, the District is obligated to set aside and pay into the Bond Fund out of the Gross Revenues of the Priest Rapids Project, certain fixed amounts sufficient to pay the principal of and interest and premium, if any, on all Parity Bonds as the same become due and payable, all as is more fully provided in the Bond Resolution. The pledge of Gross Revenues securing payment of the principal of and premium, if any, and interest on the Parity Bonds is a lien and charge on the Gross Revenues superior to all other liens and charges of any kind or nature, subject to prior application of Gross Revenues for payment of Operating Expenses.

Copies of the Bond Resolution are on file at the office of the District, and reference thereto, and to any and all modifications and amendments thereof, is hereby made for a more complete description of the Gross Revenues available for the payment of the principal of, premium, if any, and interest on the Bonds and the rights and remedies of the Registered Owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds have been issued, and the terms and conditions upon which this bond shall no longer be secured by the Bond Resolution or deemed to be Outstanding thereunder if money or certain specified securities sufficient for the payment of this bond shall have been set aside in a special account and held in trust for the payment thereof.

In the Bond Resolution, the District covenants to establish, maintain and collect rates or charges in connection with the ownership and operation of the Priest Rapids Project that shall be fair and nondiscriminatory and adequate to provide Gross Revenues sufficient for the payment of all Parity Bonds then Outstanding and any other indebtedness of the Priest Rapids Project, all payments that the District is obligated to set aside in the Bond Fund and for the proper operation and maintenance of the Priest Rapids Project, all necessary repairs thereto and replacements and renewals thereof and all other costs of the Priest Rapids Project.

This bond is subject to redemption prior to maturity as provided in the Bond Resolution and Bond Purchase Contract.

This bond shall be transferable by the Registered Owner at the designated office of the Registrar upon surrender and cancellation of this bond, and thereupon a new registered Bond of the same principal amount and interest rate and maturity will be issued to the transferee as provided in the Bond Resolution. The District, the Registrar, and any other person may treat the person in whose name this bond is registered as the absolute Registered Owner hereof for the purpose of receiving payment hereof and for all purposes.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

It is hereby certified, recited and declared that all acts, conditions and things essential to the validity of this bond and the Bonds of this series, required by the Constitution and statutes of the state of Washington do exist, have happened and have been performed.

IN WITNESS WHEREOF, Public Utility District No. 2 of Grant County, Washington, by its Commission, has caused this bond to be executed in its name with the manual or facsimile signature of the President of its Commission, and attested by the manual or facsimile signature of the Secretary of the Commission and the seal of said District to be impressed or imprinted hereon, all as of the 13th day of June, 2023.

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON

(SEAL)

President of the Commission

Attest:

Secretary of the Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the revenue bonds described in the within mentioned Bond Resolution and is one of the Priest Rapids Hydroelectric Project Revenue and Refunding Bonds, 2023 Series A, of Public Utility District No. 2 of Grant County, Washington.

WASHINGTON STATE FISCAL
AGENCY, Registrar

By _____
Authorized Signer

CERTIFICATE

I, the undersigned, Secretary of the Board of Commissioners of Public Utility District No. 2 of Grant County, Washington, and keeper of the records of said Commission (herein called the "Commission"), DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. 9020 (herein called the "Resolution") of the Commission, duly passed at a regular meeting thereof held on the 13th day of June, 2023.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper passage of said Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

DATED this 13th day of June, 2023.

Secretary, Board of Commissioners

MEMORANDUM

May 9, 2023

TO: Bonnie Overfield, Chief Financial Officer/Treasurer
VIA: Angelina Johnson, Senior Manager of Treasury/Deputy Treasurer
FROM: Amy Thompson, Financial Analyst - Treasury
SUBJECT: Resolution for the Refunding / Defeasing Bonds

Angelina Johnson

Purpose:

To request Commission review of the bond resolutions for the refunding and/or defeasing of Priest Rapids Project (PRP) and Electric System (ES) bonds during the May 23rd commission meeting.

Discussion:

The financing transaction requires board delegation of authority to specified management (Designated Representative) to execute the transaction and associated details. Due to there being a combination of PR/Wanapum, PRP, and ES bonds being chosen for this transaction, a resolution for each system delegating authority to the District Representative(s) to proceed with the transactions has been attached. The District Representative as defined in the bond resolutions is the CFO/Treasurer or CEO/Manager (secondary).

Market conditions have presented an opportunity for the District to defease and refund select PR/Wanapum, and PRP taxable Make-Whole Call (MWC) bond series into tax exempt series; providing the opportunity for the District to realize savings with reduced future debt service costs, eliminating the associated sureties, and reducing compliance and administration related to the bonds. Additionally, refunding the existing ES variable rate series with associated interest rate volatility into a short-term fixed rate product will provide stability and debt service predictability. Analysis of the bonds to be considered for inclusion in the transactions began in December of 2022 as the District began receiving updates on market changes. From the initial analysis to current, the District has identified potential candidates to include in the transaction that will generate savings to the District through either refunding or defeasance. The attached bond resolutions list the outstanding series that are potential candidates generating savings for the transaction.

- PRP Series: 2005Z, 2006Z, 2010Z, and 2012Z
- Wanapum Series: 2006Z
- Electric System Series: 2021T

The predicted par amount of the refunded / defeased bonds currently is \$198M but is subject to conditions at the time of market. The District reserves the right not to price bonds if the market is unfavorable due to a variety of economic stressors and the bond resolution will be in effect if a replacement time is needed thru June 2024. It is anticipated that the pricing of bonds will occur in the later part of June/early July. The resulting new series of new and refunding bonds will be a calculation of sources to fund redemption, closing costs, and premium/pricing. Per the resolution, a detailed report will be provided to the District upon executing the transaction from the CFO/Treasurer as to the result of the financing. Terms and conditions of the refunding bonds will remain consistent with past practice and in alignment with the parity obligations in addition to district policy/procedures. Note this bond resolution only covers the series listed above. The upcoming November transaction to refund the mandatory redemption of the Electric System 2020-S bonds will be separate and distinct.

The District's Financial Advisor, Public Financial Management, and JP Morgan assisted the District in analyzing the options and costs associated with the refunding and/or defeasance of each of these products. After extensive analysis, the products and options chosen for each are the best savings and use of cash for the District at this time. Continual analysis will take place up to the transaction date to adjust for any market changes that may occur.

District bond counsel, Pacifica Law Group LLC, and tax counsel, Nixon Peabody LLC, represent the District on legal matters in execution of the transaction, including the preparation of the delegating resolution. Due to size of the transaction, Bank of America, NA will be listed in the syndicate to support financing needs/requirements.

Recommendation:

To request Commission review of the PR/Wanapum, PRP, and ES bond resolutions for the refunding and/or defeasance transaction during the May 23rd meeting and for approval at the June 13th meeting.

Amy Thompson

From: Mitchell Delabarre
Sent: Wednesday, May 10, 2023 11:16 AM
To: Amy Thompson; Jennifer Sager
Cc: Angelina Johnson; Bonnie Overfield; Leah Mauceri
Subject: RE: Notice of upcoming Debt Activity-Commission Bond Resolutions

The bond resolutions are approved and there is no objection to you proceeding.
Mitch

Mitchell P. Delabarre
General Counsel/Chief Legal Officer
Grant PUD
mdelaba@gcpud.org
509 793-1565

The information contained in this e-mail message is privileged, confidential and protected from disclosure. If you are not the intended recipient, dissemination, distribution or copying of the information contained herein is strictly prohibited. If you think you have received this e-mail message in error, please reply to mdelaba@gcpud.org or call (509) 793-1565.

From: Amy Thompson <athompson@gcpud.org>
Sent: Wednesday, May 3, 2023 8:24 AM
To: Jennifer Sager <Jsager@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>
Cc: Angelina Johnson <Ajohnso@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>
Subject: FW: Notice of upcoming Debt Activity-Commission Bond Resolutions
Importance: High

Good morning, Jennifer and Mitch-

Please see the attached draft resolutions for the PRP and Electric System debt transactions for your review and approval. Please let us know if you are unable to review and approve by this Friday, May 5, as this is extremely time sensitive.

Once you have reviewed and approved, we will send to Bonnie for her final review and approval to meet the Commission Packet deadline.

Thank you,
Amy

From: Angelina Johnson <Ajohnso@gcpud.org>
Sent: Thursday, April 20, 2023 3:31 PM
To: Richard Wallen <rwallen@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>; Charles Meyer <cmeyer@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; John Mertlich <jmertlich@gcpud.org>; Tod Ayers <tayers@gcpud.org>; Julio Aguirre Carmona <jaguirre@gcpud.org>; Fallon Long <flong@gcpud.org>; Paul Dietz <Pdietz@gcpud.org>; Rich Flanigan <Rflanig@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Susan Manville <smanville@gcpud.org>; Louis Szablya <lszablya@gcpud.org>; Christopher Buchmann <Cbuchmann@gcpud.org>; Chuck Allen <Callen@gcpud.org>; Brett Lenz <Blenz@gcpud.org>; Ross Hendrick <Rhendr1@gcpud.org>; Rebecca Simpson <Rsimpso@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>

Cc: Amy Thompson <athompson@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Mark Buchta <mbuchta@gcpud.org>

Subject: Notice of upcoming Debt Activity

Hello,

Treasury has been working on some upcoming debt transaction activity that we would like you all to be aware of, if you are receiving this you have been identified as part of the official statement review process. The timeline for the transaction is quite condensed due to the uncertainty of market movement and wanting to optimize the availability of savings.

We anticipate the preliminary OS to be circulated around the middle of May for review and approval, we are looking for a two week turn around to receive feedback.

Much of the information in the OS is derived from the annual report and information that you have already provided. There may be additional information requests, please remember that we have a responsibility to disclose the most accurate information we can for our investors.

Thank you for your attention to this matter, and please let Treasury know if you have any questions.

Angelina

Angelina Johnson

Grant County Public Utility District

Senior Manager of Treasury / Deputy Treasurer

ajohnso@gcpud.org

(509) 361-9947

RESOLUTION NO. 9021

A MEMORIAL RESOLUTION IN HONOR OF REX “PUCK HYAH TOOT” BUCK, JR.
(1955-2022)

Recitals

1. The Grant PUD and Wanapum of Priest Rapids, for nearly 70 years have lived as one in mutual well-being to honor and uphold the sacred bond of trust entered into between Grant PUD and the Wanapum in 1957. Beginning in 1953 with Johnny Buck, then with Frank Buck, and most recently with Rex Buck, Jr.; the sacred bond between the Wanapum and Grant PUD nourishes a relationship built on integrity, trust, and honor.
2. Rex Buck, Jr, paternal grandson of Johnny Buck, has provided guidance and council throughout his lifetime, contributing to greater understanding and continued appreciation of Wanapum life as Spiritual Leader of the Priest Rapids Longhouse and renowned bell ringer of the Washat religion all across the Pacific Northwest. People of all religious denominations sought his guidance and insight and he never hesitated to assist anyone.
3. Dedicating his entire adult life to protection, preservation, and perpetuation of Wanapum cultural sustenance, Rex served as the Wanapum and Grant PUD Liaison fostering countless relationships across the country at a local, state, and federal level and with neighboring Tribes to carry the light of the Wanapum and solidifying his commitment to taking care of Wanapum children and the unborn through his wisdom, patience, and oral teachings. His ability to connect with all that he crossed paths with will serve his people for many generations. His legacy is marked by his smile, laughter, wisdom, and willingness to share the culture and history of the Wanapum with not only Grant PUD but all that had an open heart and mind to listen.

NOW, THEREFORE, BE IT RESOLVED that Rex “Puck Hyah Toot” Buck, Jr., having so well served the Grant PUD, will not be forgotten.

BE IT FURTHER RESOLVED that in his memory the Grant PUD hereby reaffirms its relationship with the Wanapum of Priest Rapids, knowing his spirit will continue to guide, protect, preserve, and perpetuate.

FINALLY, BE IT RESOLVED that our sacred bond and relationship remains, as strong as when made, in his memory.

PASSED AND APPROVED by the Commission of the Public Utility District No. 2 of Grant County (Grant PUD) this 13TH day of June, 2023.

ATTEST:

President

Secretary

Vice President

Commissioner

Commissioner

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 7 to Contract 130-08756 with North Sky Communications, LLC, increasing the not-to-exceed contract amount by \$16,300,000.00 for a new contract total of \$87,000,000 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 7.

MEMORANDUM

04/03/2023

TO: Richard Wallen, General Manager/CEO

VIA: Jeff Grizzel, Chief Operating Officer
Terry McKenzie, Senior Manager Wholesale Fiber
Aaron Kuntz, Senior Manager EPMO
Allen Chatriand, Manager EPMO
Travis Wiser, Project Services Supervisor

FROM: Jeremy Conner, Project Manager

SUBJECT: Contract 130-08756 Change Order No. 7, Fiber Optic Design and Construction Services 2019-2024

Purpose:

To request Commission approval of Change Order No. 7 to Contract 130-08756 in the amount of \$16,300,000.00 for a new total contract Not to Exceed price of \$87,000,000.00. This is intended to provide funding, for the remainder of 2023 through June 2024, to continue with North Sky Communications, LLC (NSC) for Fiber Optic Design and Construction.

Discussion:

The original contract was awarded on December 11, 2018. NSC continues to design and build out fiber in areas of the County that are designated for connectivity. The District is managing the activities and expenses of NSC.

Funding for this contract was originally set at \$10,000,000.00 in 2019 with the intent to add additional funding via change order on an approximately annual basis. At the beginning of 2020 an additional \$10,500,000.00 was added via Change Order 1. Change Order 2 was administrative - and did not change the terms or financial amounts. Also, in 2020 Change Order 3 was approved in the amount of \$13,400,00.00. In 2021 Change Order 4 was approved in the amount of \$18,400,000.00. Change Order 5 in 2022 was approved in the amount of \$18,400,000.00. Also, in 2022 Change Order 6 was approved to extend the contract through 2024.

Justification:

The District is committed to completing and maintaining a sustainable wholesale fiber optic network to all the people of Grant County per Strategic Plan Objective 7. Since the expansion is a major project that has a definable end, the District uses contract labor and equipment to accomplish the task rather than

increase and decrease staff levels. This is a six-year contract that helps maintain a stable contract workforce and reduce overall procurement costs.

Financial Considerations:

Summary of Total Contract Spend

Item	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals
Completion Prior Builds ML5 & George	\$1,052,653.50	\$0.00	\$0.00	
Maintenance Support	\$78,760.33	\$0.00	\$53,218.11	\$37,499.57
Work Orders		\$169,783.52	\$432,656.15	\$403,319.25
Fiber Drops	\$1,738,663.21	\$2,754,500.54	\$3,786,606.41	\$3,018,671.07
Fiber Buildout Project (40 Areas)	\$7,045,870.26	\$13,831,093.71	\$13,482,633.81	\$13,100,499.56
Annual Totals	\$9,915,947.30	\$16,755,377.77	\$17,755,114.48	\$16,559,989.45

1. Per the NSC contract a 3% increase went into effect January 1, 2023, for labor.
2. NSC continues to fulfil the high demand for Customer Connection requests while still maintaining full efforts towards the construction of the Fiber Expansion.
3. Field Engineering was completed in 2022 and Design will be completed by the end of 2023.

There is adequate budget to support this change order.

Change Order History: See included change order table.

Legal Review: See included email.

Recommendation:

Commission approval of Change Order No. 7 to Contract 130-08756 in the amount of \$16,300,000.00 with North Sky Communications, LLC for Fiber Optic Design and Construction.

From: Jeff Grizzel <Jgrizzel@gcpud.org>
Sent: Tuesday, April 18, 2023 2:53 PM
To: Beau Schwab <bschwab@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>; Travis Wiser <Twiser@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Aaron Kuntz <Akuntz@gcpud.org>; Terry Mckenzie <Tmckenzen@gcpud.org>
Cc: Patrick Bishop <Pbishop@gcpud.org>
Subject: RE: 130-08756 CO7 | Fiber Optic Design and Construction Services | Commission Memo approval

I approve Beau.

Jeff

From: Travis Wiser <Twiser@gcpud.org>
Sent: Tuesday, April 18, 2023 2:54 PM
To: Beau Schwab <bschwab@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Aaron Kuntz <Akuntz@gcpud.org>; Terry Mckenzie <Tmckenzen@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>
Cc: Patrick Bishop <Pbishop@gcpud.org>
Subject: RE: 130-08756 CO7 | Fiber Optic Design and Construction Services | Commission Memo approval

Approved.

Travis Wiser

From: Jeremy Conner <Jconner@gcpud.org>
Sent: Tuesday, April 18, 2023 3:03 PM
To: Beau Schwab <bschwab@gcpud.org>; Travis Wiser <Twiser@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Aaron Kuntz <Akuntz@gcpud.org>; Terry Mckenzie <Tmckenzen@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>
Cc: Patrick Bishop <Pbishop@gcpud.org>
Subject: RE: 130-08756 CO7 | Fiber Optic Design and Construction Services | Commission Memo approval

Thank You Beau,

I approve!

Jeremy Conner
Fiber Project Manager

DESK 509.793.1551
EXT. 4183
CELL 509.398.2048
EMAIL jconner@gcpud.org



grantpud.org

From: Terry Mckenzie <Tmckenz@gcpud.org>
Sent: Tuesday, April 18, 2023 3:03 PM
To: Travis Wiser <Twiser@gcpud.org>; Beau Schwab <bschwab@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Aaron Kuntz <Akuntz@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>
Cc: Patrick Bishop <Pbishop@gcpud.org>
Subject: RE: 130-08756 CO7 | Fiber Optic Design and Construction Services | Commission Memo approval

Approve, thank you.

From: Aaron Kuntz <Akuntz@gcpud.org>
Sent: Tuesday, April 18, 2023 3:06 PM
To: Beau Schwab <bschwab@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>; Travis Wiser <Twiser@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>
Cc: Patrick Bishop <Pbishop@gcpud.org>
Subject: RE: 130-08756 CO7 | Fiber Optic Design and Construction Services | Commission Memo approval

I approve.

Aaron Kuntz
Senior Manager Enterprise Project Management Office
Grant County PUD
509-306-9099

From: Allen Chatriand <achatriand@gcpud.org>
Sent: Tuesday, April 18, 2023 3:10 PM
To: Beau Schwab <bschwab@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>; Travis Wiser <Twiser@gcpud.org>; Aaron Kuntz <Akuntz@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>
Cc: Patrick Bishop <Pbishop@gcpud.org>
Subject: RE: 130-08756 CO7 | Fiber Optic Design and Construction Services | Commission Memo approval

Hi Beau- I approve

Allen Chatriand, Manager PMO – Power Delivery
Grant County PUD
509-378-7720

From: Beau Schwab <bschwab@gcpud.org>
Sent: Tuesday, April 18, 2023 2:50 PM
To: Jeremy Conner <jconner@gcpud.org>; Travis Wiser <twiser@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Aaron Kuntz <akuntz@gcpud.org>; Terry Mckenzie <tmckenzie@gcpud.org>; Jeff Grizzel <jgrizzel@gcpud.org>
Cc: Patrick Bishop <pbishop@gcpud.org>; Beau Schwab <bschwab@gcpud.org>
Subject: 130-08756 CO7 | Fiber Optic Design and Construction Services | Commission Memo approval

Good Afternoon,

We have approval to move Change Order No. 7 to Contract 130-08756 with North Sky Communications to the next Commission Packet.
Can each of you please respond with approval to this email as a sign off on the attached memo.

Thank you,
Beau Schwab
Procurement Officer II
EMAIL bschwab@gcpud.org
ADDRESS 14352 Hwy 243 S Bldg. 6, Beverly, WA 99321



CHANGE ORDER
NO. 7

Pursuant to Section GC-11, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price.
- B. Time of Completion: The completion date shall remain December 31, 2024.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$16,300,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$87,000,000.00, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

North Sky Communications, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Change Order Table

Contract Title: Fiber Optic Design and Construction Services 2019-2023

Contract No.	130-08756	Award Date:	12/14/2018
Project Manager:	Jeremy Conner	Original Contract Amount:	\$10,000,000.00
District Representative (If Different):		Original Contract completion:	12/31/2023
Contractor:	North Sky Communications, LLC	Total CO Cost Change Amt	\$77,000,000.00

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase the not to exceed Contract Price.	Comm	12/11/19	N/A	\$10,500,000.00	\$20,500,000.00	\$10,500,000.00
2	Revise Exhibit "B" Rate Schedule to add one labor classification and three equipment classifications.	Dept Mgr	06/03/30	N/A	\$0.00	\$20,500,000.00	\$0.00
3	Increase the not to exceed Contract Price.	Comm	07/29/20	N/A	\$13,400,000.00	\$33,900,000.00	\$13,400,000.00
4	Increase the not to exceed Contract Price.	Comm	05/03/21	N/A	\$18,400,000.00	\$52,300,000.00	\$18,400,000.00
5	Increase the not to exceed Contract Price.	Comm	04/26/22	N/A	\$18,400,000.00	\$70,700,000.00	\$18,400,000.00
6	Extend the Contract Completion Date and Revise Exhibit "B" Rate Schedule to add rates for work in year 2024.	Dept Mgr	12/15/22	12/31/24	\$0.00	\$70,700,000.00	\$0.00
7	Increase the not to exceed Contract Price.	Comm		N/A	\$16,300,000.00	\$87,000,000.00	\$16,300,000.00
Total Change Order Cost Change Amount					77,000,000.00		

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 9 to Contract 430-4151 with Jack R Benjamin and Associates increasing the not-to-exceed contract price by \$1,000,000.00 for a new contract total of \$3,000,00.00, extending the contract completion date to June 30, 2025 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 9.

MEMORANDUM

May 8, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Chief Operating Officer *Ross Hendrick (for Jeff Grizzel)*
Dale Campbell, PE, Senior Manager of Power Production Engineering *Dale Campbell*
Becca Simpson, Manager of Civil and Dam Safety Engineering *BS*
Zach Ruby, PE, Chief Dam Safety Engineer *J. Zachary Ruby*

FROM: Logan Castle, Dam Safety Engineer

SUBJECT: Contract 430-4151, Change Order No. 9

Purpose: To request Commission approval of Change Order No. 9 for Contract 430-4151, Jack R. Benjamin and Associates, Inc., to increase the total contract price from \$2,000,000 to \$3,000,000 and extend the contract completion date to June 30, 2025.

Discussion: Jack R. Benjamin and Associates is the Facilitator for the Wanapum Left Embankment Seismic Risk Analysis, a project assessing the seismic stability of the embankment with a focus on the River Closure Section (RCS). They support all parts of the project, especially documentation and report writing.

The Wanapum left embankment RCS, the portion of the embankment constructed in the existing river channel, has more stability concerns than the other embankment sections because of its foundation conditions and construction history. District efforts to better understand the stability of the RCS began in 2012 with the completion of a Probabilistic Seismic Hazard Analysis (PSHA) which estimates the earthquake loading that could be experienced at a location. Preliminary seismic stability analyses were performed in 2013 and 2014 and indicated that large earthquakes could result in liquefaction and strength loss in the foundation materials, large crest deformations, overtopping, and failure (uncontrolled release of the reservoir).

In 2015, the Federal Energy Regulatory Commission (FERC) directed the District to convene an independent Board of Consultants (BOC) to assess the seismic stability of the embankments at Priest Rapids and Wanapum, focusing on the Priest Rapids right embankment and the Wanapum RCS. Given the complexities and uncertainties involved in analyzing the stability of the RCS and any potential mitigation, the District switched to a Risk-Informed Decision Making (RIDM) approach, referred to as the Wanapum Left Embankment Seismic Risk Analysis. A RIDM approach seeks to first, estimate the likelihood of failure from a given hazard and the loss of life that could result from that failure, and second, if that risk is unacceptable, to select mitigation specifically designed to reduce the risk. This approach consists of four major parts: a Hazard Analysis, Fragility Analysis, Risk Analysis, and a Dam Safety Case.

The Hazard Analysis estimates the magnitude and frequency of earthquake loading that the embankment could experience and was completed in 2019 with an updated PSHA. The Fragility Analysis estimates the likelihood of failure from the earthquake loading identified in the Hazard Analysis. The Risk Analysis estimates the loss of life that could result from failure and combines it with the failure likelihood identified in the Fragility Analysis to estimate the seismic risk associated with the embankment. The Dam Safety Case details how the District will respond to the risk identified in the Risk Analysis.

To perform the Fragility Analysis, the District decided to use the Senior Seismic Hazard Analysis Committee (SSHAC) framework, which consists of a Facilitator, a Technical Integration Team (TI

Team) that performs the analysis, a Participatory Peer Review Panel (PPRP) that reviews the analysis, and FERC oversight. Under this framework, the BOC members became part of the TI Team and the PPRP.

The Fragility Analysis includes the use of advanced 2D numerical modeling software designed for complex geotechnical problems. For this project, the embankment model is subjected to real earthquake records from past events that have been adjusted to match the Hazard Analysis. The software then simulates how the embankment will respond to that specific loading, including zones in the embankment that could liquefy and lose strength during or after the earthquake. The outputs from the model include embankment deformations, which can be used to evaluate the likelihood of failure. The numerical modeling for this project will include between 15 and 20 thousand unique analysis runs.

The Fragility Analysis also includes the use of a logic tree, a rational way of conceptualizing the different potential inputs to the numerical model and rating them according to their applicability. Each pathway through the logic tree results in a unique characterization of the embankment. The logic tree for this project is incredibly complex with tens of millions of potential unique pathways. The logic tree structure allows for prioritization so that a relatively small subset of analyses can be used to estimate the embankment response under a wide range of loadings and characterizations.

The Fragility Analysis has experienced many challenges that have resulted in significant cost and duration increases to the project. Most of the challenges are related to the complexity of what is being analyzed and the state-of-the-art or industry-leading nature of the analysis.

The project team has recently completed a revised project schedule that includes a comprehensive, resource-loaded schedule detailing the remaining tasks in the Fragility Analysis as well as the Risk Analysis and Dam Safety Case. The tasks, durations, and resources were informed by the work completed to date and represent the best estimate of the project team. Progress on the project is being tracked with update meetings held twice a month with key team members.

As stated above, Jack R. Benjamin and Associates is the project Facilitator, supporting all parts of the project, especially documentation and report writing. They are also the primary author of the Risk Analysis. This Change Order reflects their updated cost estimate according to the revised project schedule. The revised schedule includes the Fragility and Risk Analyses being completed in June and July 2024, respectively, and the Dam Safety Case being completed in February 2025.

Justification: Completion of the Fragility and Risk Analyses is necessary to remain compliant with the FERC directive to assess the seismic stability of the Wanapum left embankment. The RIDM approach will allow the District to make a more informed decision than would be possible with traditional deterministic methods, and to select mitigation specifically designed to reduce risk. For the Wanapum left embankment, the RIDM approach will likely result in a more efficient and effective solution with a lower cost and smaller footprint.

Alternative consultants capable of facilitating a quantitative risk analysis of this complexity are very limited, and none have facilitated a risk analysis for an embankment dam using the SSHAC framework. The amount of time and resources it would take to bring a new facilitator up to speed on the project would result in further significant cost and duration increases and be subject to FERC approval.

Financial Considerations: No other alternatives have been considered. The FERC has been closely monitoring this project since their 2015 directive and expects that the District will continue to make progress on and complete the seismic risk analysis of the Wanapum left embankment. The cost for completion of this project is included under IN205, PID 103088

Change Order History: See attached change order table.

Legal Review: See attached email.

Recommendation: Commission approval of Change Order No. 9 to Contract 430-4151 to increase the total contract price from \$2,000,000 to \$3,000,000 and extend the contract completion date to June 30, 2025.

CHANGE ORDER
NO. 9

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price and extend the Contract completion date.
- B. Time of Completion: The revised completion date shall be June 30, 2025.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$1,000,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$3,000,000.00, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

Jack R Benjamin and Associates

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Change Order Table

Contract Title: SSHAC Process Facilitator for Embankment Seismic Hazard Evaluations

Contract No.	430-4151	Award Date:	11/2/2015
Project Manager:	Logan Castle	Original Contract Amount:	NTE \$75,000.00
District Representative (If Different):		Original Contract completion:	6/30/2017
Contractor:	Jack R. Benjamin Associates, Inc	Total CO Cost Change Amt	\$915,000.00

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase contract price for ongoing work	Dept Mgr	03/17/16	N/A	\$100,000.00	\$175,000.00	\$100,000.00
2	Increase contract price for ongoing work and extend completion date	Director	10/26/16	12/31/17	\$400,000.00	\$575,000.00	\$500,000.00
3	Extend completion date	Sr Mgr/Plant Mgr	12/21/17	12/31/19	\$0.00	\$575,000.00	\$500,000.00
4	Increase contract price	Comm	09/18/18	N/A	\$325,000.00	\$900,000.00	\$825,000.00
5	Increase the Contract Price and extend the Contract completion date.	Sr Manager	12/03/19	12/31/20	\$90,000.00	\$990,000.00	\$90,000.00
6	Increase the Contract Price and extend the Contract completion date.	Comm	07/28/20	12/31/21	\$510,000.00	\$1,500,000.00	\$600,000.00
7	Extend completion date	Dept Mgr	12/21/21	12/31/24	\$0.00	\$1,500,000.00	\$0.00
8	Increase the Contract Price	Director	09/23/22	N/A	\$500,000.00	\$2,000,000.00	\$500,000.00
9	Increase price and extend contract Completion Date	Comm		06/30/25	\$1,000,000.00	\$3,000,000.00	\$1,500,000.00
Total Change Order Cost Change Amount					\$ 2,925,000.00		

For Commission Review – 06/13/2023

RESOLUTION NO. XXXX

A RESOLUTION ADOPTING A NON-TRAVEL MEALS POLICY

Recitals

1. Grant PUD desires to establish a Non-Travel Meals Policy to clarify expectations, strengthen internal controls, and ensure consistency and equity related to such expenses; and
2. Grant PUD's Executive Management has reviewed the Non-Travel Meals Policy and recommends its adoption.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that:

Section 1. The Non-Travel Meals Policy attached hereto is hereby adopted and shall be effective August 1, 2023.

Section 2. The General Manager/CEO is authorized to modify Grant PUD's Non-Travel Meals Policy from time to time subject to the following limitations:

1. Expenses shall be limited to that which is necessary for and consistent with Grant PUD business requirements.
2. The policy and reimbursements shall always be subject to and consistent with the requirements of all applicable laws and regulations.
3. Only reasonable and necessary expenses incurred in accordance with the requirements contained herein shall be reimbursed by Grant PUD.
4. Any proposed change to the policy shall be submitted to Grant PUD's Commission at least 20 days prior to being put into effect. For clarity, the 20-day timeline begins on the date of the applicable Commission meeting.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27th day of June, 2023.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

June 13, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer
VIA: Bonnie Overfield, Chief Financial Officer
FROM: Jennifer Sager, Senior Manager Accounting
SUBJECT: Establish a Non-Travel Meals Policy

Purpose: To request Commission approval of the attached Non-Travel Meals Policy, effective August 1, 2023.

Discussion: A new Non-Travel Meals Policy is being proposed to:

- Incorporate [AG guidance, "Eating and Drinking at Public Expense"](#) (issued in 1987 and still the leading authority);
- Strengthen internal controls; and
- Ensure consistency and equity in the application of the policy.

Historically, we have provided minimal guidance on this topic, and what was provided was in the Travel Policy. We have removed any guidance on this topic from the Travel Policy (also in your packet in parallel to this request) and propose proceeding with this new policy.

A summary of the proposed policy requirements and why they have been incorporated can be found below. The final content can be viewed in the attached policy.

All employees will have the opportunity to receive training on this policy prior to the effective date. Within 30 days following the effective date, all employees will be required to acknowledge they have read and understand the policy.


Requirement	Purpose
Meals allowed under certain conditions only and with prior approval from the Senior Manager or above.	Must be a reasonable and necessary business expense and use of public funds
The cost of meals cannot exceed 150% of federal per diem for the applicable meal per person, including taxes (does not include tip not to exceed 20% and any delivery charges).	Clarity, consistency, and equity
Specifies when meals are not allowed, which includes: <ul style="list-style-type: none">• Employee birthdays, weddings, baby showers, anniversaries, or other occasions of a personal nature.• Holiday celebrations	Not a reasonable or necessary business expense or use of public funds.
Refreshments no longer allowed	Not a reasonable or necessary business expense or use of public funds.
Food for retirement/farewell events for employees leaving the District are capped at \$100 and require prior approval of the Senior Manager or above.	Clarity, consistency, and equity
Exceptions to the policy may be approved by a member of Executive Management. Accounting will maintain an exception log and provide a quarterly report to Executive Management.	Consistency and equity in application of the policy. Transparency and tracking.

The policies below all contain language related to non-travel meals. To ensure there are no conflicts, these documents will also be updated:

- Employee Recognition Policy - Any meals provided as part of a team celebration must be in accordance with the Non-Travel Meals Policy.
- Community Activity Policy - The reimbursement of any meals provided during Grant PUD-approved participation in a service club must be in accordance with the Non-Travel Meals Policy.
- Recruitment Expenses - Any meals provided to candidates as part of the recruitment process must be in accordance with the Non-Travel Meals Policy.

Recommendation: Commission approval of the attached Non-Travel Meals Policy, effective August 1, 2023.

Legal Review: See attached email.

Effective Date: 8/1/2023	Version: 1 Supersedes: NA	Related Documents: Employee Recognition Policy, Community Activity Policy, Recruitment Expenses Policy
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

FIN-AC-POL-220 – NON-TRAVEL MEALS

1. Scope

This policy applies to all Grant PUD employees.

2. Policy Statement

The purpose of this policy is to establish standards for Grant PUD payment or reimbursement of prudent, necessary, and legitimate meal expenses incurred during official Grant PUD business not associated with travel.

This policy does not cover employee meals for day or overnight travel outside of Grant PUD’s service territory/projects. See Travel Policy.

3. Policy


A. In accordance with guidance provided by the Washington State Attorney General’s Office, refreshments (snacks or food and beverage typically consumed between meals) are not reasonable or necessary business expenses and are not allowed at Grant PUD’s expense.

B. A meal may be allowed for meetings, trainings, or events held to conduct official Grant PUD business when one or more of the following requirements are met:


- In-person participation is required for a period of four hours or more that runs through the normal meal period (e.g., noon to 1:00 pm), and cannot reasonably be held at any other time.
- It’s held at an offsite facility where food is included, or use of the facility caterer is required as part of the facility rental.
- It’s held at a location where participants cannot reasonably be expected to obtain and consume a meal within one hour on their own because food service options are limited or unavailable.
- It’s a team celebration authorized in accordance with the Employee Recognition Policy.
- It’s provided as part of Grant PUD’s new hire orientation facilitated by Human Resources and Organizational Development.

Prior written approval of the Senior Manager or above is required. The Senior Manager or above will determine if the request is within the constraints above. The employee must include the following in their request:

- Business purpose

Effective Date: 8/1/2023	Version: 1 Supersedes: NA	Related Documents: Employee Recognition Policy, Community Activity Policy, Recruitment Expenses Policy
		<h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>
Approved by: Commission		Regulation: Chapter 42.24 RCW, Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

- Direct benefit to Grant PUD
 - Agenda, including dates and times
 - Names of anticipated attendees (including instructors), whether they are a Grant PUD employee, contractor, or member of the community, their title, and their capacity as it relates to Grant PUD business
 - Estimated cost
- C. Costs for meals shall be approached in the most economical manner and shall not exceed 150% of the [federal per diem rate](#) for the applicable meal per person, including taxes. Delivery charges and tips, which shall not exceed 20%, are allowed and are incremental to this amount. The incidental rate is not applicable.
- D. With prior written approval of the General Manager, District-wide employee activities or events that serve a Grant PUD purpose may include a meal at Grant PUD’s expense, subject to the cost limitations in Section 3.C above. This includes:
- Annual District-wide Employee Appreciation Event
 - Annual Safety Days Event
- E. With prior written approval of the Senior Manager or above, retirement or farewell events for employees leaving Grant PUD that are held on Grant PUD premises may include food (e.g., cake, ice cream) at Grant PUD’s expense with a maximum expenditure of \$100.00 per event. This does not include gifts, flowers, or other items that are not shared with other attendees. The request for reimbursement must include itemized receipts, the name of the retiring employee, and the date of the retirement or farewell event.
- F. Employees authorized to participate in a service club in accordance with the Community Activity Policy are eligible for reimbursement of the actual meal expense if it is directly related to and necessary for attending the business meeting. Such expense shall be subject to the cost limitations in Section 3.C above. The business purpose must be included in the request for reimbursement.
- G. Meals shall not be provided at Grant PUD’s expense for the following:
- Employee birthdays, weddings, baby showers, anniversaries, or other occasions of a personal nature. Exceptions to these requirements are not permitted.
 - Holiday celebrations
 - Meals provided to candidates as part of the recruitment process unless approved as an exception in accordance with Section 4 below. If allowed as an exception, the candidate is not eligible to claim per diem for that meal.
 - Meals provided as a welcome for new hires, except for those provided at Grant PUD’s new hire orientation in accordance with Section 3.B above.

Effective Date: 8/1/2023	Version: 1 Supersedes: NA	Related Documents: Employee Recognition Policy, Community Activity Policy, Recruitment Expenses Policy
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

H. The employee must attach the approval documentation required by this policy to the applicable PCard reconciliation, direct invoice, or employee request for reimbursement.

I. Non-travel meal expenses for non-employees will be allowed only if the non-employee is performing a service for Grant PUD for which the person would otherwise be authorized or eligible to be paid compensation or reimbursement by Grant PUD or there is a cost benefit to Grant PUD. This should not be construed to permit promotional hosting.

If the non-employee is a Grant PUD contractor, it is the responsibility of the employee coordinating to ensure the contractor does not charge Grant PUD for the provided meals through their invoice.

J. This policy applies whether the expense is paid through PCard, direct invoice, or employee reimbursement via a Statement of Expense.

4. Policy Exceptions

Any exceptions to this policy must have prior written approval from a member of Executive Management. Accounting will maintain an exception log and provide a quarterly report to Executive Management.

The meal criteria specified in Section 3.B does not apply to elected officials (see RCW 54.12.080).


5. Non-Compliance

Non-compliance with this policy, including recurring instances of mistake or inadvertence resulting in additional expense to Grant PUD, will be treated as a performance issue and may result in appropriate corrective action in accordance with Grant PUD’s Progressive Discipline Policy. Such action may include employee responsibility for the expense or other discipline determined to be appropriate by Grant PUD. For bargaining unit employees, discipline will be carried out consistent with section 2.4.1 of the Collective Bargaining Agreement.

6. Risks/Risk Owners

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

- Authority Risk
- Integrity Risk
- Regulatory Risk
- Reputation Risk

Effective Date: 8/1/2023	Version: 1 Supersedes: NA	Related Documents: Employee Recognition Policy, Community Activity Policy, Recruitment Expenses Policy
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

B. Risk Owners are all Grant PUD employees who either approve and/or purchase non-travel meals.

7. Review/Revision History

Date	Description
8/1/2023	v1 Effective Date

For Commission Review – 06/13/2023

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD'S TRAVEL POLICY AND SUPERSEDING ALL PRIOR RESOLUTIONS RELATING TO GRANT PUD'S TRAVEL POLICY

Recitals

1. Grant PUD desires to update the Travel Policy to clarify expectations, strengthen internal controls, and ensure consistency and equity in the application of the policy; and
2. Grant PUD's Executive Management has reviewed the attached Travel Policy and recommends its adoption.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that:

Section 1. The attached Travel Policy is hereby approved and adopted and shall be effective August 1, 2023.

Section 2. The General Manager/CEO is authorized to modify Grant PUD's Travel Policy from time to time subject to the following limitations:

1. Employee travel shall be limited to that which is necessary for and consistent with Grant PUD business requirements.
2. The policy and travel reimbursements shall always be subject to and consistent with the requirements of all applicable laws and regulations.
3. Only reasonable and necessary travel and expenses incurred in accordance with the requirements contained herein shall be reimbursed by Grant PUD.
4. All travel shall be done in the most prudent and economical manner.
5. Any proposed change to the policy shall be submitted to Grant PUD's Commission at least 20 days prior to being put into effect. For clarity, the 20-day timeline begins on the date of the applicable Commission meeting.

Section 3. As of August 1, 2023, any prior resolutions inconsistent with the Travel Policy adopted herein, including Resolution Nos. 7395 and 8127, are hereby superseded to the extent of the inconsistency.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27th day of June, 2023.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

June 13, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer
VIA: Bonnie Overfield, Chief Financial Officer
FROM: Jennifer Sager, Senior Manager Accounting
SUBJECT: Revised Travel Policy

Purpose: To request Commission approval of the attached revised Travel Policy, effective August 1, 2023.

Discussion: Grant PUD’s Travel Policy had not been thoroughly evaluated and updated since 2012, except for content related to remote work sites (2022). The primary drivers for this policy update are:

- To incorporate [SAO Best Practices for Travel Expenditures](#);
- To strengthen internal controls; and
- To ensure consistency and equity in the application of the policy.

A summary of the proposed policy revisions is below. The detailed changes can be viewed in the attached clean and redline documents.


All employees will have the opportunity to receive training on this policy revision prior to the effective date. Within 30 days following the effective date, all employees will be required to acknowledge they have read and understand the policy.

Topic	Revision
Travel Authorization (TA)	<ul style="list-style-type: none">• Better defined requirements• Prior approval of arrangements is required, including all estimated costs and any exceptions.• New TA PowerApp is in development to facilitate all TA requests.
Cost Comparison	New Travel Cost Comparison Form required anytime there is personal influence on business travel (e.g., combining business and personal travel, prefer alternate or higher class of travel due to personal preference, etc.). Form to be completed at the time of booking and submitted with SOE.
Statement of Expense	<ul style="list-style-type: none">• Better defined requirements• Receipt threshold for non-PCard charges decreased from \$75 to \$50.• Removed requirement to attach map if claiming mileage. Just provide start and end locations.• Expense reports must be submitted within 30 days of returning from travel.
Air Travel	<ul style="list-style-type: none">• Clarified allowable expenses:<ul style="list-style-type: none">○ Coach airfare with one carry-on bag, one checked bag, and guaranteed seating.○ Preferred/upgraded seats allowed for flight legs in excess of 4 hours. Capped at \$250 roundtrip in incremental cost.○ In-flight Wi-Fi allowed for business purposes on flights of 2 hours or more• Clarified expectations around the use of frequent flyer programs for business travel

Topic	Revision
Lodging	<ul style="list-style-type: none"> Lodging may be allowed when the temporary work site is more than 50 miles from the Established HQ or Remote Work Site <u>and</u> if necessary for Grant PUD business. Added for clarity, policy was previously silent on this. Lodging cannot exceed 150% of the Federal Per Diem maximum daily lodging rate. This has been an unwritten rule for many years and has been added to document the expectation. Up to 200% is allowed when approved as an exception. Removed Share the Savings. It was rarely used and created an OH burden to administer.
Meals	<ul style="list-style-type: none"> Removed the 1 ½ hour rule for determining per diem. This created an OH burden to administer due to varying work schedules. Per diem will instead be determined by established travel status hours for all (6:30 am for breakfast, 12:30 pm for lunch, and 6:30 pm for dinner). Per diem will no longer be reduced if a meal was provided at an event. This created an OH burden to administer. Local time to be used when determining per diem (time zone changes do not apply) Removed content related to non-travel meals and created a separate policy.
Personal Car	Employees are still responsible for ensuring their personal policy does not exclude business use but are no longer required to include Grant PUD as “also insured.”
Personal Car	Mileage for workday travel within Grant County, in excess of commuting, will be reimbursed. Incorporated reference to Local Mileage Chart. Added for clarity, the policy was previously silent on this.
Rental Car	Employees must obtain the lowest cost option for the type of vehicle necessary to meet the business need. Up to mid-size vehicles or equivalent are allowed.
Other Expenses	Miscellaneous expenses when in travel status are allowed when reasonable and necessary (e.g., printing, copies, shipping, etc.). Receipts are required.
Remote Work Sites	Moved to its own section (was previously under Ground Transportation). No change to the language.
Combining Business and Personal Travel	Added guidelines and incorporated requirement to complete the Travel Cost Comparison Form.
Exceptions (new)	Exceptions must have two levels of approval within the employee’s chain of command (e.g., supervisor and manager, manager and senior manager, senior manager and managing director), up to the General Manager. Accounting will maintain an exception log and provide a quarterly report to Executive Management.
Dispute Resolution (new)	Process provided for disputes regarding the application of this policy.
Non-Compliance (new)	Defined non-compliance and how it will be addressed.


Recommendation: Commission approval of the attached revised Travel Policy, effective August 1, 2023.

Legal Review: See attached email.

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

**FIN-AC-POL-100
TRAVEL POLICY**

- 1. Scope 2
- 2. Policy Statement..... 2
- 3. Responsibility 2
- 4. Travel Authorization 2
- 5. Statement of Expenses 3
- 6. Credit Cards..... 4
- 7. Travel Advance..... 4
- 8. Air Travel..... 5
- 9. Lodging 6
- 10. Meal Reimbursement 7
- 11. Ground Transportation 8
- 12. Other Expenses 9
- 13. Remote Work Sites..... 10
- 14. Combining Business and Personal Travel..... 10
- 15. International Travel 11
- 16. Emergencies 11
- 17. Travel During a Declared Emergency or Disaster 11
- 18. Not Allowable 12
- 19. Policy Exceptions 12
- 20. Dispute Resolution 12
- 21. Non-Compliance 12
- 22. Risks/Risk Owners..... 13
- 23. Related Documents 13
- 24. Review/Revision History 14

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

1. Scope

This policy applies to all Grant PUD employees, including commissioners, conducting business for Grant PUD.

2. Policy Statement

It is the policy of Grant PUD to reimburse employees for reasonable and necessary expenses incurred in connection with the performance of Grant PUD business. Personal expenses and any costs related to entertainment are not reimbursable. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken.

3. Responsibility


As prudent stewards of public funds, it is the employee's responsibility to be familiar with the provisions of this policy and associated procedures, to incur reasonable and necessary expenses only, and to provide a prompt and proper accounting of all expenditures related to the travel. All employees except members of Executive Management and the Board of Commissioners must have all expense reports reviewed and approved by their immediate supervisor, in writing, prior to processing for reimbursement. Members of Executive Management will obtain a peer approval of all Travel Authorizations and expense reports. Travel Authorizations for the Board of Commissioners will be approved by Executive Services and associated expense reports will include peer approval.

4. Travel Authorization

Prior approval from the immediate supervisor is required for all travel to destinations outside Grant PUD's Service Territory/Project. Such travel and approval must be documented via a Travel Authorization (TA). This ensures the travel is authorized, appropriate funds are available, there's a legitimate business purpose for the travel, and the employee is covered by Grant PUD's applicable insurances while traveling (including travel to/from home and to/from ultimate destination).

Each approved TA will be assigned a unique TA number, which must be written on all associated travel claims. Unless there are legitimate circumstances of an urgent or emergency nature, it is Grant PUD's expectation that a TA is approved prior to any reservations being made. The TA must include:

- Estimates of all foreseeable expenses

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

- Anticipated dates and times of travel
- Dates and times of associated business activities. Attach documentation, where applicable (i.e., conference agenda, copy of registration, etc.).
- Documentation of all exceptions requested.

Airline tickets, car rentals, and hotel reservations should be arranged well in advance. Employees will be reimbursed up to the amount of the travel alternative that is most economical and advantageous to Grant PUD, taking all associated costs into consideration (flying vs driving, bag fees, parking costs, mileage, lodging, etc.). Employees will not be reimbursed for personal prepayments of travel expenses until the travel has occurred.


5. Statement of Expenses

A Statement of Expense (SOE) must be submitted when expenses have been incurred related to the travel. The appropriate SOE template must be used (Day Travel or Overnight) and must include:

- TA number
- All fully itemized costs associated with the travel including any advance payments such as registration fees and transportation costs, and all costs paid by PCard or Travel Card.
- Dates and times the time travel began and ended. See Section 10 below on claiming per diem.
- Dates and times of meeting, conference, or training.
- The vehicle number of any Grant PUD vehicle used during travel.
- If claiming mileage, include the location for each applicable starting point and destination.
- Itemized receipts to document expenses. The employee will include a description of the expense if not self-explanatory. For non-PCard charges of \$50.00 or less, a receipt is not required, but is preferred (unless otherwise specified in this policy). If a receipt is missing for an expense greater than \$50.00, the employee must complete and attach a Missing Receipt Form.
- If there was personal influence on the travel arrangements (e.g., combined business and personal travel, selected a more expensive travel alternative due to personal preference), the employee will attach a completed Travel Cost Comparison Form to document there's no additional cost to Grant PUD.
- If an employee has charged costs in excess of the reimbursable costs, the SOE will document the repayment to Grant PUD.

The completed supervisor-approved SOE will be submitted to Accounts Payable no later than 30 days after returning from travel. Reimbursement will be provided as follows:

- Day travel outside of Grant PUD's service territory/projects (no overnight stay): Any per diem due to the employee is taxable. Any mileage due to the employee is non-taxable.

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

- Overnight travel: Any reimbursement due to the employee is non-taxable.

Grant PUD will pay the amount of the travel claim that is allowed under the policy and notify the employee of any amount that was disallowed with a detailed explanation. Any balance in excess of allowable expenses will be paid immediately by the employee to Grant PUD.

Employees who have a dispute regarding the application of this policy may request a review in accordance with Section 20, Dispute Resolution.

If a travel advance was obtained, a copy of the approved SOE must go to the Advance Travel Custodian with any balance due to Grant PUD from the advance.

6. Credit Cards

Grant PUD procurement cards (PCards) are available for use by Grant PUD employees for business-related travel expenses in accordance with RCW 42.24.115. For employees who travel infrequently, Grant PUD has generic PCards (Travel Cards) that can be issued for temporary use during travel. The employee will provide a copy of the SOE and all credit card receipts to the PCard administrator and/or Travel Card custodian.

PCard use must be in accordance with Grant PUD’s PCard policies and procedures.

Employees who choose to use a personal credit card for Grant PUD travel expenses will not be reimbursed for business-related travel until travel is complete.


7. Travel Advance

Travel advances are available as allowed by RCW 42.24.120 and Grant PUD Resolution No. 4233. Travel advances should not be used in place of a Grant PUD credit card and are not allowed for travel within the United States.

The request for a travel advance is included on the TA form. Requests should be submitted to the Advance Travel Custodian at least 3 working days before the start of travel and will not be released to the employee more than 5 working days prior to the start of travel.

Travel advances should be limited to the per diem calculation plus 20% for unexpected items [(per diem rate) x (# days expected to be at the destination) x 1.2]. If the amount of funds derived from this calculation is determined to be insufficient, the employee’s immediate supervisor may authorize an increased travel advance on a case-by-case basis.

Travel advances must be accounted for and any unused funds repaid in accordance with Chapter 42.24 RCW. Submittal of the detailed SOE and repayment of any unused travel advance must be made on or before the 15th calendar day after travel is complete. If the employee’s repayment check has insufficient funds or if the employee fails to submit

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

repayment, Grant PUD may withhold any funds that become payable to the employee up to the amount of the advance and an interest rate of 10% per annum. Payroll will receive a withholding request from the Advance Travel Custodian on the pay period immediately following the NSF notice or lack of repayment for the amount due plus 10% interest. If an SOE is not submitted, the full value of the advance will be withheld. Upon submission of a properly completed and approved SOE, any difference will be issued through Accounts Payable.

8. Air Travel

Grant PUD will pay for coach airfare tickets that include a carry-on bag, one checked bag, and the ability to guarantee seating when purchasing the ticket. Grant PUD will not pay for first-class tickets. In the event a flight segment has a scheduled in-air flying time of more than four hours, preferred/upgraded seats not to exceed \$250.00 in incremental costs roundtrip may be paid by Grant PUD only if approved in advance through the TA process.


In-flight Wi-Fi is allowed for business purposes only on flights of two hours or more. All other amenities and/or upgrades are not allowable business expenses and if selected, shall be the responsibility of the employee to cover any additional cost.

Detailed receipts are required. Acceptable airfare receipts include email confirmation receipts, the employee’s copy of the ticket or a paid airline invoice, which must reflect the traveler’s name, the dates and destinations of travel, and the total costs paid.

Employees may use the free benefits of a frequent flyer program such as reward miles, vouchers, credits, or other perks for Grant PUD travel (e.g., to upgrade a flight beyond coach airfare) provided the employee purchases the airline ticket in the most prudent and economical manner. The use of such benefits for business travel will not be reimbursed by Grant PUD and shall not impact the employee’s choice of airline for booking travel when other equivalent air travel options present lower cost alternatives to Grant PUD. If using frequent flyer program benefits for business travel, the employee will complete a Travel Cost Comparison Form at the time of booking to document the personal influence did not result in additional costs to Grant PUD.

Travel arrangements should be made as far in advance as possible to take advantage of the most economical rate. Discounts are generally available when tickets are purchased at least 14 days in advance. Every effort should be made to take advantage of excursion fares.

If there are penalties associated with changing reservations, Grant PUD will pay for these provided Grant PUD required the change, the change results in offsetting cost savings, or the change was beyond the control of the employee. Additional expenses and airline change fees incurred as a result of mistake or inadvertence may be approved on an exception basis in

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

accordance with Section 19 and attached to the SOE. Penalties or cancellation charges incurred for any other reason will be the responsibility of the employee.

Grant PUD is not responsible for the loss of or damage to luggage or other personal property during travel. If damage or loss occurs, the employee should seek reimbursement through their own insurance or attempt to recover directly from the party responsible, such as an airline.

9. Lodging


Grant PUD will pay for lodging when an overnight stay is necessary for Grant PUD business and the temporary work site is located more than 50 miles (most direct route) from the traveler’s Established Headquarters or Remote Work Site, whichever is closest. Exceptions to this must be approved in accordance with Section 19 prior to the travel. Examples of reasonable exceptions include:

- To avoid having the employee drive back and forth for back-to-back late night/early morning official Grant PUD business.
- When the health and safety of the employee is of concern.
- When an employee can demonstrate that staying overnight is more economical to Grant PUD (direct financial, work-related costs).

Employees are expected to use good judgment in the selection of lodging and to utilize the single room government, corporate, or block rates in conjunction with seminar/conference attendance, or lesser available rates when possible. For the period associated with the travel assignment, lodging will be reimbursed at actual cost, which shall not to exceed 150% of the [Federal Per Diem](#) maximum daily lodging rate (not including taxes) in effect at the time of travel for the location of the travel assignment (“Maximum Allowable Rate”). Detailed receipts for lodging are required to document the payment. Lodging costs that exceed the Maximum Allowable Rate will be paid by the employee. When this occurs, taxes will be prorated between the allowable and unallowable costs. Allowable lodging costs include the lodging rate, applicable taxes and fees, but do not include incidentals, damages, etc.

On an exception basis in accordance with Section 19, an increase to the Maximum Allowable Rate of up to 200% of the Federal Per Diem maximum daily lodging rate may be approved when circumstances require. Such approval must be in writing prior to travel and must be included in the TA documentation. Examples of reasonable exceptions include:

- When costs in the applicable area have escalated for a brief period due to special events or disasters.
- Affordable lodging is not available at the location of the travel assignment and the savings achieved from occupying less expensive lodging at a more distant site are offset by an increase in transportation or other costs.

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

- The employee will attend a meeting, conference, convention, or training session where they are expected to have business interaction with other participants in the addition to scheduled events, and it is anticipated that maximum benefit will be achieved by authorizing the employee to stay at the lodging facility where the meeting, conference, convention, or training session is held.
- When the health and safety of the employee is at risk.

10. Meal Reimbursement

A. General

Reimbursement for meals for all business travel will be limited to the Federal Per Diem rate, which may be pro-rated, based on the federal per diem meal allowance breakdown, depending on the time of travel. Per diem includes the cost of the meal and the associated taxes and tips. Employees are eligible to receive a meal allowance if the business trip requires them to be in travel status during their normal mealtime (i.e., breakfast, lunch, dinner). To be eligible for the breakfast per diem, an employee must be in travel status at 6:30 am. To be eligible for the lunch per diem, an employee must be in travel status at 12:30 pm. To be eligible for the dinner per diem, an employee must be in travel status at 6:30 pm. Travel status is defined as the official status of an employee when they are away from their Established Headquarters and their Remote Work Site on Grant PUD-related business, exclusive of commuting between their Established Headquarters and their Remote Work Site. Per diem meal allowances are reimbursable even if meals are provided at the meeting, conference, convention, or training.


If the employee travels through multiple locations in a day, the per diem rate for the final destination will be used for applicable meal reimbursement. For overnight travel, the hotel location is used as the final destination for meal reimbursements. For return travel, the per diem rate for the location the employee is departing is used for applicable meal reimbursements. When calculating per diem, local time is used throughout the travel status period without accounting for time zone changes.

Any non-travel meal expense must be in accordance with Grant PUD’s Non-Travel Meal and Refreshment Policy.

B. Day Travel

For day travel outside of Grant PUD’s service territory/projects (no overnight stay), employees will be paid a taxed per diem for the location of the travel. A day travel SOE is required in accordance with Section 5.

C. Overnight Travel

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

For overnight travel outside of Grant PUD’s service territory/projects, employees will be paid a non-taxed per diem for the location that the employee is staying overnight.

11. Ground Transportation

A. General

Grant PUD vehicles may be used when available in accordance with Grant PUD’s Vehicle/Asset Usage Policy. Any expenses related to a Grant PUD vehicle should clearly identify the vehicle number and TA number.

Carpooling should be used whenever feasible.

Shuttle, transit, and taxi costs will be reimbursed based on actual cost plus a tip not to exceed 20%, if appropriate. When possible, employees should use the most economical method of travel.

Employees may claim mileage, local transportation, use a Grant PUD vehicle, or use the rental car for nominal travel for meals, but any substantial non-business travel must be paid for by the employee.

B. Personal Vehicle Use

Although the use of fleet vehicles is preferred, the use of personal vehicles for Grant PUD business is allowed and will be reimbursed at the current [IRS Standard Mileage Rates](#). The mileage rate covers the cost of operating an average vehicle, including gasoline, maintenance and repairs, insurance, and depreciation.


Employees will not be paid mileage or travel expenses to commute to their Established Headquarters. This does not apply to elected officials (see RCW 54.12.080).

Mileage for workday travel within Grant County, in excess of commuting, will be reimbursed. For example, travel between the employee’s Established Headquarters and another Grant PUD work site (EHQ to/from HOB, MLLO to/from EHQ, etc.). See FIN-AC-REF-101, Local Mileage Chart.

When traveling on Grant PUD business under an approved TA, mileage will be paid for the lesser of the distance between the travel destination and the employee’s Established Headquarters or the travel destination and the employee’s home or Remote Work Site. If travel occurs on a normally scheduled day off, reimbursement will be calculated from the employee’s home.

Employees who claim mileage should be aware that their auto insurance company must be the primary insurer. It is the employee’s responsibility to ensure their personal auto policies do not exclude business use.

Grant PUD uses internet mileage sites (e.g., mapquest.com) to determine the reasonableness of mileage claimed based on the destinations on the TA. If your mileage

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

is substantially different, include a brief explanation on the SOE such as “pass closed, used hwy 2.”

Grant PUD will not reimburse out-of-pocket costs for parking tickets, moving violations, or damages and insurance deductibles related to the use of personal vehicles for official Grant PUD business.

C. Rental Cars

The use of a rental car is permitted when it is in the interest of Grant PUD to do so. Prior approval from the immediate supervisor via the TA is required.

Employees must obtain the lowest cost option for the type of vehicle necessary to meet the business need. Up to mid-size vehicles or equivalent are allowed. The cost of parking, gas, and all related costs should be considered and documented when determining the appropriate lowest cost option during the TA process. If a special or upgrade is offered that is less than or equal to the appropriate lowest cost option, or if additional room is required to accommodate multiple employees traveling together, documentation must be included with the SOE, as well as the cost analysis validating the reason for the upgrade.

Actual cost will be reimbursed when the use of a rental car is necessary and economically beneficial to Grant PUD.

Insurance for the exclusive business use of U.S. & Canadian rentals are covered by Grant PUD’s insurance policy and should not be purchased.

Personal usage of a rental car before, during, or after Grant PUD business travel must be covered by the employee, including rental cost, insurance coverage, and gasoline.

Excess charges due to not returning rental vehicles with the appropriate fuel level as required by the rental agreement will not be reimbursed.


Optional costs such as frequent flyer miles and upgrades are not allowed. If fuel service and other options such as GPS are taken, there should be clear documentation to show they were reasonable and necessary.

Receipts for rental cars and gas shall be required to document the expense. Any personal expense shall be clearly identified and reduced from the cost.

Grant PUD will not reimburse out-of-pocket costs for parking tickets or moving violations related to the use of a rental car for official Grant PUD business.

12. Other Expenses

Certain miscellaneous expenses incurred while on travel status may be eligible for reimbursement at Grant PUD’s discretion if they relate to the conduct of official Grant PUD business and are necessary and reasonable. Examples include mail, shipping, and printing

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

fees and office supplies. These expenses are not protected under the \$50.00 receipt rule. Receipts are always required.

Reasonable laundry services will be allowed for employees when domestic travel exceeds 7 days or when a domestic trip is unexpectedly extended; foreign travel per diem includes allowance for laundry expenditures.

13. Remote Work Sites

Employees working at a Remote Work Site will not be paid mileage or travel expenses from their Remote Work Site to their Established Headquarters. If the employee is required to report to a job site other than their Established Headquarters, mileage will be paid for the lesser of the distance between the job site and their Established Headquarters or the job site and their Remote Work Site.


In the event an employee’s Established Headquarters is their Remote Work Site (see Section 3 of the Remote Work Policy), Grant PUD will pay for travel expenses to and from Grant County (limited to transportation only – mileage, airfare, rental car, etc.) when required for Grant PUD business purposes as well as all applicable travel expenses related to training and conferences calculated from their Remote Work Site as their Established Headquarters rather than Grant County. All travel must be pre-approved by the employee’s supervisor in advance of making travel arrangements and documented on a TA.

14. Combining Business and Personal Travel

When personal and business travel are combined, employees must exercise special care not to seek reimbursement for expenses that are personal. The employee must separate the expenses between Grant PUD and personal activities and provide a completed Travel Cost Comparison with their SOE to document personal influence did not result in additional costs to Grant PUD.

If an employee chooses to have a non-employee (e.g., spouse, child) join them on an approved business trip, the additional expense incurred is personal. General guidelines for combining business and personal travel include, but are not limited to:

- PCards shall not be used to pay for any personal expenses.
- Allowable expenses will be limited to the costs directly related to business and for the employee only.
- Any additional lodging days beyond the business dates is considered personal and is not reimbursable.
- The meal per diem is allowed for the business dates only. It is not paid for personal days. The TA and SOE must be clear on what dates the employee would have traveled if they didn’t extend for personal travel.

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

- Parking expenses at an airport or hotel must be reduced for personal day expenses.
- Taxi and shuttle expenses during personal days are not reimbursable.
- Any Grant PUD business insurance coverage will not apply during the personal portion of the trip.

15. International Travel

Employees traveling outside the United States will be covered under an insurance policy provided through Grant PUD which includes commercial general liability, hired auto liability and physical damage, and accidental death/dismemberment. Employees traveling outside of the United States should contact Enterprise Risk Management for more details.

As a benefit associated with ongoing employment with Grant PUD, Grant PUD may reimburse the employee for personal property losses that can be documented. Claims must be documented to the satisfaction of Grant PUD or they will be denied. This amount is taxable to the employee and will be reimbursed in the pay period following approval.

Employees traveling outside of the United States and Canada should request and carry a current international travel assistance identification card, which includes directions for obtaining medical, legal, evacuation, lost document recovery, and interpreter assistance during international travel. Cards are available from Administrative Assistants or a Risk Analyst.

Prior to departure for international travel, it is recommended that employees refer to the U.S. Department of State Current Travel Warnings and Public Announcements at: <http://travel.state.gov/travel>. For Grant PUD travel to countries declared by the State Department as not suited for travel, approval by the General Manager is required.


Insurance for international rentals should only be purchased if required by the laws governing the location where the rental occurs. Foreign auto liability is included in Grant PUD’s insurance policy. If international travel will include the rental of a vehicle, the employee shall obtain documentation confirming auto liability coverage from a Risk Analyst or Administrative Assistant.

Reimbursement will be allowed for documentation required for international travel (passport, visa, etc.).

16. Emergencies

If an employee is in a situation determined to constitute an emergency, the employee shall contact their immediate supervisor. If an employee is not able to return to Grant PUD because of a work-related injury sustained while traveling on Grant PUD business, the employee must inform their immediate supervisor. The supervisor shall contact Safety, contact Enterprise Risk Management, and submit a Condition Report as soon as possible.

17. Travel During a Declared Emergency or Disaster

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

When traveling out-of-state on Grant PUD business during a declared emergency or disaster, certain restrictions and requirements may apply. Prior to initiating travel, employees must contact the Safety Department to determine what restrictions and requirements apply in the state or country to which the employee is traveling. It is the employee’s responsibility to abide by and adhere to the applicable state/country restrictions and requirements while traveling on Grant PUD business. Similarly, Washington State may have certain restrictions and requirements for travelers returning from out-of-state during a declared emergency or disaster. It is the employee’s responsibility to understand and follow all Washington State health and safety requirements upon returning from out-of-state business travel.

18. Not Allowable

Additional items that will not be reimbursed by Grant PUD include, but are not limited to:

- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities, and related incidental costs.
- Promotional hosting.
- Valet services, unless there are no other parking options (explanation must be provided).
- Other expenses not directly related to the business travel.

19. Policy Exceptions


Exceptions to this policy must have two levels of approval within the employee’s chain of command (e.g., supervisor and manager, manager and senior manager, senior manager and managing director), up to the General Manager. Accounting will maintain an exception log and provide a quarterly report to Executive Management.

Exceptions requested to comply with provisions of the Americans with Disabilities Act require prior approval of HR.

20. Dispute Resolution

Employees who have a dispute regarding the application of this policy may request to meet with the Senior Manager of Accounting. The meeting request shall include a summary of the employee’s concern and any related documents. If, following this meeting, the employee wishes to pursue the matter, the employee may request a meeting with the Chief Financial Officer (CFO). The meeting will be scheduled at a mutually convenient time and the CFO shall render their decision in writing as soon as practical.

21. Non-Compliance

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

Non-compliance with this policy, including recurring instances of mistake or inadvertence resulting in additional expense to Grant PUD, will be treated as a performance issue and may result in appropriate corrective action in accordance with Grant PUD’s Progressive Discipline Policy. Such action may include employee responsibility for the expense, revocation of travel privileges, or any other discipline determined to be appropriate by Grant PUD. For bargaining unit employees, discipline will be carried out consistent with section 2.4.1 of the Collective Bargaining Agreement.

22. Risks/Risk Owners

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

- Authority Risk
- Integrity Risk
- Physical Security Risk
- Health & Safety Risk
- Regulatory Risk
- Reputation Risk


B. Risk Owners:

- Grant PUD supervisors
- Grant PUD employees who travel for Grant PUD business and employees who assist in the administration of travel-related activities.
- Grant PUD employees who manage contractors that are responsible for following this policy.

23. Related Documents


Additional documents and resources related to this policy include, but is not limited to:

- Travel Cost Comparison Form
- Local Mileage Chart
- Procurement Card Program
- Vehicle/Asset Usage Policy
- Remote Work Policy
- Progressive Discipline Policy

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
		DISTRICTWIDE POLICY
Approved by: Commission		Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX
Policy Owner: Senior Manager Accounting		Policy Category: Financial

24. Review/Revision History

Date	Description
1/1/2001	New travel policy established via Resolution 7395
6/4/2007	Revised advance travel section via Resolution 8127
3/5/2012	Revision details unknown
4/11/2022	Revised out of date references throughout, addressed travel expenses associated with Remote Work Sites
8/15/2022	Revised Section 11 to address reimbursement of travel expenses for employees with an Established Headquarters exception.
8/1/2023	Definition and clarity added throughout the entire policy. Added new sections for Exceptions, Dispute Resolution, and Non-Compliance. Removed non-travel meals and Share the Savings.


Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

**FIN-AC-POL-100
TRAVEL POLICY**

1. Scope	2
2. Policy Statement.....	2
3. Responsibility	2
4. Travel Authorization	2
5. Statement of Expenses	3
6. Credit Cards	4
7. Travel Advance	4
8. Air Travel.....	5
9. Lodging	6
10. Meal Reimbursement	7
11. Ground Transportation	8
12. Other Expenses	9
13. Remote Work Sites.....	10
14. Combining Business and Personal Travel.....	10
15. International Travel.....	11
16. Emergencies	11
17. Travel During a Declared Emergency or Disaster	11
18. Not Allowable	12
19. Policy Exceptions	12
20. Dispute Resolution	12
21. Non-Compliance	12
22. Risks/Risk Owners.....	13
23. Related Documents	13
24. Review/Revision History.....	14

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,
- Deleted: 7395
- Deleted: AP Supervisor
- Deleted: & EXPENSE REIMBURSEMENT

Formatted: Indent: Left: 0", Space After: 10 pt, Line spacing: Multiple 1.15 li

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,
- Deleted: 7395
- Deleted: AP Supervisor

1. Scope

This policy applies to all Grant PUD employees, including commissioners, conducting business for Grant PUD.

2. Policy Statement

It is the policy of Grant PUD to reimburse employees for reasonable and necessary expenses incurred in connection with the performance of Grant PUD business. Personal expenses and any costs related to entertainment are not reimbursable. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken.

3. Responsibility

As prudent stewards of public funds, it is the employee's responsibility to be familiar with the provisions of this policy and associated procedures, to incur reasonable and necessary expenses only, and to provide a prompt and proper accounting of all expenditures related to the travel. All employees except members of Executive Management and the Board of Commissioners must have all expense reports reviewed and approved by their immediate supervisor, in writing, prior to processing for reimbursement. Members of Executive Management will obtain a peer approval of all Travel Authorizations and expense reports. Travel Authorizations for the Board of Commissioners will be approved by Executive Services and associated expense reports will include peer approval.

- Deleted: It
- Deleted: CXOs

4. Travel Authorization


Prior approval from the immediate supervisor is required for all travel to destinations outside Grant PUD's Service Territory/Project. Such travel and approval must be documented via a Travel Authorization (TA). This ensures the travel is authorized, appropriate funds are available, there's a legitimate business purpose for the travel, and the employee is covered by Grant PUD's applicable insurances while traveling (including travel to/from home and to/from ultimate destination).

- Deleted: Travel
- Deleted: by an approved
- Deleted:) for each destination covered by the TA. In addition to authorizing
- Deleted: employee to travel, this documents
- Deleted: life insurance.

Each approved TA will be assigned a unique TA number, which must be written on all associated travel claims. Unless there are legitimate circumstances of an urgent or emergency nature, it is Grant PUD's expectation that a TA is approved prior to any reservations being made. The TA must include:

- Deleted: is created in advance
- Deleted: travel and logged into
- Deleted: Travel Database.

- Estimates of all foreseeable expenses

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,
- Deleted: 7395
- Deleted: AP Supervisor

- Anticipated dates and times of travel
- Dates and times of associated business activities. Attach documentation, where applicable (i.e., conference agenda, copy of registration, etc.).
- Documentation of all exceptions requested.

Airline tickets, car rentals, and hotel reservations should be arranged well in advance. Employees will be reimbursed up to the amount of the travel alternative that is most economical and advantageous to Grant PUD, taking all associated costs into consideration (flying vs driving, bag fees, parking costs, mileage, lodging, etc.). Employees will not be reimbursed for personal prepayments of travel expenses until the travel has occurred.

Deleted: rental

5. Statement of Expenses

A Statement of Expense (SOE) must be submitted when expenses have been incurred related to the travel. The appropriate SOE template must be used (Day Travel or Overnight) and must include:

- Deleted: these
- Deleted: Each employee traveling will have a unique TA log number, which must be written on all travel claims. ...
- Deleted: All overnight travel will be documented by a
- Deleted:). The original approved SOE will be submitted to Accounts Payable to obtain reimbursement for out-of-pocket costs.


- TA number
- All fully itemized costs associated with the travel including any advance payments such as registration fees and transportation costs, and all costs paid by PCard or Travel Card.
- Dates and times the time travel began and ended. See Section 10 below on claiming per diem.
- Dates and times of meeting, conference, or training.
- The vehicle number of any Grant PUD vehicle used during travel.
- If claiming mileage, include the location for each applicable starting point and destination.
- Itemized receipts to document expenses. The employee will include a description of the expense if not self-explanatory. For non-PCard charges of \$50.00 or less, a receipt is not required, but is preferred (unless otherwise specified in this policy). If a receipt is missing for an expense greater than \$50.00, the employee must complete and attach a Missing Receipt Form.
- If there was personal influence on the travel arrangements (e.g., combined business and personal travel, selected a more expensive travel alternative due to personal preference), the employee will attach a completed Travel Cost Comparison Form to document there's no additional cost to Grant PUD.
- If an employee has charged costs in excess of the reimbursable costs, the SOE will document the repayment to Grant PUD.

Deleted: original statement

The completed supervisor-approved SOE will be submitted to Accounts Payable no later than 30 days after returning from travel. Reimbursement will be provided as follows:

- Moved (insertion) [1]: ¶
The
- Deleted: A copy
- Deleted: with any

- Day travel outside of Grant PUD's service territory/projects (no overnight stay): Any per diem due to the employee is taxable. Any mileage due to the employee is non-taxable.

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,
- Deleted: 7395
- Deleted: AP Supervisor
- Deleted: credit card
- Deleted: and/or to

- **Overnight travel:** Any reimbursement due to the employee is non-taxable.

Grant PUD will pay the amount of the travel claim that is allowed under the policy and notify the employee of any amount that was disallowed with a detailed explanation. Any balance in excess of allowable expenses will be paid immediately by the employee to Grant PUD.

Employees who have a dispute regarding the application of this policy may request a review in accordance with Section 20, Dispute Resolution.

If a travel advance was obtained, a copy of the approved SOE must go to the Advance Travel Custodian with any balance due to Grant PUD from the advance.

Deleted: travel if applicable.

6. Credit Cards

Grant PUD procurement cards (PCards) are available for use by Grant PUD employees for business-related travel expenses in accordance with RCW 42.24.115. For employees who travel infrequently, Grant PUD has generic PCards (Travel Cards) that can be issued for temporary use during travel. The employee will provide a copy of the SOE and all credit card receipts to the PCard administrator and/or Travel Card custodian.

- Deleted: Credit
- Deleted: Employees who have Grant PUD procurement cards (Pcard) are responsible for reconciling the monthly bank card statement and submitting the reconciliation statement and receipts to the administrator in accordance with Grant PUD's Pcard policies and procedures. ¶
- Deleted: travel cards
- Deleted: to them
- Deleted: by employees who
- Deleted: infrequently
- Deleted: card

PCard use must be in accordance with Grant PUD's PCard policies and procedures.

Employees who choose to use a personal credit card for Grant PUD travel expenses will not be reimbursed for business-related travel until travel is complete.

7. Travel Advance


Travel advances are available as allowed by RCW 42.24.120 and Grant PUD Resolution No. 4233. Travel advances should not be used in place of a Grant PUD credit card and are not allowed for travel within the United States.

The request for a travel advance is included on the TA form. Requests should be submitted to the Advance Travel Custodian at least 3 working days before the start of travel and will not be released to the employee more than 5 working days prior to the start of travel.

Travel advances should be limited to the per diem calculation plus 20% for unexpected items [(per diem rate) x (# days expected to be at the destination) x 1.2]. If the amount of funds derived from this calculation is determined to be insufficient, the employee's immediate supervisor may authorize an increased travel advance on a case-by-case basis.

Travel advances must be accounted for and any unused funds repaid in accordance with Chapter 42.24 RCW. Submittal of the detailed SOE and repayment of any unused travel advance must be made on or before the 15th calendar day after travel is complete. If the employee's repayment check has insufficient funds or if the employee fails to submit

Deleted: Misuse of any Grant PUD credit card can result in disciplinary action, up to and including revocation of authority, and may result in suspension or termination of employment.

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 DISTRICTWIDE POLICY		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,
- Deleted: 7395
- Deleted: AP Supervisor
- Deleted: a
- Deleted: accounts payable

repayment, Grant PUD may withhold any funds that become payable to the employee up to the amount of the advance and an interest rate of 10% per annum. Payroll will receive a withholding request from the Advance Travel Custodian on the pay period immediately following the NSF notice or lack of repayment for the amount due plus 10% interest. If an SOE is not submitted, the full value of the advance will be withheld. Upon submission of a properly completed and approved SOE, any difference will be issued through Accounts Payable.

8. Air Travel

Grant PUD will pay for coach airfare tickets that include a carry-on bag, one checked bag, and the ability to guarantee seating when purchasing the ticket. Grant PUD will not pay for first-class tickets. In the event a flight segment has a scheduled in-air flying time of more than four hours, preferred/upgraded seats not to exceed \$250.00 in incremental costs roundtrip may be paid by Grant PUD only if approved in advance through the TA process.

In-flight Wi-Fi is allowed for business purposes only on flights of two hours or more. All other amenities and/or upgrades are not allowable business expenses and if selected, shall be the responsibility of the employee to cover any additional cost.

Detailed receipts are required. Acceptable airfare receipts include email confirmation receipts, the employee's copy of the ticket or a paid airline invoice, which must reflect the traveler's name, the dates and destinations of travel, and the total costs paid.


Employees may use the free benefits of a frequent flyer program such as reward miles, vouchers, credits, or other perks for Grant PUD travel (e.g., to upgrade a flight beyond coach airfare) provided the employee purchases the airline ticket in the most prudent and economical manner. The use of such benefits for business travel will not be reimbursed by Grant PUD and shall not impact the employee's choice of airline for booking travel when other equivalent air travel options present lower cost alternatives to Grant PUD. If using frequent flyer program benefits for business travel, the employee will complete a Travel Cost Comparison Form at the time of booking to document the personal influence did not result in additional costs to Grant PUD.

Deleted: <#>Airline tickets purchased will be the most economical available. If an employee decides to upgrade, they will be responsible for the additional cost. ¶

- Deleted: are authorized to
- Deleted: any of
- Deleted: as long as
- Deleted: has purchased their
- Deleted: tickets

Travel arrangements should be made as far in advance as possible to take advantage of the most economical rate. Discounts are generally available when tickets are purchased at least 14 days in advance. Every effort should be made to take advantage of excursion fares.

If there are penalties associated with changing reservations, Grant PUD will pay for these provided Grant PUD required the change, the change results in offsetting cost savings, or the change was beyond the control of the employee. Additional expenses and airline change fees incurred as a result of mistake or inadvertence may be approved on an exception basis in

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,
- Deleted: 7395
- Deleted: AP Supervisor
- Deleted: This includes changes to get on an earlier flight. It will be the employee's responsibility to ensure unused non-refundable tickets are applied to future Grant PUD travel.
- Deleted: Itineraries
- Deleted: ticket receipts, which

accordance with Section 19 and attached to the SOE. Penalties or cancellation charges incurred for any other reason will be the responsibility of the employee.

Grant PUD is not responsible for the loss of or damage to luggage or other personal property during travel. If damage or loss occurs, the employee should seek reimbursement through their own insurance or attempt to recover directly from the party responsible, such as an airline.

9. Lodging

Grant PUD will pay for lodging when an overnight stay is necessary for Grant PUD business and the temporary work site is located more than 50 miles (most direct route) from the traveler's Established Headquarters or Remote Work Site, whichever is closest. Exceptions to this must be approved in accordance with Section 19 prior to the travel. Examples of reasonable exceptions include:


- To avoid having the employee drive back and forth for back-to-back late night/early morning official Grant PUD business.
- When the health and safety of the employee is of concern.
- When an employee can demonstrate that staying overnight is more economical to Grant PUD (direct financial, work-related costs).

Employees are expected to use good judgment in the selection of lodging and to utilize the single room government, corporate, or block rates in conjunction with seminar/conference attendance, or lesser available rates when possible. For the period associated with the travel assignment, lodging will be reimbursed at actual cost, which shall not to exceed 150% of the Federal Per Diem maximum daily lodging rate (not including taxes) in effect at the time of travel for the location of the travel assignment ("Maximum Allowable Rate"). Detailed receipts for lodging are required to document the payment. Lodging costs that exceed the Maximum Allowable Rate will be paid by the employee. When this occurs, taxes will be prorated between the allowable and unallowable costs. Allowable lodging costs include the lodging rate, applicable taxes and fees, but do not include incidentals, damages, etc.

- Moved (insertion) [2]: ¶ Employees are expected to use
- Deleted: the fare
- Deleted: be
- Deleted: ¶ Lodging

On an exception basis in accordance with Section 19, an increase to the Maximum Allowable Rate of up to 200% of the Federal Per Diem maximum daily lodging rate may be approved when circumstances require. Such approval must be in writing prior to travel and must be included in the TA documentation. Examples of reasonable exceptions include:

- When costs in the applicable area have escalated for a brief period due to special events or disasters.
- Affordable lodging is not available at the location of the travel assignment and the savings achieved from occupying less expensive lodging at a more distant site are offset by an increase in transportation or other costs.

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,
- Deleted: 7395
- Deleted: AP Supervisor

- The employee will attend a meeting, conference, convention, or training session where they are expected to have business interaction with other participants in the addition to scheduled events, and it is anticipated that maximum benefit will be achieved by authorizing the employee to stay at the lodging facility where the meeting, conference, convention, or training session is held.
- When the health and safety of the employee is at risk.

10. Meal Reimbursement

A. General

Reimbursement for meals for all business travel will be limited to the Federal Per Diem rate, which may be pro-rated, based on the federal per diem meal allowance breakdown, depending on the time of travel. Per diem includes the cost of the meal and the associated taxes and tips. Employees are eligible to receive a meal allowance if the business trip requires them to be in travel status during their normal mealtime (i.e., breakfast, lunch, dinner). To be eligible for the breakfast per diem, an employee must be in travel status at 6:30 am. To be eligible for the lunch per diem, an employee must be in travel status at 12:30 pm. To be eligible for the dinner per diem, an employee must be in travel status at 6:30 pm. Travel status is defined as the official status of an employee when they are away from their Established Headquarters and their Remote Work Site on Grant PUD-related business, exclusive of commuting between their Established Headquarters and their Remote Work Site. Per diem meal allowances are reimbursable even if meals are provided at the meeting, conference, convention, or training.

If the employee travels through multiple locations in a day, the per diem rate for the final destination will be used for applicable meal reimbursement. For overnight travel, the hotel location is used as the final destination for meal reimbursements. For return travel, the per diem rate for the location the employee is departing is used for applicable meal reimbursements. When calculating per diem, local time is used throughout the travel status period without accounting for time zone changes.


Any non-travel meal expense must be in accordance with Grant PUD's Non-Travel Meal and Refreshment Policy.

B. Day Travel

For day travel outside of Grant PUD's service territory/projects, (no overnight stay), employees will be paid a taxed per diem for the location of the travel. A day travel SOE is required in accordance with Section 5.

C. Overnight Travel

- Moved up [2]
- Deleted: judgment in the selection of hotels/motels and to utilize government rates, corporate, or lesser available rates when possible. Reimbursement will be made for actual lodging, including taxes, for the period the employee is away because of a travel assignment. Detailed receipts for hotel/motel accommodations shall be used to document the payment. ¶
- Meals/Meeting Refreshments** ¶
- Meal reimbursements are allowed as identified in the following sections. If travel begins/ends 1 ½ hours before/after the start of your normal business hours, you can include meal(s) as appropriate. ¶
- Overnight Travel-Outside of Grant PUD Service Territory/Projects ¶
- Employees will be paid a
- Deleted: taxed per diem for meals when overnight
- Deleted: is outside
- Deleted: PUD
- Deleted: . Per diem
- Deleted: based on the federal

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

For overnight travel outside of Grant PUD's service territory/projects, employees will be paid a non-taxed per diem for the location that the employee is staying overnight.

11. Ground Transportation

A. General

Grant PUD vehicles may be used when available in accordance with Grant PUD's Vehicle/Asset Usage Policy. Any expenses related to a Grant PUD vehicle should clearly identify the vehicle number and TA number.

Carpooling should be used whenever feasible.

Shuttle, transit, and taxi costs will be reimbursed based on actual cost plus a tip not to exceed 20%, if appropriate. When possible, employees should use the most economical method of travel.

Employees may claim mileage, local transportation, use a Grant PUD vehicle, or use the rental car for nominal travel for meals, but any substantial non-business travel must be paid for by the employee.

B. Personal Vehicle Use

Although the use of fleet vehicles is preferred, the use of personal vehicles for Grant PUD business is allowed and will be reimbursed at the current IRS Standard Mileage Rates. The mileage rate covers the cost of operating an average vehicle, including gasoline, maintenance and repairs, insurance, and depreciation.

Employees will not be paid mileage or travel expenses to commute to their Established Headquarters. This does not apply to elected officials (see RCW 54.12.080).


Mileage for workday travel within Grant County, in excess of commuting, will be reimbursed. For example, travel between the employee's Established Headquarters and another Grant PUD work site (EHQ to/from HOB, MLLO to/from EHQ, etc.). See FIN-AC-REF-101, Local Mileage Chart.

When traveling on Grant PUD business under an approved TA, mileage will be paid for the lesser of the distance between the travel destination and the employee's Established Headquarters or the travel destination and the employee's home or Remote Work Site. If travel occurs on a normally scheduled day off, reimbursement will be calculated from the employee's home.

Employees who claim mileage should be aware that their auto insurance company must be the primary insurer. It is the employee's responsibility to ensure their personal auto policies do not exclude business use.

Grant PUD uses internet mileage sites (e.g., mapquest.com) to determine the reasonableness of mileage claimed based on the destinations on the TA. If your mileage

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW...hapter 42.24.120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution 7395 [1]
- Deleted: AP Supervisor
- Deleted: rate ...or the location that the employee is staying overnight. The per diem [2]
- Moved (insertion) [3]: Ground Transportation¶
- Moved (insertion) [4]: Grant PUD vehicles may be used when available in accordance with Grant
- Moved (insertion) [5]: Carpooling should be used
- Deleted: pro-rated,...eimbursed based on the [3]
- Moved (insertion) [6]: When possible, employees
- Deleted: meeting...employees may claim milea [4]
- Deleted: <#>Day Travel - No Overnight Sta [5]
- Formatted: Font: 11 pt
- Deleted: Service Territory/Projects are not
- Formatted: Font: 11 pt
- Deleted: with exception as noted below in S [6]
- Deleted: paid a taxed per diem for meals for [7]
- Formatted: Font: 11 pt
- Deleted: per diem will be based on the feder [8]
- Deleted: for the location of the travel. The f [9]
- Deleted: federal per diem meal breakdown, [10]
- Formatted: Font: 11 pt
- Formatted: Font: 11 pt
- Formatted: Font: 11 pt
- Moved up [1]
- Deleted: names of the individual(s) for whq [11]
- Moved up [3]
- Deleted: <#>How this activity was an [12]
- Moved (insertion) [7]: ¶
- Formatted: Font: 11 pt
- Moved (insertion) [8]: mileage sites (e.g.,

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted:** 5
- Deleted:** Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted:** 15/2022
- Deleted:** 4
- Deleted:** GM delegated to CFO
- Deleted:** RCW...hapter 42.24.120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures
- Deleted:** .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...
- Deleted:** 7395
- Deleted:** AP Supervisor

is substantially different, include a brief explanation on the SOE such as "pass closed, used hwy 2."

Grant PUD will not reimburse out-of-pocket costs for parking tickets, moving violations, or damages and insurance deductibles related to the use of personal vehicles for official Grant PUD business.

C. Rental Cars

The use of a rental car is permitted when it is in the interest of Grant PUD to do so. Prior approval from the immediate supervisor via the TA is required.

Moved (insertion) [9]: The use of a rental car is permitted when it is in the interest of Grant PUD to do so.

Employees must obtain the lowest cost option for the type of vehicle necessary to meet the business need. Up to mid-size vehicles or equivalent are allowed. The cost of parking, gas, and all related costs should be considered and documented when determining the appropriate lowest cost option during the TA process. If a special or upgrade is offered that is less than or equal to the appropriate lowest cost option, or if additional room is required to accommodate multiple employees traveling together, documentation must be included with the SOE, as well as the cost analysis validating the reason for the upgrade.

Moved (insertion) [10]: ¶ Actual cost will be reimbursed when the use of a rental car is necessary and economically beneficial to Grant PUD.

Actual cost will be reimbursed when the use of a rental car is necessary and economically beneficial to Grant PUD.

Insurance for the exclusive business use of U.S. & Canadian rentals are covered by Grant PUD's insurance policy and should not be purchased.

Moved (insertion) [11]: Personal usage of a rental car before, during, or after Grant PUD business travel must be covered by the employee, including rental cost, insurance coverage, and gasoline. ¶

Personal usage of a rental car before, during, or after Grant PUD business travel must be covered by the employee, including rental cost, insurance coverage, and gasoline.

Excess charges due to not returning rental vehicles with the appropriate fuel level as required by the rental agreement will not be reimbursed.

Moved (insertion) [12]: Optional costs such as frequent flyer miles and upgrades are not allowed. If fuel service and other options such as GPS are taken, there should be clear documentation to show they were reasonable and necessary. ¶

Optional costs such as frequent flyer miles and upgrades are not allowed. If fuel service and other options such as GPS are taken, there should be clear documentation to show they were reasonable and necessary.


Receipts for rental cars and gas shall be required to document the expense. Any personal expense shall be clearly identified and reduced from the cost.

Moved (insertion) [13]: Receipts for rental cars and gas shall be required to document the expense. Any personal expense shall be clearly identified and reduced from the cost. ¶

Grant PUD will not reimburse out-of-pocket costs for parking tickets or moving violations related to the use of a rental car for official Grant PUD business.

12. Other Expenses

Certain miscellaneous expenses incurred while on travel status may be eligible for reimbursement at Grant PUD's discretion if they relate to the conduct of official Grant PUD business and are necessary and reasonable. Examples include mail, shipping, and printing

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/A... [13]
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW...hapter 42.24.120, RCW 42.24.1... [14]
- Deleted: .120, RCW 42.24.115, RCW 42.24.140... [15]
- Deleted: 7395
- Deleted: AP Supervisor
- Moved (insertion) [14]: ¶

fees and office supplies. These expenses are not protected under the \$50.00 receipt rule. Receipts are always required.

Reasonable laundry services will be allowed for employees when domestic travel exceeds 7 days or when a domestic trip is unexpectedly extended; foreign travel per diem includes allowance for laundry expenditures.

13. Remote Work Sites

Employees working at a Remote Work Site will not be paid mileage or travel expenses from their Remote Work Site to their Established Headquarters. If the employee is required to report to a job site other than their Established Headquarters, mileage will be paid for the lesser of the distance between the job site and their Established Headquarters or the job site and their Remote Work Site.

In the event an employee's Established Headquarters is their Remote Work Site (see Section 3 of the Remote Work Policy), Grant PUD will pay for travel expenses to and from Grant County (limited to transportation only – mileage, airfare, rental car, etc.) when required for Grant PUD business purposes as well as all applicable travel expenses related to training and conferences calculated from their Remote Work Site as their Established Headquarters rather than Grant County. All travel must be pre-approved by the employee's supervisor in advance of making travel arrangements and documented on a TA.

Deleted: an


- Deleted: <#>When traveling on Grant PUD ... [16]
- Moved up [4]
- Moved up [5]
- Moved up [7]
- Deleted: <#>if not for overnight travel. ¶ ... [17]
- Deleted: <#>It is the employee's ... [18]
- Deleted: auto policies either do not exclude
- Deleted: use or explicitly list Grant PUD as "... [19]
- Deleted: is compensated for insurance costs ... [20]
- Moved up [8]
- Moved up [6]
- Moved up [9]
- Moved up [10]
- Moved up [13]
- Moved up [12]
- Moved up [11]
- Deleted: Shuttle, transit, and taxi costs will ... [21]
- Deleted: Employees may claim mileage, loca... [22]
- Deleted: be paid for by the employee. ¶
- Deleted: Prior approval from the applicable ... [23]
- Deleted: The cost of parking and all related ... [24]
- Deleted: Spouse on Trip
- Deleted: his/her
- Deleted: or other guest
- Deleted: Grant PUD will reimburse
- Deleted: extent that it would have incurred for
- Deleted: alone only, i.e., the single rate for a

14. Combining Business and Personal Travel

When personal and business travel are combined, employees must exercise special care not to seek reimbursement for expenses that are personal. The employee must separate the expenses between Grant PUD and personal activities and provide a completed Travel Cost Comparison with their SOE to document personal influence did not result in additional costs to Grant PUD.

If an employee chooses to have a non-employee (e.g., spouse, child) join them on an approved business trip, the additional expense incurred is personal. General guidelines for combining business and personal travel include, but are not limited to:

- PCards shall not be used to pay for any personal expenses.
- Allowable expenses will be limited to the costs directly related to business and for the employee only.
- Any additional lodging days beyond the business dates is considered personal and is not reimbursable.
- The meal per diem is allowed for the business dates only. It is not paid for personal days. The TA and SOE must be clear on what dates the employee would have traveled if they didn't extend for personal travel.

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Parking expenses at an airport or hotel must be reduced for personal day expenses.
- Taxi and shuttle expenses during personal days are not reimbursable.
- Any Grant PUD business insurance coverage will not apply during the personal portion of the trip.

15. International Travel

Employees traveling outside the United States will be covered under an insurance policy provided through Grant PUD which includes commercial general liability, hired auto liability and physical damage, and accidental death/dismemberment. Employees traveling outside of the United States should contact Enterprise Risk Management for more details.

As a benefit associated with ongoing employment with Grant PUD, Grant PUD may reimburse the employee for personal property losses that can be documented. Claims must be documented to the satisfaction of Grant PUD or they will be denied. This amount is taxable to the employee and will be reimbursed in the pay period following approval.

Employees traveling outside of the United States and Canada should request and carry a current international travel assistance identification card, which includes directions for obtaining medical, legal, evacuation, lost document recovery, and interpreter assistance during international travel. Cards are available from Administrative Assistants or a Risk Analyst.

Prior to departure for international travel, it is recommended that employees refer to the U.S. Department of State Current Travel Warnings and Public Announcements at: <http://travel.state.gov/travel>. For Grant PUD travel to countries declared by the State Department as not suited for travel, approval by the General Manager is required.

Insurance for international rentals should only be purchased if required by the laws governing the location where the rental occurs. Foreign auto liability is included in Grant PUD's insurance policy. If international travel will include the rental of a vehicle, the employee shall obtain documentation confirming auto liability coverage from a Risk Analyst or Administrative Assistant.

Reimbursement will be allowed for documentation required for international travel (passport, visa, etc.).

16. Emergencies

If an employee is in a situation determined to constitute an emergency, the employee shall contact their immediate supervisor. If an employee is not able to return to Grant PUD because of a work-related injury sustained while traveling on Grant PUD business, the employee must inform their immediate supervisor. The supervisor shall contact Safety, contact Enterprise Risk Management, and submit a Condition Report as soon as possible.

17. Travel During a Declared Emergency or Disaster

Deleted: 5

Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy

Deleted: 15/2022

Deleted: 4

Deleted: GM delegated to CFO

Deleted: RCW...hapter 42.24.120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures

Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...

Deleted: 7395

Deleted: AP Supervisor

Deleted: room.

Moved up [14]

Deleted: <#>Share the Savings¶
Employees may be willing to develop travel plans that are less costly to Grant PUD. With approval, the employee will be reimbursed for actual costs as identified in this procedure in addition to half the savings between a conventional and unconventional trip. For example, an employee who chooses to stay at a private residence would be reimbursed at half the rate of a hotel less any additional costs incurred such as rental car or mileage. ¶
The share the savings amount will be taxable income to the employee and will be no more than the amount approved. ¶
Other Expenses

Moved down [15]

Deleted: Miscellaneous services (taxi, shuttle, bus, tolls, laundry, parking, etc.) under \$75 do not require a receipt, but one is preferred. ¶


Deleted: , special coverage, and emergency assistance coverage.

Moved (insertion) [15]: Reimbursement will be allowed for documentation required for international travel (passport, visa, etc.). ¶

Deleted: and the

Deleted: . If traveling out of the United States and Canada, refer to Section 15.

Deleted: Pandemic

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW...hapter 42.24.120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...
- Deleted: 7395
- Deleted: AP Supervisor
- Deleted: pandemic
- Deleted: pandemic.
- Deleted: pandemic-related

When traveling out-of-state on Grant PUD business during a declared emergency or disaster, certain restrictions and requirements may apply. Prior to initiating travel, employees must contact the Safety Department to determine what restrictions and requirements apply in the state or country to which the employee is traveling. It is the employee's responsibility to abide by and adhere to the applicable state/country restrictions and requirements while traveling on Grant PUD business. Similarly, Washington State may have certain restrictions and requirements for travelers returning from out-of-state during a declared emergency or disaster. It is the employee's responsibility to understand and follow all Washington State health and safety requirements upon returning from out-of-state business travel.

18. Not Allowable

Additional items that will not be reimbursed by Grant PUD include, but are not limited to:

- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities, and related incidental costs.
- Promotional hosting.
- Valet services, unless there are no other parking options (explanation must be provided).
- Other expenses not directly related to the business travel.

- Deleted: Items
- Deleted: <#>Airline upgrades.¶
Business class or first-class flights.¶

19. Policy Exceptions

Exceptions to this policy must have two levels of approval within the employee's chain of command (e.g., supervisor and manager, manager and senior manager, senior manager and managing director), up to the General Manager. Accounting will maintain an exception log and provide a quarterly report to Executive Management.


Exceptions requested to comply with provisions of the Americans with Disabilities Act require prior approval of HR.

20. Dispute Resolution

Employees who have a dispute regarding the application of this policy may request to meet with the Senior Manager of Accounting. The meeting request shall include a summary of the employee's concern and any related documents. If, following this meeting, the employee wishes to pursue the matter, the employee may request a meeting with the Chief Financial Officer (CFO). The meeting will be scheduled at a mutually convenient time and the CFO shall render their decision in writing as soon as practical.

- Deleted: <#>Documentation Requirements¶
Grant PUD credit card charges - all detailed original receipts from the vendor. Include a description of the expense if not self-explanatory. ¶
Lodging, air transportation, car rentals, fuel - all original receipts. ¶
Other - only if the individual expense exceeds \$75 (taxi, shuttle, bus, tolls, parking, etc.). Include a description of the expense if not self-explanatory. ¶
Names, affiliation, date and time, TA # if for someone else, including the business purpose. ¶
Other ¶
An SOE is required for all overnight travel. The original with Supervisor approval goes to Accounts Payable to obtain reimbursement or repay Grant PUD with any original receipts to document expenses that were not paid by a Grant PUD credit card. If expenses are included for other employees, their SOE must be attached also. ¶
TA numbers are required to be written down on the SOE and advance payments of registration fees and transportation costs. ¶
A copy of the SOE goes with the applicable original credit card receipts with each Pcard reconciliation and/or generic travel card used for the travel. ¶
If an advance was obtained, a copy of the SOE goes to the Advance Travel Custodian with any balance due to Grant PUD from the advance. ¶

21. Non-Compliance

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted: 5
- Deleted: Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted: 15/2022
- Deleted: 4
- Deleted: GM delegated to CFO
- Deleted: RCW...hapter 42.24.120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures
- Deleted: .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...
- Deleted: 7395
- Deleted: AP Supervisor

Non-compliance with this policy, including recurring instances of mistake or inadvertence resulting in additional expense to Grant PUD, will be treated as a performance issue and may result in appropriate corrective action in accordance with Grant PUD's Progressive Discipline Policy. Such action may include employee responsibility for the expense, revocation of travel privileges, or any other discipline determined to be appropriate by Grant PUD. For bargaining unit employees, discipline will be carried out consistent with section 2.4.1 of the Collective Bargaining Agreement.

22. Risks/Risk Owners

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

- | | |
|--------------------------|------------------------|
| • Authority Risk | • Health & Safety Risk |
| • Integrity Risk | • Regulatory Risk |
| • Physical Security Risk | • Reputation Risk |

Deleted: <#>Grant PUD insurance liability during travel¶
Grant PUD property damage during travel¶

Deleted: <#>Fraudulent compensation claims for travel expenses¶


B. Risk Owners:

- Grant PUD supervisors
- Grant PUD employees who travel for Grant PUD business and employees who assist in the administration of travel-related activities.
- Grant PUD employees who manage contractors that are responsible for following this policy.

23. Related Documents

Additional documents and resources related to this policy include, but is not limited to:

- [Travel Cost Comparison Form](#)
- [Local Mileage Chart](#)
- [Procurement Card Program](#)
- [Vehicle/Asset Usage Policy](#)
- [Remote Work Policy](#)
- [Progressive Discipline Policy](#)

Effective Date: 8/1/2023	Version: 6 Supersedes: 5	Related Documents: See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
Approved by: Commission	Regulation: Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
Policy Owner: Senior Manager Accounting	Policy Category: Financial	

- Deleted:** 5
- Deleted:** Procurement Card Program, Vehicle/Asset Usage Policy, Remote Work Policy
- Deleted:** 15/2022
- Deleted:** 4
- Deleted:** GM delegated to CFO
- Deleted:** RCW...hapter 42.24.120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures
- Deleted:** .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...
- Deleted:** 7395
- Deleted:** AP Supervisor

24. Review/Revision History

Date	Description
1/1/2001	New travel policy established via Resolution 7395
6/4/2007	Revised advance travel section via Resolution 8127
3/5/2012	Revision details unknown
4/11/2022	Revised out of date references throughout, addressed travel expenses associated with Remote Work Sites
8/15/2022	Revised Section 11 to address reimbursement of travel expenses for employees with an Established Headquarters exception.
8/1/2023	Definition and clarity added throughout the entire policy. Added new sections for Exceptions, Dispute Resolution, and Non-Compliance. Removed non-travel meals and Share the Savings.



Office of the
Washington
State Auditor
Pat McCarthy

Best practices for travel expenditures

Many government employees need to travel to receive training or carry out other essential government functions. Travel costs, regardless of how significant they are to a government's budget, can invite criticism from the public.

A government's internal controls over travel expenditures should provide assurance that travel costs are reasonable and justified, because travel reimbursements can be subject to misuse.

The following are some best practices to consider:





1) Regularly review and update your policy to ensure it provides clear guidance. Governments may desire flexibility in their travel policy. Rather than writing a vague policy, however, governments should provide clear, prescriptive guidance and allow for pre-approved exceptions. For further assistance, use the [MRSC travel policy guidance](#), which provides various considerations for policy development.

2) Encourage economical travel. Economical travel might mean requiring coach class for airplane tickets or compact vehicles for car rentals. Employees should document and retain their research to show the most economical option was selected. [See Appendix A](#) for additional economical travel considerations.

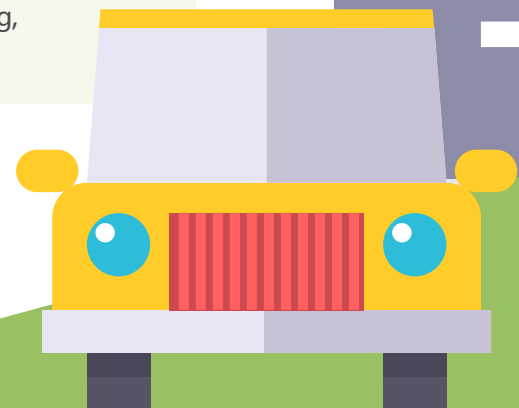
3) Use per diems for lodging and meals.¹ For hotels, per diem can be an effective cost control, because many lodging establishments will honor government per diem rates if employees ask for them, especially if they plan in advance. For meals, this eliminates several issues such as:


- Lost receipts and difficulty obtaining itemized receipts from employees
- Recordkeeping burden in collecting, verifying and retaining receipts
- Risk of excessive tipping or alcoholic beverage purchases
- Potential for unreasonable meal costs

4) Create separate guidelines for non-travel meals. These might be working lunches or meals with meetings. Non-travel meals will need to be separately authorized in policy to be allowable. Per diem rates should be used to guide reasonableness. In addition, the documentation should include the business purpose and attendees. In establishing a policy, governments might consider the guidance in [Washington state Attorney General Opinion: Eating and Drinking at Public Expense](#).

5) Provide training on policy requirements. Employees and their approving supervisors need to be familiar with the policy requirements. Training might involve periodic annual policy reviews, in-person training, or online training for new and existing employees.

¹ The U.S. General Services Administration (GSA) per diem rates (pre-established daily allowances given by a government to cover an employee's living expenses when traveling) are widely used. The rates are commonly referred to as CONUS and are found at www.gsa.gov.





6) **Consider centralized control or oversight options.** This could take many forms. Some examples governments have used include:

- A centralized person very familiar with the travel policy and economical travel options who can provide thoughtful input and direction on the travel plans and estimated costs (and question potential costs before they are incurred)
- A designated or centralized reviewer very familiar with the travel policy and economical travel options who evaluates the claim for reimbursement at a detailed level, often in addition to the employee's supervisor
- Centralized procurement for airline travel ²
- A centralized program to track travel, such as a software module or other tracking mechanism

7) **Establish a process for addressing non-compliance.** The policy should describe what constitutes non-compliance and how such matters should be communicated, as well as any specific consequences. There should be a process for notifying the employee, their manager, and other officials for more than trivial non-compliance. Claims for reimbursements that lack adequate support or documentation should be rejected for payment until the concerns are resolved. Employees who do not clear travel advances within policy provisions should not be allowed additional advances.

8) **Make sure approvers have dedicated time for review.** A reviewer who is too busy with other tasks might perform a high-level or cursory review and fail to identify concerns.

9) **Pre-approve travel, including a cost estimate.** A pre-approval process helps ensure there is a justifiable business purpose before travel takes place, the benefits outweigh the costs, economical options were considered, and the anticipated expenses appear reasonable. Concerns can then be addressed before costs are incurred.

10) **Pre-approve policy exceptions.** Employees should request any policy exceptions and obtain written approval before booking and/or incurring costs. Otherwise, it constitutes after-the-fact approval of a policy violation.

²This can prevent fraud schemes involving airline ticket reimbursements as well as help with cost control.

11) Minimize travel advances outstanding. Issuing and tracking travel advances create an administrative burden. To reduce travel advances, consider options such as charging airfare or lodging on a credit card, use of a travel agent, or use of a central purchasing function (such as for airfare). The government should establish a minimum dollar amount and a deadline for requesting an advance, and limit requests too far in advance of planned travel.

12) Keep track of travel advances.³ A person or department should track and account for all travel advances. Travel advances that are not accounted for within policy provisions can have IRS implications; for example, they might be reportable as wages if they are not accounted for within 120 days of receiving the advance.⁴ Travel advances that are not accounted for within a reasonable time should be deducted from the employee's pay.

13) Resolve travel advances with employees leaving the agency, before they separate. This is to ensure that any travel advances outstanding are either cleared or deducted from the employee's final paycheck. If the government's human resource department maintains a checklist to follow for separating employees, consideration of travel advances should be included.

14) Require timely submission of receipts.⁵ Some governments require receipts to be submitted as soon as five days after a trip is completed. If a credit card is used, receipts must be submitted no later than 30 days for local governments. If the employee has a travel advance, state law requires this to be cleared on or before the 15th day following the close of the authorized travel period for which the expenses have been advanced.

³ Under state law (RCW 42.24.140), an employee or official can have only one advance outstanding at a time, 10 percent interest is applied to any delinquent advances, and the government may withhold funds payable to any officer or employee for delinquent travel advances.

⁴ [IRS publication 463](#) provides guidance on travel, gift, and car expenses (see section on accountable plans).

⁵ The Budgeting, Accounting and Reporting System (BARS) Manual, section 3.8.2, requires local governments to complete settlement within 30 days if a credit card is used; for state agencies, the limit is 60 days. The IRS requires settlement within 60 days or the amounts are taxable as income to the employee. For local government travel advances, see RCW 42.24.150, for state agencies the requirement is within the 10th day following the close of the travel period (see 10.80.60 State Administrative & Accounting Manual (SAAM)).



15) Use standardized forms, including a comprehensive travel reimbursement form that discloses ALL expenses. The reviewer should consider travel charged on the credit/procurement card in conjunction with travel included on a claim for reimbursement. It should also be known if the employee used a motor pool vehicle and had access to a fuel card. The goal is to detect duplicative or unallowable expenses during the review process.

16) Document shared costs in claims for reimbursement. The employee should identify on the travel form whether they carpooled or shared a motor pool vehicle so reviewers can assess if travel costs were economical and policy terms were followed, and to verify certain information – such as only the driver claimed for mileage reimbursement.

17) Document reasons when actual costs exceed the pre-approved travel estimate. This holds employees accountable and ensures documentation is retained and evaluated to support the increased costs. It also provides support should the claim be questioned after-the-fact.

18) Review event agendas or travel itineraries with travel claims. These contain information about meals included in the conference, as well as when events officially start and end. This helps reviewers determine if meals claimed are appropriate. These also help a reviewer determine whether there are any costs pertaining to extra days of travel.

19) Require proof of travel with travel claims. This might be the boarding pass for the airline, hotel receipts to show the employee checked in, or training credit or certificates of completion.

20) Require approval by the direct supervisor. A claim for reimbursement should not be approved by the employee submitting the claim, peers, or subordinates. This should apply to the higher levels of management as well. The internal control structure should designate a review process for the highest-level manager or executive as well as for board members.

21) Enforce your policy. Policy is established by the governing body with the expectation that management will follow and enforce it. Allowing non-compliance to occur sets a precedent that can have undesirable consequences and can lead to larger problems.

Related resources

Municipal Research and Services Center:
[Travel and expense reimbursement policies](#)

Washington State Auditor's Office:
[Best practices for various credit card programs](#)

Washington State Auditor's Office Budgeting, Accounting and Reporting System (BARS) Manual, Employee Travel: [GAAP](#) or [Cash basis](#)

Applicable Washington state laws for local government:
[RCW 42.24.090](#), [RCW 42.24](#) (.120-.150 covers travel advances);
[RCW 42.24.115](#) (charge cards and travel expenses)

Washington State Office of the Attorney General:
[Memorandum: Eating and Drinking at Public Expense](#)

For assistance

This resource has been developed by the Center for Government Innovation of the Office of the Washington State Auditor. Please send any questions, comments or suggestions to Center@sao.wa.gov.

Disclaimer

This guidance is intended to supplement information that management should consider when establishing internal controls over employee travel. The guidance might not include all information that should be considered and is not intended to supersede management's judgment in establishing internal controls. Management is ultimately responsible for internal controls, including regularly monitoring risks and ensuring internal controls are in place to address potential areas of concern.

Appendix A: Economical Travel Considerations

Type of Cost	Cost Considerations
Airline	<ul style="list-style-type: none">• Is flying coach class required (as compared to business class)?• Were the travel arrangements for airfare made well in advance whenever possible?• Are there expectations about how airfare is purchased (requirements to select the lowest price ticket regardless of personal rewards programs or airline preferences; to go through a certain process to purchase tickets such as central purchasing or a travel agent; and to consider the cost of tickets through the State of Washington procurement contract for airline purchases⁶)?• Are extra travel charges addressed such as excess baggage charges, airline seat exchange fees, priority boarding fees, upgraded airline seating, and internet usage in-flight?• Is the employee flying into the airport nearest their destination? If not, why and can they demonstrate the lowest cost option was taken considering all travel costs?• Did the employee check airfare prices to determine whether personal days added to the trip resulted in higher airfare costs?
Vehicle rental	<ul style="list-style-type: none">• Is a vehicle rental truly justified? Is the employee staying at the conference venue or have a need to drive very few miles? Are there other options such as a hotel shuttle?• Are other forms of transportation available that might be less expensive (public transportation, Uber/Lyft, motor pool, etc.)?• Is the vehicle rental the lowest cost option or have there been upgrades?• Is the vehicle rented for only the period of time that is necessary for work related travel?

⁶This state contract allows local governments to participate as of July 1, 2019. For more information, contact Department of Enterprise Services, Diane White, (360) 407-9366 or view the DES website at apps.des.wa.gov/DESContracts/Home/ContractSummary/00919.



Type of Cost	Cost Considerations
--------------	---------------------

Mileage

- Is it less expensive to fly or drive to the destination? Is there overtime that should be factored into the calculation to determine the lowest-cost alternative? (a simple worksheet provides clear documentation)
- Is carpooling used when it makes sense?
- Is there an alternative to driving a personal vehicle, such as use of a motor pool vehicle or public transportation? Does the entity have a preference?

Lodging

- Is per diem used and reasonable upper limits when per diem is exceeded?
- Is staying at the conference hotel justified, given the cost, particularly when it significantly exceeds per diem?
- Are there extra nights charged that are not consistent with the traveler's commitments (i.e., start and end of a conference)?
- Is lodging charged when the destination is within a reasonable driving distance of home?
- Does the government want to encourage room sharing, if appropriate?
- Did the government incur any extra costs such as for a travelling companion or spouse?

Meals

- Is per diem used?
- Are meals paid only when an employee is in travel status (i.e., during the meal period)? What is the definition of travel status – within how many miles of an employee's duty station? How are meals handled for partial days of travel?
- Are per diems prohibited when meals were provided as part of the conference or event?

For Commission Review – 06/13/2023

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10427R with Nokia Networks “Nokia of America Corporation” in an amount not-to-exceed \$3,663,606.42.

xxxx

MEMORANDUM**May 9, 2023**

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Charles Meyer, Senior Manager of Enterprise Technology

FROM: David Parkhurst, Manager IT

SUBJECT: Award of Wide Area Network Common Fiber Backbone (2nd)
Contract 430-10427R



Purpose: To request Commission approval to award contract 430-10427R to Nokia Networks, “Nokia of America Corporation” in the amount of \$3,663,606.42

Discussion: Grant PUD’s fiber backbone has been built out and maintained organically over time to serve the needs of the District. The resulting network is a patchwork of varying models and types of equipment, with much of that equipment at or near end of life. While the network is currently functional, Telecom engineering has determined that functionality and capacity constraints of the optical network requires re-architecture and replacement to ensure ongoing reliable service and to meet future needs.

To that end, Grant PUD Telecom Engineering performed a Request for Proposal (RFP) process in 2022. Of the seven (7) respondents, Nokia Networks was selected based on the approved scoring criteria. Per their response, Nokia will design, supply, engineer, and support the necessary equipment to form a new high-capacity wide area transport network to function as the Grant County Backbone (GCB) for PUD communications, over existing PUD fiber between 17 core locations. The GCB will provide necessary growth capacity on existing fiber plant to meet the needs of the Wholesale Fiber, Business/Information Technology (IT), and Operational Technology (OT) networks for years to come, including a scalable design to easily expand as needed in the future.

Justification: This Contract provides for the modernization and upgrade of the District’s optical network. The district will receive capacity and operational simplicity benefits for all three lines of business, Wholesale Fiber, IT, and OT. The wholesale network will be augmented, allowing continued growth in county footprint, the number of subscribers, and ratepayer utilization. The IT and OT portions of the business will also benefit from the ability to utilize the same common yet diverse core transport infrastructure.

If not approved, the wholesale networks will be unable to support projected growth while the overall network becomes increasingly unreliable for all intended uses with notable service degradation. Efforts to support and maintain the legacy equipment and architecture will continue to escalate with diminishing returns as spares are sourced from obsolete and used inventories. Ultimately, additional physical fiber plant would be required to augment the communications network.

This project is arguably “past due”, requiring creative use of existing resources to extend the usable life as far as possible, but current growth demands additional resources now, as well as newer technology to leverage existing investments more efficiently.

Financial Considerations: District staff concluded that the Contract Price is fair and reasonable based upon the scope of work, materials, final negotiated price, and with Grant PUD technicians performing the installation of the equipment under Engineering direction.

The project estimates contract award no later than 6/1/23 and one year for the installation of hardware and software to be complete by 6/1/24. The contract would remain open after implementation to provide initial support through 6/1/26.

This project anticipates a net savings of up to ~\$8M versus the alternative of augmenting the equivalent fiber plant at a cost of ~\$9.5M (383 miles @ \$25k/mile), plus an additional savings of ~\$2M minimum would also be represented, as the equipment capacity would need to be addressed.

The "Network Core Replacement" Technology Roadmap project is budgeted for 2023 and 2024 as PID #103497 (10.14 Network Core Replacement) under Cost Center FE5000 "CTO Telecom Engineering".

Contract Specifics:

- This contract was negotiated via RFP rather than bid.
- Negotiations were protracted and involved District Legal and Risk teams, requiring many edits and conversations to resolve the differences, the most substantial of which resulted in the elimination of previously planned vendor deployment of equipment on premise to eliminate risk exposure to the district.
- Contract includes two (2) years of hardware and software support following production deployment.

Recommendation: Commission approval to award materials and professional services contract 430-10427R to Nokia Networks, "Nokia of America Corporation," in the not to exceed contract amount of \$3,663,606.42

Legal Review: See attached e-mail(s).

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Nokia of America Corporation (“Contractor”);

R e c i t a l s :

The District desires to obtain the design and supply of a Multiprotocol Label Switching (MPLS)/Dense Wavelength Division Multiplexing (DWDM) Wide Area Network (WAN) Solution; and

The Contractor shall provide professional services, materials, and equipment required for the MPLS/DWDM/WAN Solution as requested in the District’s Request for Proposals 430-10427R (RFP) issued February 22, 2022. Contractor shall provide the system confirmed in Contractor’s response to the District’s RFP dated April 5, 2022;

The Contractor, through an established review procedure as specified by RCW Chapter 39.04, has been selected and is willing to provide services on the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

GENERAL CONDITIONS

GC-1. FORM OF CONTRACT

The form of the Contract shall be lump sum type.

GC-2. DEFINITIONS

Whenever these words occur in the Contract Documents, they shall have the following meanings:

“ACCEPTANCE OF GOODS” – Acceptance of goods occurs when the District; (1) after a reasonable opportunity to inspect the goods (10 business days) provides written confirmation to the Contractor that the goods are conforming or that the District will take or retain them despite their non-conformity; or, (2) fails to make an effective rejection, but such acceptance does not occur until the District has had a reasonable opportunity to inspect them (10 business days), District acceptance will be deemed to occur on the 11th day after delivery.

“ACCEPTANCE OF SERVICES” - Maintenance, management and other recurring services are deemed accepted as such Services are performed. For all other services, Contractor shall notify District upon completion of services by either providing a notice of completion or by providing District with the deliverable(s) specified in the Contract documents. Thereafter, District shall have 15 business days from the date of the notice or completion or delivery of deliverables to notify Contractor that the Services do not conform to the requirements described in the Contract Documents. Such Services shall be deemed accepted on the earliest of: (1) the passage of 15 business days from date of notice of completion with no notice of non-conformance from District; (2) District’s actual written acceptance; or (3) District’s use of the Services after delivery of the Services.

“CONTRACT AWARD” - Contract Award is defined as the date the successful Respondent is first notified in writing that the District’s Board of Commissioners has approved awarding the Contract.

“CONTRACT DOCUMENTS” - The Contract Documents shall include this Agreement and the following Exhibits:

“A.1” – MPLS/DWDM WAN Statement of Work, January 27, 2023

“A.2” – Statement of Work CARES Services, January 27, 2023

“A.3” – Grant of License

“B” – Contract Form

“C” – Payment and Performance Bond Form

“D” – District Instruction Form

“E” – Contractor Change Order Proposal Form

“F” – Change Order

“G” – Certificate of Completion and Release

“H” – Collective Bargaining Agreement Section 2.5

“I” – Mutual Non-Disclosure Agreement

“J” – Definitions of Protected Information

“K” – Pricing Summary Offer - # 22.US.294444, January 27, 2023

“L” – Project Conceptual Schedule G, March 7, 2023

“CONTRACT PRICE” – The total price specified in the Contract Award and any properly approved Change Orders approved subsequent to Contract Award.

“CONTRACTOR” – The successful Respondent who is awarded the Contract to provide the services and supply the materials or equipment covered by these Contract Documents.

“DISTRICT” OR “OWNER” – Public Utility District No. 2 of Grant County, Washington.

“DISTRICT REPRESENTATIVE” – The employee designated by the District as its representative during the term of this Contract.

“DOCUMENTATION” – All user manuals, operating manuals, technical manuals, and any other instructions, specifications, documents, or materials, in any form or media, that describe the functionality, installation, testing, operation, use maintenance, support, technical or other components, features or requirements of the Software and Equipment.

“EQUIPMENT” – A tangible item that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract.

“FINAL ACCEPTANCE” – Acceptance of the work by the District in writing. Final Acceptance shall not constitute an acceptance by the District of any work performed or goods supplied which are not in strict compliance with the Contract Documents.

“LICENSED MATERIALS” – Software, Documentation and any other items, materials or deliverables that Contractor provides, or is obligated to provide, under this Agreement.

“MILESTONE” – The Contract performance Milestones listed in Section SR-2.A, which Milestones are listed sequentially in the order in which performance is anticipated to be completed.

“PRODUCT” – Any deliverable under the Contract which may include commodities, services, technology or software.

“PROPOSAL” – The written proposal submitted by the Contractor in response to the District’s RFP 430-10427R.

“RESPONDENT” – Any person or entity who submits a Proposal.

“SOFTWARE” – Intangible Property consisting of mathematical codes, programs, routines, and other functions that control the functioning, operation, and management of a network device’s hardware.

“SUBCONTRACTOR” – A contractor/supplier hired by the Contractor to supply materials, equipment or services related to these Contract Documents, if any.

GC-3. INDEPENDENT CONTRACTOR

- A. The Contractor shall operate as, and have the status of, an independent Contractor and will not be an agent or employee of the District nor will it be entitled to any employee benefits provided by the District. All the Contractor’s activities will be conducted at its own risk and be in compliance with all federal, state and local laws.
- B. The Contractor shall perform its services with the level of skill, care and diligence normally provided by and expected of professional persons performing services similar to or like those to be performed hereunder. Contractor understands that the District will be relying upon the accuracy, competency, credibility and completeness of the services provided by the Contractor hereunder and that the District and its customers will be utilizing the results of such services.

GC-4. TERM-SCHEDULE

This Agreement shall remain in full force and effect until TBD or until terminated pursuant to Section GC-5 below.

GC-5. SUSPENSION OF CONTRACT OTHER THAN FOR DEFAULT

The District may, due to loss of funding or other Force Majeure events described in Section GC-30, by notice in writing to the Contractor suspend or terminate at any time the performance of any portion or this entire Contract. The Contractor shall use its best efforts to minimize costs associated with suspension or termination.

- A. Upon receipt of any such notice, the Contractor shall:
1. Immediately discontinue work as specified in the notice;
 2. Place no further orders or subcontracts for material, services, or equipment with respect to suspended or terminated portion of the Contract;
 3. Promptly suspend or terminate all orders, subcontracts, and rental agreements to the extent they relate to performance of the portion of the Contract suspended or terminated;
 4. Assist District Representative or District in the maintenance, protection, and disposition of work in progress, plant, tools, equipment property, and materials acquired by Contractor or furnished by Contractor under this Contract; and
 5. Complete performance of the portion of the Contract which is not terminated or suspended.
- B. As full compensation for such suspension the Contractor shall be reimbursed for the costs incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work:
1. A standby charge, negotiated between the parties and sufficiently evidenced, to be paid to the Contractor during a period of suspension of work sufficient to compensate the Contractor for keeping, to the extent required in the notice, its organization and equipment committed to the work in a standby status;
 2. All reasonable costs, negotiated between the parties and sufficiently evidenced, associated with any demobilization and remobilization of the Contractor's plant, forces, and equipment;
 3. Any claim on the part of the Contractor for additional time or compensation shall be made within 10 business days after receipt, by Contractor, of a notice to suspend work. Failure to submit a claim within the 10 day period shall constitute a waiver of any such claim;
 4. In no event shall the amount to be paid the Contractor pursuant to this section exceed the Contract Price;
 5. Upon receipt of notice to resume suspended work, the Contractor shall immediately resume performance of the suspended portion of the Contract to the extent required in the notice. Any claim on the part of the Contractor for time or compensation shall be made within 10 business days after receipt of notice to resume work and the Contractor shall submit a revised project schedule for review.

GC-6. TERMINATION FOR DEFAULT/NONCOMPLIANCE

A. Acts of Default

If either party fails in any material way to comply with any of the conditions or provisions of the Contract Documents or is unable to pay its debts as they mature or authorizes or

takes any action under bankruptcy or reorganization, readjustment of debt, insolvency, liquidation or other similar laws or proceedings it shall be considered an act of default.

B. Consequences of Default

In the event of Contractor's default, the District may immediately, without limiting any other remedy available to it in law or equity, withhold any amount otherwise due under the Contract. The District shall provide written notice of default. In the event the default can be cured, and Contractor fails to correct the default within 30 days after written notice of default, the District may terminate the Contractor's right to proceed with all or any portion of the work.

In the event of the District's default, Contractor may immediately, without limiting any other remedy available to it in law or equity, suspend performance of its obligations under the Contract. Contractor shall provide written notice of default. In the event the default can be cured, and the District fails to correct the default within 30 days after written notice of default, the Contractor may terminate the Contract without liability to the District for Contractor's nonperformance.

C. Noncompliance

Each party shall, upon receipt of written notice of noncompliance with any provision of this Contract from the other party and the action to be taken, immediately correct the conditions to which attention has been directed. Such notice, when served on a party's designated representative, shall be deemed sufficient. If the noncompliant party fails or refuses to comply promptly, the other party may issue a notice suspending all or any part of the work. When satisfactory corrective action is taken, a notice to resume work shall be issued. The Contractor shall be entitled to an extension of time for the performance of the Contract and to reimbursement for excess costs or damages incurred in connection with such suspension, if related to the District's noncompliance.

GC-7. ASSIGNMENT

Neither party shall assign this Contract or any interest in or part thereof without the prior written approval of the other party. Any costs to the non-assigning party associated with the assignment shall be paid by the assigning party.

GC-8. INDEMNITY

- A. Contractor shall defend, indemnify and hold harmless the District and its representatives (which shall be deemed to include the District's directors, officers, employees and agents) from and against any and all liabilities, claims, losses, damages or expenses of any type or kind, including reasonable legal fees, and expert witness fees, which may be incurred or sustained by the District or its representatives to the extent caused by any act, omission, misconduct, negligence, or default on the part of the Contractor or to the extent arising in connection with the supplies, material or equipment to be furnished by Contractor pursuant to these Contract Documents.
- B. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by the negligence, recklessness or intentional acts of the District or its agents or employees and not attributable to any act

or omission on the part of the Contractor. In the event of damages to person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

- C. Subject to the conditions and exceptions stated below, Contractor: (a) shall defend the District against any claim, action or proceeding brought against the District by reason of any act, omission, misconduct, negligence or default on the part of Contractor, or alleging an infringement or misappropriation of any United States patent, copyright, trade secret or other intellectual property right of any third party (other than an affiliate of the District) because of use, consistent with Contractor's specifications, of any Equipment manufactured by Contractor or Software owned by Contractor (a "Claim") and provided to the District under this Agreement; and (b) shall indemnify the District against, and hold the District harmless from, any and all costs and damages assessed against the District in a final judgment on such Claim, if: (i) District gives Contractor prompt written notice of the Claim, (ii) District grants to Contractor the sole authority to assume the defense, and the sole right to settle the Claim, through counsel chosen by Contractor, and (iii) District furnishes all information and assistance requested by Contractor and reasonably cooperates with Contractor to facilitate the defense and settlement of the Claim.

- D. If District's use of any Product is enjoined as a result of any Claim, is subject to a Claim, or in Contractor's opinion is likely to be enjoined or to be subject to a Claim, then, at its expense, Contractor may: (a) procure for the District the right to continue to use the Product; or (b) replace or modify the Product with a functionally-equivalent or better Product so that District's use is not subject to a Claim. If Contractor determines that it cannot accomplish either of the foregoing in a commercially reasonable manner, then, upon Contractor's request, (c) District shall deliver the Product to Contractor, and (d) Contractor shall promptly credit to District the Price of the Product less a reasonable allowance for use.

- E. Contractor has no obligations under this Section with respect to a Claim to the extent that it: (a) arises from adherence to design modifications, specifications, drawings or written instructions which District directs Contractor to follow, (b) relates to uses of any Product in combination with any item not provided directly by Contractor, if use of the Product alone would not have resulted in such infringement, (c) relates to the use of any Product in a manner not contemplated by this Agreement, or (d) relates to a modification of any Product by any person other than Contractor. Furthermore, the District shall defend Contractor against any such Claim, and indemnify Contractor against, and hold Contractor harmless from, any and all costs and damages incurred by Contractor arising from any such Claim. The rights and remedies set forth in this Section are District's exclusive rights and remedies with respect to third party claims of infringement and misappropriation.

- F. In no event will Contractor or any of its suppliers or licensors be liable for any indirect, special, exemplary, consequential or incidental damages, lost profits, lost revenues, lost data and other economic losses, however caused and regardless of whether such damages are foreseeable or whether Contractor has been advised of their possibility.

- G. Except for a claim for personal injury proximately caused by Contractor, Contractor's liability for any claim arising out of this Agreement will be limited to actual, provable direct damages not to exceed the Price of the Product or Service that is the subject of such claim. **IN THE EVENT OF AN UNINSURED CLAIM, CONTRACTOR'S**

CUMULATIVE LIABILITY FOR ANY UNISURED CLAIMS LOSSES, DAMAGES AND EXPENSES OF THE DISTRICT ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL NOT EXCEED THE VALUE OF THE CONTRACT AS INDICATED IN EXHIBIT "K" PRICING SUMMARY OFFER #22.US.294444, JANUARY 27, 2023 AND ANY INCREMENTAL VALUE, RESULTING FROM EXECUTED CHANGE ORDERS BY DISTRICT TO CONTRACTOR UNDER THIS AGREEMENT. Notwithstanding the prior sentences, if a claim is covered by the insurance supplier is required to obtain in Section GC-21, then the Contractor's liability for an insurance covered claim will be limited to the maximum amount of compensation provided to the District as a result of any and all insurance claims resulting from Contractor's damage to District, its customers, or third-party suppliers

- H. For the sake of clarity, under no circumstances will the Contractor's liability for claims covered by insurance be limited to an amount less than the maximum amount of compensation provided to the District as a result of any and all insurance claims resulting from Contractor's damage to District, its customers, or third-party suppliers.
- I. Contractor acknowledges that by entering into a contract with the District, Contractor has mutually negotiated the above indemnity provisions with the District. Contractor's indemnity and defense obligations shall survive the termination or completion of the Contract and remain in full force and effect until satisfied in full.

GC-9. LAWS, REGULATIONS, PERMITS

The Contractor represents that it is familiar with, and shall be governed by and comply with, all federal, state and local statutes, laws, ordinances, and regulations including amendments and changes as they occur. The Contractor and any Subcontractors shall be responsible for ensuring that its employees fully comply with the District's Code of Ethics, a copy of which is available at the District's offices.

All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Contract shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. Any disputes over the terms of this Contract shall be resolved by Dispute Resolution as provided in Section GC-29. Any venue of any action filed to enforce or interpret the provisions of Section GC-29 shall be exclusively in the Superior Court, County of Grant State of Washington or the Federal District Court for the Eastern District of Washington. The rights and obligations of the District and Contractor shall be governed by the laws of the State of Washington. In the event of litigation to enforce the provisions of this Contract, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

GC-10. DAMAGES

Any claims arising under the Contract by the Contractor shall be made in writing to the District Representative no later than 10 business days after identification of the event or occurrence giving rise to the claim. Failure to make written claim prior to the time specified in the Contract Documents shall constitute waiver of any such claim.

GC-11. WARRANTY

- A. Contractor warrants to District that for the warranty period defined in Section GC-11 (a) Equipment and Software media manufactured by Contractor (including those manufactured for Contractor by a contract manufacturer and based on Contractor's procurement specification) and purchased hereunder will, under normal use and service, be free from defects in material and workmanship; (b) Equipment manufactured by Contractor or Software owned by Contractor and purchased or licensed hereunder will materially conform to Contractor's specifications in effect on the date of shipment; and (c) Services purchased hereunder will be performed in accordance with Contractor's written standards, or in the absence of such standards, in a professional and workmanlike manner. However, Contractor makes no warranty that any Software will operate uninterrupted or error free. For Products or partial assembly of Products furnished by Contractor where the Equipment and Software media was not manufactured by Contractor and/or the Software is not owned by Contractor, Contractor hereby assigns, to the extent permitted, the warranties given to Contractor by its suppliers or licensors of such items.
- B. The warranty period for Contractor Equipment is 12 months and for the Software is 90 days, and begins on the shipment date, unless Contractor performs installation Services for the Equipment or Software, in which case the warranty period begins on the date of Product acceptance as determined under Section GC-2. The warranty period for Services is 30 days beginning on the date of completion.
- C. If any Equipment is not as warranted in this Section GC-11, then (a) District must obtain from Contractor a return authorization number and properly pack and return the Equipment at its expense, together with the authorization number and a detailed description of the problem, to Contractor's designated repair facility; and (b) Contractor shall repair or replace the Equipment and return it at Contractor's expense to District's point of shipment. District has the risk of loss and damage to any Equipment returned to Contractor for repair or replacement until receipt by Contractor of such Equipment. Contractor shall assume the risk of loss and damage to any Equipment returned to Contractor for repair or replacement from receipt until delivery to District's point of shipment. If Contractor ascertains that Equipment is not readily returnable for repair, then at its option, Contractor may elect to repair or replace the Equipment at District's site. In such instances, District, at its expense, shall make the Equipment accessible for repair or replacement and shall restore the site after Contractor has completed its repair or replacement. For any Equipment or parts thereof repaired or replaced under this Section GC-11, the warranty period applicable to the Equipment will continue for the longer of (c) the remainder of the original warranty period or (d) 90 days after shipment date of the repaired or replaced Equipment.
- D. Upon notice from District that any Software is not as warranted in this Section GC-11, Contractor shall correct the Software by (a) electronic means or (b) delivery to District of suitable media chosen solely by Contractor. The warranty period for the corrected Software via fixes and/or patches will be the remainder of the original warranty period.
- E. Upon notice from District that any Service is not as warranted in this Section GC-11, Contractor shall correct the Service. The warranty period for the corrected Service will be the remainder of the original warranty period.
- F. If Contractor determines that it cannot, in a commercially reasonable manner: (a) repair or replace any Equipment, (b) correct any Software, or (c) correct any Services, then

Contractor may, in its sole discretion, credit to District the Price of the Product or Services, less a reasonable adjustment for beneficial use. In repairing or replacing any Equipment, part of Equipment, or Software medium under this warranty, Contractor may use new, remanufactured, reconditioned, refurbished, or functionally equivalent Equipment, parts of Equipment, or Software medium.

- G. Notwithstanding any provision of this Agreement to the contrary, Contractor has no obligation to repair or replace any Equipment, correct any Software, or correct any Services if (a) the Product has been modified, repaired or reworked by anyone other than Contractor; or (b) the defect is the result of (i) any improper storage, handling or use by anyone other than Contractor, (ii) failure to provide a suitable climatic and/or operational environment (including, by way of example, failure to provide the facilities prescribed in Contractor's specifications, failure to provide for adequate control of humidity or failure to prevent the ingress of dust particles), (iii) operator error, (iv) improper installation of the Product by anyone other than Contractor, (v) use in a manner not in accordance with the Documentation, (vi) failure to implement any new releases or updates to the Software, (vii) any use of the Product in conjunction with another non-Contractor product (except to the extent provided in the Documentation), (viii) consumable items, including fuses, light bulbs, motor brushes and the like, (ix) Products which have had their serial numbers or month and year of manufacture removed, altered, defaced, or deleted, or (x) any damage by power failure, fire, explosion or any act of God or other cause beyond Contractor's control. The warranties set forth in this Section GC-11 are nontransferable.
- H. If Contractor determines that any returned Equipment or Software is not defective, District shall pay Nokia's costs of handling, inspecting, testing, and transportation and, if applicable, travel and living expenses.
- I. Warranty does not include: Contractor assisting in diagnostic efforts; access to Contractor's technical support web sites, databases, or tools; Product integration; on-site assistance; or Documentation updates. These Services may be available during and after the warranty period at Contractor's published prices.
- J. THE LIMITED WARRANTY SET FORTH IN THIS SECTION FOR PRODUCTS AND SERVICES IS THE EXCLUSIVE WARRANTY. CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS AND/OR CONDITIONS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND/OR NON-INFRINGEMENT. THE REMEDIES PROVIDED UNDER THIS SECTION GC-11 ARE DISTRICT'S EXCLUSIVE REMEDIES FOR FAILURE OF PRODUCTS OR SERVICES TO CONFORM TO THE WARRANTY.

GC-12. CHANGES IN WORK

Without invalidating the Contract, the District may request changes by altering, adding or deducting from the work, and/or request changes in the Technical Specifications requiring changes in the work and/or materials and equipment to be furnished under this Contract; provided such additions, deductions or changes are within the general scope of the Contract. Except as provided herein, no official, employee, agent or representative of the District is authorized to approve any change in this Contract and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy itself that the execution of the written Change Order has been properly authorized on behalf of the District. The District's management has limited authority to approve Change Orders.

The current level and limitations of such authority are set forth in District Resolution No. 8609 which may be amended from time to time. Otherwise, only the District's Board of Commissioners may approve changes to this Contract.

Charges or credits for the work covered by the approved changes shall be determined by one or more, or a combination of the following methods, at the District's option:

- A. Unit prices specified in the Contractor's Proposal, if any.
- B. An agreed lump sum. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including, as applicable:
 - 1. Detailed proposed labor categories, hours, and rates.
 - 2. Specific materials and quantities.
 - 3. Equipment and equipment hours.
 - 4. Administrative cost and profit.
- C. The actual cost related to the change of:
 - 1. Labor, including foreman, only for employees who will work directly on the work covered by the Change Order.
 - 2. Materials entering permanently into the work.
 - 3. To the sum of Items 1, 2, there shall be added an agreed amount as compensation to cover Contractor's cost of supervision, overhead, bond, profit and any other general expenses.

When a change is requested by the District and agreed by the Contractor, as provided herein, a Change Order shall be executed by the District and the Contractor before any Change Order work is performed. The District shall not be liable for any payment to Contractor, or claims arising therefrom, for Change Order work which is not first authorized in writing as set forth in this section. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Exhibit "F" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

The District Representative may instruct the Contractor to make minor changes in the work where such changes are not inconsistent with the purposes of the Contract, do not involve any additional cost and shall not require an extension of the Contract completion date. The Contractor shall make no such changes without receipt of a District Instruction, Exhibit "D", setting forth the changes to be made. Contractor's compliance therewith shall constitute its acknowledgment that such changes shall not result in any claim for additional payment or extension of the Contract completion date. District Instructions, when issued, shall be in writing and signed by the District Representative.

If the Contractor believes the instruction shall result in additional costs or time extensions, Contractor shall promptly notify the District of the same and not proceed with the changes.

No waiver of any provision of the Contract, and no consent to departure therefrom, by either party, shall be effective unless in writing and signed by the waiving or consenting party, and no such waiver or consent shall extend beyond the particular case and purpose involved.

If Contractor believes that any requirement, direction, instruction, interpretation, determination, or decision of the District described in a mutually agreed Change Order entitles Contractor to an adjustment in the Contract Price or time for performance and Contractor refuses to execute the Change Order, then Contractor shall submit a claim as provided in Section GC-10 of this Contract. Notwithstanding the submission of any such claim, Contractor can proceed with all work that is agreed to or not disputed.

GC-13. DELAYS AND EXTENSIONS OF TIME

If the Contractor is delayed at any time in the progress of work by any unforeseeable causes beyond the control of the Contractor, the Contract time shall be extended for such reasonable time as mutually agreed between District Representative and Contractor. The Contractor agrees to complete the work within the Contract time as thus extended. Except for delays caused by the acts or omissions of the District or persons acting for it, extensions of time granted and documented by the District Representative to the Contractor shall be the Contractor's sole and exclusive remedy for any delays due to causes beyond the control of the Contractor.

All claims for extension of time shall be made in writing to the District promptly after the Contractor knows of the event causing or likely to cause the delay. In the case of a continuing cause of delay only one claim is necessary.

No extension of time shall be granted for a delay caused by Contractor's negligence or failure to mitigate a delay when circumstances would reasonably permit Contractor to avoid the delay at little or no cost.

All changes of the time or changes of the schedule shall be made by Change Orders to the Contract pursuant to Section GC-12.

GC-14. PAYMENT

A. For each of Milestones 1, 2 and 3 in the table below, Contractor may submit an invoice for approval and payment by the District upon satisfactory completion of each Milestone. Invoices may be submitted for each of Milestones 4 and 5 in advance of the annual maintenance agreement term each year. Payment shall be made in accordance with the prices specified in the Milestone table below. The invoice shall itemize the completed work and shipping costs by reference to the completed Milestone. The District Representative shall make the determination of satisfactory completion for payment purposes that is consistent with the Contract Documents that includes the agreed Statement of Work. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice.

In no event however, shall the total amount paid to Contractor for services exceed the sum of **\$3,663,606.42** USD unless a Change Order authorizing the same is issued in accordance with Section GC-12 above.

B. Milestone Payment Schedule

Milestone No.	Milestone Description	Milestone Price
1	Invoice for Hardware Upon Delivery (1830,7750 & 7210) Payment and Performance Bond	\$3,212,175.90
2	Invoice for Engineering, Installation and Pro Services	\$105,072.18
3	Invoice for Migration Support	\$17,359.00
4	Invoice for Year 1 Maintenance	\$135,377.81
5	Invoice for year 2 Maintenance	\$193,621.53
Total Contract Price		\$3,663,606.42

Shipping: Any applicable shipping costs shall be prepaid by Contractor and added to invoices and billed at actual cost.

- C. Invoices shall include the Contract number 430-10427R / Purchase Order Number, the Milestone payment number, and Milestone Payment Description. Invoices shall be addressed as follows:

Public Utility District No. 2
of Grant County, Washington
Attn: Accounts Payable
PO Box 878
Ephrata, WA 98823

Phone: (509) 793-1450
E-mail: AccountsPayable@gcpud.org

The following two paragraphs apply only to material manufactured in the State of Washington: The District shall withhold the sum of 1% of the amount of each payment to the Contractor as retainage in accordance with R.C.W. Chapter 60.28 of the Revised Code of the State of Washington, no retainage is withheld on materials manufactured outside the State of Washington.

If the District is requested in writing by the Contractor, the monies reserved hereunder (retainage) shall be placed in escrow with a mutually agreed upon bank or trust company by the District and interest on such escrowed funds shall be paid to the Contractor as said interest accrues, all as more fully provided in R.C.W. Chapter 60.28. However, any payments made to the Contractor hereunder shall not relieve the Contractor from responsibility under provision of the Contract and warranties. Payment is not to be

construed as acceptance by District or certification that the Contractor has performed the work correctly or according to Contract Documents.

GC-15. PAYMENTS WITHHELD

In addition to the above percentage retained, if any, the District may withhold the whole or part of any invoice for payment to such extent as may be reasonably necessary to protect itself from loss on account of:

- A. Defective or damaged work not remedied or warranties not met.
- B. Claims filed or reasonable evidence indicating filing of claims against the Contractor.
- C. Failure of the Contractor to make payments properly to Subcontractors or for materials, labor, or equipment.
- D. A reasonable doubt that the Contract can be completed for the balance then unpaid.
- E. Damage to or loss of District-furnished materials or District property.
- F. Contractor's failure to meet any performance warranties required by the Contract Documents.

The Contractor shall provide a contact name, address, and email address to facilitate notification if any payment, or portion of any payment, is withheld for any of the reasons above, or for missing documentation or items incorrectly invoiced. Notification shall be made via email, or shall be mailed, properly addressed and stamped with the required postage to the person designated by the Contractor.

GC-16. CONFLICT AND PRECEDENCE/INTENT

- A. In the event there are any conflicting provisions or requirements in the component parts of the Contract, the several Contract Documents shall take precedence in the following order:
 - 1. Change Orders
 - 2. Contract Form
 - 3. Addenda
 - 4. Specific Requirements
 - 5. General Conditions
 - 6. Exhibit "A.1", MPLS/DWDM WAN Statement of Work January 27, 2023
 - 7. Exhibit "A.2", Statement of Work - CARES Services, January 27, 2023
 - 8. Exhibit "A.3", Grant of License
 - 9. Payment and Performance Bond
 - 10. Exhibit "K", Pricing Summary Offer - # 22.US.294444, January 27, 2023
 - 11. Exhibit "L", Project Conceptual Schedule G, March 7, 2023
 - 12. Contractor Proposal, dated April 5, 2022

13. Request for Proposals 430-10427R, dated February 22, 2022
- B. The intent of the Contract Documents is to prescribe a complete work. Contractor shall furnish all services, tools, equipment, transportation, supplies required to provide the materials or equipment to be supplied under this Contract. The Contract Price shall be full pay for all services, materials, or equipment required to be provided under this Contract.

GC-17. TAXES

- A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and Subcontractors performing work related to this Contract.
- B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:
 1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.
 2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

GC-18. NON-WAIVER

No waiver of any provision of this Contract, or any rights or obligations of either party under this Contract, shall be effective, except pursuant to a written instrument signed by the party or parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either party to require the performance of any term of this Contract or the waiver of either party of any breach under this Contract shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other party hereto.

GC-19. DISTRICT REPRESENTATIVE'S STATUS, AUTHORITY AND PROTEST PROCEDURE

The District Representative shall represent the District. The District Representative has authority to stop the work whenever such stoppage may be necessary to ensure the proper execution of the Contract. The District Representative shall also have authority to reject all work, equipment, and materials which do not conform to the Contract and to decide questions which arise in the execution of the work.

Approval by the District Representative signifies favorable opinion and qualified consent. It does not carry with it certification, assurance of completeness, assurance of quality, nor assurance of accuracy concerning details, dimensions, and quantities. It is not an acceptance by the District or

certification that Contractor has performed the Contract work correctly or according to Contract Documents. Such approval shall not relieve the Contractor from responsibility for errors or for deficiencies within its control.

All claims of the Contractor and all questions relating to the interpretation of the Contract, including all questions as to the acceptable fulfillment of the Contract on the part of the Contractor and all questions as to compensation, shall be submitted in writing to the District Representative for determination within the applicable time period specified in the Contract Documents.

All such determination and other instructions of the District Representative shall be final unless the Contractor shall file with the District Representative a written protest, stating clearly and in detail the basis thereof, within 10 business days after the District Representative notifies the Contractor of such determination or instruction. The protest shall be forwarded by the District Representative to the District's General Manager, who shall issue a decision upon each such protest. If Contractor disagrees with this decision, it shall seek resolution per Section GC-29 as necessary, and the resulting decision shall be final. Pending such decision, the Contractor, if required by the District Representative, shall proceed with the work in accordance with the determination or instructions of the District Representative, or seek resolution per Section GC-29 as necessary.

The District Representative may appoint assistants and inspectors to assist in determining that the work performed and materials furnished comply with Contract requirements. Such assistants and inspectors shall have authority to reject defective material and suspend any work that is being done improperly, subject to the final decisions of the District Representative, or to exercise such additional authority as may be delegated to them by the District Representative. All work done and all materials furnished shall be subject to inspections by the District Representative or inspector at all times during the work.

GC-20. NOTICES

Any notice or other communication under this Contract given by either party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not when mailed. Either party may from time to time change such address by giving the other party notice of such change.

District

Kevin McKee
Public Utility District No. 2
of Grant County, Washington
PO Box 878
154 A Street SE
Ephrata, WA 98823
(509) 766-2505
Kmckee@gcpud.org

Contractor

Mr. Jody Bishop
Nokia of America Corporation
600 Mountain Avenue
Murray Hills, NJ 07974
(214) 929-2673
Jody.bishop@nokia.com

For purposes of technical communications and work coordination only, the District designates Kevin McKee as its representative. Said individual shall have no authority to authorize any activity which will result in any change in the amount payable to Contractor. Such changes, if any, must be by written Change Order issued in accordance with Section GC-12 to be valid and binding on the District.

GC-21. INSURANCE

- A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, as enumerated below. Contractor will be solely responsible for its deductibles and self-insured retentions. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Contract.

Contractor Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Contractor against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:
 - a. Premises and Operations;
 - b. Products and Completed Operations;
 - c. Contractual Liability;
 - d. Personal & Advertising Injury Liability
 with the following **limits:**
 - e. \$1,000,000 Each Occurrence
 - f. \$1,000,000 Personal Injury Liability
 - g. \$2,000,000 General Aggregate (per project)
 - h. \$2,000,000 Products and Completed Operations Aggregate

Commercial general liability insurance will include the District as additional insured on a primary and non-contributory basis for ongoing operations. A waiver of subrogation will apply in favor of the District.

2. **Workers' Compensation and Stop Gap Employers Liability:** Workers' Compensation Insurance as required by law for all employees. Employer's Liability Insurance, including Occupational Disease coverage, in the amount of **\$1,000,000 for Each Accident, Each Employee, and Policy Limit**. The Contractor agrees to comply with all provisions of the Workers' Compensation Laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the State of Washington.

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or Maritime Employer's Liability (MEL).

3. **Automobile Liability Insurance:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **limit of \$1,000,000 per accident** for bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.

Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

4. **Umbrella/Excess Insurance:** Excess (or Umbrella) Liability insurance with a **limit of \$10,000,000 per occurrence and in the aggregate when combined with underlying primary limits.** The limits required can be achieved using a combination of Primary and Umbrella/Excess Liability policies. This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1 and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years.

Umbrella/Excess liability insurance will include the District as additional insured on a primary and non-contributory basis for ongoing operations. A waiver of subrogation will apply in favor of the District.

5. **Professional Liability/Network Security Insurance:** Contractor shall obtain professional errors and omissions liability insurance in an amount of **\$10,000,000 per claim and in the aggregate.** Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or Protected Information of the District or any employee, participant or beneficiary of the Services provided by Contractor pursuant to this contract. In the event of a claim and upon the District's request, Contractor shall provide a copy of its Professional Liability/Network Security Insurance policy. The Professional Liability Insurance retroactive coverage date shall be no later than the effective date of this agreement. Contractor shall maintain such insurance or purchase an extended reporting period providing that claims first made and reported to the insurance company within two years after termination of the Agreement will be deemed to have been made during the policy period.

If Contractor shall hire subcontractors for all operations and risk involving professional network services exposure, this requirement may be satisfied by subcontractor's policies. Contractor shall impute the insurance requirements stated in this section to subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the District.

- B. Evidence of Insurance - Prior to performing any services, and within 10 days after receipt of the Contract Award, the Contractor shall file with the District a Certificate of Insurance evidencing the Insuring Companies, policy numbers, effective dates, limits of liability and copies of the relevant endorsements including the District as an Additional Insured for all commercial insurances where indicated in Section A.

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the Contractor's obligation to maintain such insurance. Acceptance by the District of any certificate or other evidence of compliance does not constitute approval or agreement by the District that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

The District shall have the right but not the obligation of prohibiting the Contractor or subcontractor from entering the project site until such certificates or other evidence of insurance has been provided in compliance with these requirements. If the Contractor fails to maintain insurance as set forth above, the District may purchase such insurance at the Contractor's expense. The Contractor's failure to maintain the required insurance may result in termination of this Contract at the District's option.

- C. Subcontractors - Contractor shall ensure that each subcontractor meets the applicable insurance requirements and specifications of this Agreement. All coverage for subcontractors shall be subject to all the requirements stated herein and applicable to their profession. Contractor shall furnish the District with copies of certificates of insurance evidencing coverage for each subcontractor upon request.
- D. Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled. Insurance companies or Contractor shall provide 30 days advance written notice to the District for cancellation, and 10 days advance written notice for cancellation due to non-payment. Notice to the District shall be delivered by email.

GC-22. WAGES PAID BY THE CONTRACTOR

This Section applies only to material manufactured in the State of Washington. Contractor and its Subcontractors shall comply with all provisions of R.C.W. Chapter 39.12 and Section 2.5 of the Collective Bargaining Agreement (hereinafter referred to as Section 2.5) between the District and IBEW Local No. 77. A copy of Section 2.5 is attached hereto as Exhibit "H". Contractor and its Subcontractor shall pay all laborers, workmen, or mechanics employed by it or them in the performance of this Contract the greater of: (1) the applicable state prevailing wage rate required by (R.C.W. Chapter 39.12); or (2) the applicable wage rate required by Section 2.5. In the event the applicable wage rate(s) required to be paid by the Contractor or its Subcontractors change during the performance of this Contract, Contractor and its Subcontractors shall make any required adjustment so as to fully comply with any applicable state prevailing wage rate law (R.C.W. Chapter 39.12) and Section 2.5. Notwithstanding the foregoing, the District shall not be required to make any adjustment in the Contract Price as a result of changes in either the state prevailing wage rate law or Section 2.5, except as provided in W.A.C. 296-127-023.

Prior to any payments being made to Contractor, the Contractor and each and every Subcontractor shall file a "Statement of Intent to Pay Prevailing Wages" which has been approved by the Department of Labor and Industries as required by R.C.W. 39.12.040.

Washington State hourly prevailing wage rates are located at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>. It shall be the Contractor's responsibility to determine the locality of the work.

GC-23. ACCEPTANCE AND FINAL PAYMENT

This Section applies only to material manufactured in the State of Washington. When the Contractor has delivered all materials/equipment and completed all work in accordance with the terms of the Contract Documents, the Contractor shall properly execute and submit a final invoice to the Procurement Officer. Once the final invoice has been processed, the District's Procurement Department will issue the Certificate of Completion and Release (see Exhibit "G") to be executed by the Contractor and returned to the Procurement Officer. The Certificate of Completion and Release shall constitute a waiver of all claims by the Contractor except for unsettled claims specifically stated, if any.

The Certificate of Completion and Release shall warrant that the Contractor has fully completed its work included in the Contract and has fully paid for labor, materials, equipment, services, taxes and all other costs and expenses of every nature and kind whatsoever resulting from this Contract. If any dispute exists between the Contractor and any person, firm or corporation to which the Contractor might be obligated in connection with this Contract, the Contractor shall state the name of claimant and amount and general nature of claim against the Contractor. The Certificate of Completion and Release shall state the amount and nature of all present and future claims that the Contractor may have against the District relative to this Contract. The Contract work shall not be complete until after the Contractor has returned to the Procurement Officer a properly completed Certificate of Completion and Release.

Upon receipt of Certificate of Completion and Release by the Procurement Officer, the District Representative provides a recommendation relative to Final Acceptance. The District shall, within a reasonable time, take action on Final Acceptance. Such action shall be subject to the condition of the Payment and Performance Bond, legal rights of the District, required warranties, and correction of faulty work discovered after final payment. The District shall have the right to retain from any payment then due the Contractor, so long as any bills or claims remain unsettled and outstanding, a sum sufficient, in the opinion of the District, to provide for the payment of the same. It is also understood and agreed that, in the case of any breach or damage by the Contractor of the provisions hereof, the District may retain from any payment or payments a sufficient sum in the opinion of the District which may become due under any obligation of the District.

Sixty days after Final Acceptance, retainage may be released to the Contractor; provided, however, that there are no claims filed of materialmen or laborers and that the District has received the certificate of the Washington State Department of Revenue of payment in full of all taxes, Employment Security Department release, the approved Washington State Department of Labor and Industries Certificate of Release of the State's Lien on Public Works Contracts form and the approved affidavit showing payment of prevailing wages for the Contractor and any Subcontractors. If any liens remain unsatisfied from the retainage, the Contractor shall refund to the District such amounts as the District may have been compelled to pay in discharging such liens including all costs and reasonable legal fees.

GC-24. PAYMENT AND PERFORMANCE BOND

To assure compliance with the terms of the Contract, the Contractor shall furnish a Payment and Performance Bond in an amount equal to 25% of the amount of the Contract Price, excluding Washington State Sales Tax, with surety or sureties who are acceptable to the District. This Payment and Performance Bond shall remain in force for a period of 365 days after final payment. Thirty days following this expiration, the original Payment and Performance Bond shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to

destruction. The Payment and Performance Bond must be on the form provided with these Contract Documents as Exhibit "C". The cost of the Payment and Performance Bond shall be included in the Contract Price.

GC-25. PUBLIC RECORDS ACT

The District is subject to the disclosure obligations of the Washington Public Records Act of RCW 42.56. The Contractor expressly acknowledges and agrees that its Proposal and any information Contractor submits is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Contractor's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

GC-26. OWNERSHIP OF WORK PRODUCT/COPYRIGHT

- A. Design files and site specific packages shall be provided upon acceptance. Only Right to Use (RTU) licenses will be granted for any Licensed Materials. Upon delivery of any Licensed Material and subject to District's payment of the applicable fees for such Licensed Material and compliance with the other terms and conditions of this Agreement, Contractor grants to District, and District accepts, a personal, nonexclusive, nontransferable license to use the portions of the Licensed Material for which activation has been authorized by Contractor, solely on or with the single unit or arrangement of Equipment for which the Licensed Material was delivered, for District's internal use in the United States.
- B. District acknowledges and agrees that: (a) Contractor may have encoded within the Software optional functionality, features and/or capacity, which may be accessed only through the purchase of the applicable license extension from Contractor at an additional Price (no licenses are granted to such functionality, features and/or capacity unless District purchases the applicable license extension); and (b) District may need to obtain a new or additional application key from Contractor to use such Software.
- C. This Agreement applies to all updates, upgrades, maintenance releases, revisions and enhancements for the Licensed Materials which Contractor may supply to District from time to time.
- D. District may copy Licensed Materials as reasonably necessary for backup and archival purposes if the copies contain all of the Contractor proprietary notices contained in the original Licensed Materials. All copies of all Licensed Materials (including partial copies) are Contractor Proprietary Information. All rights, title and interest in and to the Licensed Materials, including all intellectual property rights, remain vested in Contractor, its suppliers and licensors, and District is granted only a limited license to use the Licensed Materials in conjunction with the Equipment.
- E. District shall not directly or indirectly: (a) modify, copy, transmit, alter, merge, decompile, disassemble, reverse engineer or adapt any Licensed Material or portion thereof; (b) encumber, time-share, rent or lease the rights granted herein; (c) manufacture, adapt, create derivative works of, localize, port or otherwise modify any Licensed Material or portion thereof; (d) disclose or otherwise make available any Licensed Material or portion thereof to any third party; (e) enable any Software functionality, feature or capacity which Contractor licenses as a separate product, without Contractor's prior written consent; (f) take any action that may result in the Software becoming subjected to the terms of a license

that requires it to be (i) disclosed or distributed in source code form, (ii) licensed for the purpose of making derivative works, or (iii) redistributable at no charge; or (g) use any Licensed Material or portion thereof except in accordance with this Section GC-26.

- F. Upon reasonable prior written notice, Contractor may inspect and audit District's compliance with this Section GC-26 during normal business hours. District shall cooperate with the audit and shall grant assistance and access to applicable records, materials, personnel, Equipment, and any other information or products which may reasonably enable Contractor to determine whether the use, copying and disclosure of the Licensed Materials comply with this Agreement. In addition, District shall provide remote access to its systems to enable Contractor to electronically audit District's compliance with this Section GC-26. If an audit reveals that District possesses or at any time possessed unlicensed copies of any Licensed Materials, or used any Licensed Materials beyond the licensed functionality, features or capacity restrictions or beyond the terms stated herein, then District shall pay Contractor the applicable license fees (plus interest) and the costs incurred in the audit immediately upon request.
- G. Certain Software may be delivered with its own specific license ("Additional License"). In such a case, the terms of the Additional License will be delivered to District, such as in a separate license.txt file or as part of a tear-open document and will govern use of the Software by District to the extent Contractor does not have a right to supersede them in this Agreement. Contractor's licensors are third party beneficiaries of this Agreement with respect to their Licensed Materials.
- H. If District's license or Additional License is cancelled or terminated, or when District no longer uses the Licensed Materials, District shall return or destroy the Licensed Materials and all copies and certify to Contractor that it has done so.

GC-27. RECORDS - AUDIT

Contractor shall maintain records and accounts in accordance with International Financial Reporting Standards (IFRS) in connection with the performance of the Contract which shall accurately document incurred costs both direct and indirect, for work performed on a cost plus basis, or Contractor's charges for all other types of work. If District Representative establishes uniform codes of accounts for the project, Contractor shall use such codes in identifying its records and accounts. District Representative or their representatives shall have the right, no more than once per calendar year, to examine and copy at all reasonable times, with advance notification, Contractor's records and accounts for the limited purpose of verifying requests for payment and for evaluating the reasonableness of proposed Contract Price adjustments and claims. Contractor shall make all relevant records and accounts available to the District for inspection and copying at the District's main offices in Ephrata, Washington- or via remote electronic access or delivery.

GC-28. MUTUAL NON-DISCLOSURE

Contractor agrees that it will not divulge to third parties, without the written consent of the District, any information obtained from or through District in connection with the performance of this Contract. District agrees that it will not divulge to third parties, without the written consent of the Contractor, any information obtained from or through Contractor in connection with the performance of this Contract. Contractor further agrees that it will not, without the prior written consent of District, disclose to any third party any information developed or obtained by the Contractor in the performance of this Contract. District further agrees that it will not, without the

prior written consent of Contractor, disclose to any third party any information developed or obtained by the District in the performance of this Contract. Contractor and District shall execute a Mutual Non-Disclosure Agreement prior to performing any services under this Contract. (Exhibit "I") . Nothing in this section shall apply to:

- A. Information which is already in the Contractor's possession not subject to any existing confidentiality provisions,
- B. Information which is already in the District's possession not subject to any existing confidentiality provisions,
- C. Information which, at the time of disclosure, is in the public domain by having been printed and published and available to the public libraries or other public places where such data is usually collected, and
- D. Information required to be disclosed by court order or by an agency with appropriate jurisdiction.

GC-29. DISPUTE RESOLUTION

All disputes arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, must, unless amicably settled between the Parties, be finally settled by arbitration according to the Rules of Arbitration of the American Arbitration Association ("Rules") by three arbitrators in accordance with the Rules.

GC-30. FORCE MAJEURE

Neither party will be liable for any failure or delay in the performance of its obligations, other than the payment obligations of the District, due to causes beyond the reasonable control of the party affected, including but not limited to war, sabotage, insurrection, riot or other act of civil disobedience, strikes or other labor shortages, act of any government affecting the terms hereof, significant failure of the Internet or any power grid, accident, fire, explosion, flood, hurricane, severe weather, or other act of God. The obligations and rights of the party so excused will be extended based on a mutually agreeable period of time equal to that of the underlying cause of the delay.

GC-31. ENTIRE AGREEMENT

This Agreement represents the entire understanding between the parties with respect to the subject matter of this Agreement, and cancels and supersedes all prior agreements or understandings, whether written or oral, with respect to the subject matter. This Agreement may only be modified or amended by an instrument in writing signed by duly authorized representatives of the parties. No verbal changes shall be permitted.

SPECIFIC REQUIREMENTS

SR-1. SCOPE OF SUPPLY

The Contractor shall furnish all professional services, equipment, Licensed Materials and supplies required to complete the work specified in these Contract Documents for the Design (see Exhibit “A.1”, MPLS/DWDM WAN Statement of Work and Exhibit “A.2”, Statement of Work – CARES Services) and Supply of a MPLS/DWDM WAN Solution located in Grant County and Douglas County, Washington.

SR-2. MILESTONE COMPLETION SCHEDULE

A. Milestone Completion Schedule

The Contractor shall not commence any work under this Contract until after all of the following: (1) receipt of notification of Contract Award; (2) full execution of the Contract Form; (3) providing the required Payment and Performance Bond; (4) providing the required insurance certificates; 5) attending the pre-work conference, if any; (6) receipt of District Purchase Order for professional services, materials, equipment and Licensed Materials required for the MPLS/DWDM/WAN Solution.

1. Completion of the work shall be in accordance with the Milestone Completion Schedule below.

Milestone Completion Schedule

Milestone No.	Milestone Description	*Milestone Completion Date
1	Equipment Delivered	3/15/2024
2	Installation Services Accepted	5/31/2024
3	Migration Services Accepted	5/31/2024
4	System Acceptor – “Go Live”	6/1/2024
5	End of First Year of Service	5/31/2025

*Dates based on Project Conceptual Schedule G, March 7, 2023

2. Delivery shall be F.O.B. the District's Ephrata, Washington Warehouse. This shall mean that the Contractor will pay the cost of transportation to have the materials and equipment delivered "free on board" to the District's Warehouse located at 154 A Street S.E., Ephrata, Washington, 98823. It also shall mean that the title and risk of loss do not pass until the materials and equipment have been delivered. Contractor and its licensors retain title to all Licensed Materials, Contractor Proprietary Information, and other Contractor proprietary data delivered to District and all copies of same. .
- 3.. All changes in the delivery Milestone Completion Schedule shall be made by Change Orders to the Contract pursuant to Section GC-12.

SR-3. MATERIALS AND EQUIPMENT

A. Materials and Services Furnished by Contractor

All materials and equipment shall be suitably packed to ensure against damage from weather or transportation and in accordance with the requirements of common carriers. The delivery address, Contract number and purchase order number shall be clearly marked on the outside of all packaging. Each shipment must be accompanied by a packing list, which shall reference the Contract number and purchase order number and include item descriptions, part numbers, and quantities. Any bills of lading, shipping order or the like shall also contain the above listed information.

Advance notification of shipment of the equipment/material is required. Contractor shall notify the District's Warehouse Foreman, Gus Mihelich at (509) 754-5088, Ext. 2310, 48 hours prior to delivery of shipment. Failure by the Contractor to provide the advance notification specified herein may result in delays in unloading and receipt. The costs of all such delays shall be charged to the Contractor's account.

District receiving hours are Monday through Thursday, 6:30 a.m. – 12:00 p.m. and 12: 30 p.m. – 3:30 p.m. No deliveries will be received on District observed holidays or during any other times unless specific prior arrangements have been made with the District's Warehouse Foreman. District observed holidays are as follows: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day. If a holiday falls on Saturday, it will be observed on the previous Friday. If a holiday falls on a Sunday, it will be observed on the following Monday.

B. Materials Furnished by District

1. Equipment Racks
2. Equipment Rack Space
3. Cable Racks
4. Auxiliary Framing
5. Fuse Panels
6. DSX Panels
7. Fiber Panels
8. Cabling

SR-4 TRAINING

A. Contractor shall provide training on the operation and maintenance of all equipment ordered. Contractor will provide at least \$174,992.05 in training credits, to be used in the District's selection of courses, as allocated in Contractor's Pricing Summary Offer #22.US.294444. Training sessions shall be for up to eight District personnel and conducted remotely by Contractor. Available courses shall be selected from Contractor's Training Course Schedule included in Exhibit "K" Pricing Summary Offer #22.US.294444, January 27, 2023. Training courses may be substituted or repeated at the District's discretion until the training credits have been exhausted.

B. Training may include but not be limited to:

1. DWDM
 - a) WDM Technology
 - b) Optical Transport Hierarchy
 - c) 1830 Introduction
 - d) 1830 Operations and Maintenance
 - e) NRF-T Operations and Maintenance
- 2 Routers
 - a) 7x50 Product Overview
 - b) SR OS Model Driven CLI Overview
 - c) SR OS Interior Gateway Protocol Provisioning
 - d) SR OS MPLS Provisioning
 - e) SR OS Quality of Service Provisioning
 - f) NFM-P GUI Operations
 - g) NSP Network and Service Assurance Operations
 - h) NSP Model Driven Management

SR-5 SUBSTITUTION OF MATERIALS AND EQUIPMENT

Whenever a material, article or piece of equipment is identified in the Contract Documents by reference to manufacturers' or vendors' names, trade names, catalog numbers, or the like, it is so identified for the purpose of establishing a standard, and any material, article or piece of equipment of other manufacturers or vendors which will perform adequately the duties imposed by the general design will be considered equally acceptable, provided the material, article, or piece of equipment so proposed is, in the opinion of the District, of equal substance, appearance and function. It shall not be purchased or installed by the Contractor without the District's prior written approval.

Offers of substitution of materials or equipment shall include data to substantiate that the "or equal" product meets the following criteria applicable to the time submitted.

- A. The change is adaptable to the design,
- B. The functional performance will be equal to or better than the item specified,
- C. Where appearance affects the end product, the appearance of the item will be as good as or better than the item specified,
- D. The maintenance cost for the product or item will be equal to or less than the item specified including establishing and maintaining necessary stock at the District's facilities,
- E. The quality of materials used will be as good as or better than the item specified,
- F. The net price of the item will be within the same price range as the item specified, and
- G. The cost to the District of furnishing and installing the item, including any necessary redesign costs by the District Representative which shall be reimbursed to the District by the Contractor will be equal to or less than that of the item specified.

When substitute materials or equipment necessitates changes to or coordination with other portions of the work, the data submitted shall include shop drawings showing all such changes. As part of any acceptance of substitute materials or equipment, the Contractor shall furnish all materials, perform all installation and make all other modifications as may be required to incorporate such changes at no additional cost to the District.

SR-6. PROTECTED INFORMATION

The State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC) has established regulations for the protection of sensitive plans, drawings and records defined as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII) and/or Bulk Electric System Cyber System Information (BCSI), reference Exhibit "J". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Protected Information"). Because of the sensitive nature of certain District Protected Information that could be used in this Contract, Contractor is bound by the terms and conditions set forth in the Mutual Non-Disclosure Agreement (NDA) executed at the time of this Agreement and included as Exhibit "I".

EXHIBIT “A.1” – MPLS/DWDM WAN - STATEMENT OF WORK
January 27, 2023

(see attached PDF)

EXHIBIT "A.2" – STATEMENT OF WORK - CARES SERVICES
January 27, 2023

(see attached PDF)

EXHIBIT “A.3” – GRANT OF LICENSE

(see attached PDF)

EXHIBIT "B" - CONTRACT FORM

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington ("District") and Full Legal Name of Contractor ("Contractor");

WITNESSETH:

That parties hereto for the considerations set forth in the Contract Documents agree as follows:

1. **SCOPE OF WORK** - The Contractor agrees to furnish professional services, materials and equipment in the manner and form provided by the Contract Documents made a part hereof, entitled Supply of a Multiprotocol Label Switching (MPLS)/Dense Wavelength Division Multiplexing (DWDM) Wide Area Network (WAN) Solution.
2. **DELIVERY** - The Contractor shall perform the work within the times required by the Contract Documents, failure to do so may shall result in damage to the District.
3. **PAYMENT** - The District agrees to pay the Contractor for the equipment/materials to be provided the not to exceed sum of \$3,663,606.42, plus applicable Washington State Sales Tax in accordance with the Contract Documents.
4. **PAYMENT AND PERFORMANCE BOND** - The Contractor shall furnish in favor of the District, a Payment and Performance Bond as required by the Contract Documents, and this Contract shall not obligate the District until such Payment and Performance Bond has been tendered.

The parties to this Agreement have caused it to be executed on the dates indicated below. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Public Utility District No. 2
of Grant County, Washington

Nokia of America Corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT "C" - PAYMENT AND PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, That _____
of _____
, (hereinafter called the "Principal"), and _____,
as Surety, are jointly and severally held and bound unto PUBLIC UTILITY DISTRICT NO. 2 OF GRANT
COUNTY, WASHINGTON (hereinafter called the "District"), in the sum of \$_____ for the
payment of which we jointly and severally bind ourselves, our heirs, executors, administrators and assigns,
and successors and assigns, firmly by these presents.

This bond is executed pursuant to and compliance with Chapter 39.08, Revised Code of
Washington, and all rights and remedies under this bond shall be determined in accordance therewith.

THE CONDITION of this bond is such that, WHEREAS, the said Principal herein, executed a
certain contract with the District, by the terms, conditions and provisions of which contract the said
Principal herein, agrees to furnish all material and do certain work, to-wit:
_____ per the
Contract Documents made a part of said contract, which contract as so executed is hereunto attached, is
now referred to and by reference is incorporated herein and made a part hereof as fully for all purposes as
if here set forth at length.

NOW, THEREFORE, if the Principal herein shall faithfully and truly observe and comply with the
terms, conditions and provisions of said contract in all respects, including all guarantees and warranties
arising thereunder, and shall well and truly and fully do and perform all matters and things by it undertaken
to be performed under said contract, upon the terms proposed therein and within the time prescribed therein,
or within such extensions of time as may be granted under said contract and shall hold the District harmless
from all costs and damages (including reasonable legal fees) which it may incur by reason of any failure to
do so, and shall fully reimburse and repay the District for all expense which it may incur in making good
any such failure of performance on the part of the Principal, and shall pay all laborers, mechanics, and
subcontractors and material suppliers, and all persons who supply such person or persons, or subcontractors,
with provisions and supplies for the carrying on of such work and shall fully reimburse the District for any
excess in cost of construction over the cost set in the contract and any amendments thereto, occasioned by
any default of the Principal under the contract and any amendments thereto, then this obligation shall be
null and void, but otherwise shall remain in full force and effect.

No prepayment or delay in payment and no change, extension, addition, or alteration of any
provision of the Contract agreed to between the Contractor and the District, and no forbearance on the part
of the District, shall operate to relieve surety from any liability on this bond, and consent to make these
alterations without further notice to or consent by the surety is hereby given.

The Surety for value received agrees that no change, extension of time, alteration or addition to the
terms of the Contract, the specifications accompanying the Contract, or to the work to be performed under
the Contract shall in any way affect its obligation on this bond, except as provided herein, and waives notice
of any change, extension of time, alteration or addition to the terms of the Contract or to the work performed.
The Surety agrees that modifications and changes to the terms and conditions of the Contract that increase
the total amount to be paid to the Principal shall automatically increase the obligation of the Surety on the
bond and notice to Surety is not required for such increased obligation.

Dated this _____ day of _____, 20__.

"PRINCIPAL"

Full legal company name

Signature

Print name

"SURETY"

Full legal company name

Signature

Print name

Address of local office and agent, and home
offices of Surety Company:

* Contractor shall attach Power of Attorney for person signing on behalf of Surety.

EXHIBIT "D" – DISTRICT INSTRUCTIONS

No. _____

Contract No.:	430-10427R	Drawing No. (if applicable):	
Project Name:	Supply of a Multiprotocol Label Switching (MPLS)/Dense Wavelength Division Multiplexing (DWDM) Wide Area Network (WAN) Solution		

This Instruction is issued in accordance with the terms and conditions of the Contract Documents as:

- 1. An interpretation of Contract Documents, or
- 2. An order to proceed immediately with minor changes not affecting Contract Price or time for completion of the work.

INSTRUCTION:

DO NOT PROCEED with the Instruction 1 or 2 above if you believe this Instruction shall provide the basis for a claim or increase in the Contract Price or time for completion of the work. By signing this Instruction, Contractor hereby agrees that as a result thereof, there shall be no change in Contract Price or time of completion and waives any claim relating thereto.

RECEIPT ACKNOWLEDGED AND INSTRUCTION ACCEPTED:

Public Utility District No. 2
of Grant County, Washington

Nokia of America Corporation

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

EXHIBIT “E” – CONTRACTOR CHANGE ORDER PROPOSAL

No. _____

Contract No: _____ Date: _____

Drawing No.: _____

To: Public Utility District No. 2 of Grant County, Washington

- A. Description of Proposal: (attach separate document/pages/drawings, etc., as needed)
- B. Proposed Contract Time of Completion Adjustment: (if any)
 - 1. Describe impact of proposal on Contract time of completion or milestone(s) (attach separate pages, documents as needed).
 - 2. Provide reason/justification for any change to the Contract completion date or required milestone date(s) including a description of circumstances leading to the event that required this proposal (attach separate pages, documents as needed).
 - 3. Provide all supporting data that will be helpful to the District in evaluating the proposed schedule change (attach separate pages, documents as needed).
 - 4. Date event occurred (if applicable) that required this proposal as well as attaching a revised project schedule showing the impact (if any) of the proposed schedule change.
- C. Proposed Contract Price Adjustment: (if any)
 - 1. Indicate proposed increase/decrease to the Contract lump sum or Contract Price.
 - 2. For any proposed Contract Price adjustment, Contractor shall provide a detailed cost breakdown, including all labor categories, hours, rates, material quantities, and equipment hours and charges (attach separate pages, documents as needed).

\$ _____ (lump sum/not to exceed)
- D. Impact to project if this Proposal is not accepted: (if any)

Note: The District shall not be liable for any payment to Contractor, or any claims arising therefrom, for any proposal, until such time as a Change Order has been approved and authorized, in writing, by the District (if ever), in accordance with Contract Section GC-12. Contractor understands and agrees that any information contained herein is in no way binding on the District or is submitted only for the purpose of evaluation by the District.

Full Legal Name of Contractor

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT "F" - CHANGE ORDER

NO. __

Pursuant to Section GC-12, the following changes are hereby incorporated into this Contract:

Description of Change:

Time of Completion: The revised delivery date shall be _____. Liquidated damages, if any, shall be assessed based on the revised completion date.

OR

The delivery date shall remain _____.

Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of \$_____ plus sales tax). This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$_____, including changes incorporated by this Change Order.

Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

Nokia of America Corporation

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

EXHIBIT "G" – CERTIFICATE OF COMPLETION AND RELEASE

FROM: _____
(Contractor)

TO: Public Utility District No. 2 of Grant County, Washington
(District)

Contract No. _____, entered into the _____ day of _____, 20____.

Between Public Utility District No. 2 of Grant County, Washington and
_____ of _____ for

KNOW ALL MEN BY THESE PRESENTS:

1. The undersigned hereby certifies that there is due from and payable by the District to the Contractor under the Contract and duly approved Change Orders and modifications the balance of \$_____.
2. The undersigned further certifies that in addition to the amount set forth in paragraph 1, there are outstanding and unsettled the following items which he claims are just and due and owing by the District to the Contractor:
 - a. _____
 - b. _____
 - c. _____
 - d. _____

(Itemize claims and amounts due - If none, so state)

3. The undersigned further certifies that all work required under this Contract including work required under Change Orders numbered _____ has been performed in accordance with the terms thereof, and that there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of this Contract, and that the wage rates paid by the Contractor and all Subcontractors were in conformity with the Contract provisions relating to said wage rates.
4. Except for the amounts stated under paragraphs 1 and 2, hereof, the undersigned has received from the District all sums of money payable to the undersigned under or pursuant to the above mentioned Contractor or any modification or change thereof.

Certificate of Completion and Release
Page 2

- 5. That in consideration of the payment of the amount stated in paragraph 1 hereof the undersigned does hereby release the District from any and all claims arising under or by virtue of this Contract, except the amount listed in paragraph 2 hereof; provided however, that if for any reason the District does not pay in full the amount stated in paragraph 1 hereof, said deduction shall not affect the validity of this release, but the amount so deducted shall be automatically included under paragraph 2 as an amount which the Contractor has not released but shall release upon payment thereof. The Contractor further certifies that upon the payment of the amount listed in paragraph 1, hereof, it shall release the District from any and all claims of any nature whatsoever arising out of said Contractor or modification thereof, and shall execute such further releases or assurances as the District may request.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Nokia of America Corporation

Signature: _____

Title: _____

Name: _____

Date: _____

Authorized Representative

Location or Place Executed (City and State): _____

EXHIBIT “H” – COLLECTIVE BARGAINING AGREEMENT, SECTION 2.5

2.5 Contracting and Job Security

2.5.1

The District shall make appropriate provisions in any agreement entered into with any building trades, electrical or mechanical contractor or subcontractor, for the furnishing of work to the District, that such contractor or subcontractor shall conform to the Contract provisions of Washington State law affecting Public Utility District at the time of the contract award, except that contracts let in accordance with Section 2.5.2 shall require adherence to current wage rates. The District shall require contractors to furnish the District with the rates of wages and other employee benefits.

2.5.2

For purposes of the preceding paragraph with respect to contracts for line and substation maintenance and construction, including pole testing and tree trimming, current and prevailing wage rates, employee benefits and working conditions shall be defined as the equivalent of those expressed through collective bargaining for the Union's construction membership. Verification of payment shall be furnished to the Union by way of Contractor certified payroll documents upon request. It is agreed by the parties hereto that this requirement can be fulfilled by the contractors having an agreement with Local 77.

2.5.3

Written notice shall be given to the Union prior to the start of pending contract work.

2.5.4

It is recognized by both the Union and the District that a stable total work force is desirable. To this end, the District shall not use contracting as a reason for reduction of force. In the case of lack of work because of automation or technological change, reductions shall be made by attrition when reassignment is not feasible. Employees so affected shall not lose their established pay rate.

EXHIBIT "I" – MUTUAL NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement ("NDA") is entered into on the last date shown on the signature page between Public Utility District No. 2 of Grant County, Washington ("District"), and Nokia of America Corporation, ("Contractor"), sometimes collectively referred to as the "Parties."

RECITALS

The Parties are contemplating a transaction or transactions that may require them to disclose Proprietary Information regarding 430-10427R during the term of this NDA.

NOW, THEREFORE, the Parties agree as follows:

1. Definitions

“Proprietary Information” - all financial, technical and other non-public or proprietary information which is furnished or disclosed orally, in writing, electronically or in other form or media by disclosing Party or its Representatives to Recipient or its Representatives in connection with the Purpose and that is described or identified (at the time of disclosure) as being non-public, confidential or proprietary, or the non-public or proprietary nature of which is apparent from the context of the disclosure or the contents or nature of the information disclosed.

“Recipient” - a Party to which the other Party or its Representatives discloses Proprietary Information.

“Representative(s)” - the officers, directors, members, managers, employees, contractors, financial service providers, and other representatives of a Party.

“Owner” - the holder of Proprietary Information.

2. Proprietary Information shall be limited to only that written information exchanged under this NDA, identified by the Owner and clearly marked as Proprietary Information.
3. No partnership, joint venture, agency or other business relationship is intended by the Parties or created by this NDA.
4. No Party has an obligation to supply Proprietary Information or any other information hereunder except as may be mutually agreed to facilitate the contemplated transaction(s).
5. Nothing in this NDA shall be deemed to grant a license directly, indirectly or otherwise under any patent or patent application or copyright related to any information to which this NDA applies.
6. The Receiving Party shall hold in confidence, and shall not, directly nor indirectly, reveal, report, transmit or disclose the Owner’s Proprietary Information to any person outside the Receiving Party’s organization (other than professional consultants who have been retained by Recipient), and shall use such Proprietary Information only for the purpose for which it was disclosed. Recipient may disclose Owner’s Proprietary Information to persons within the Receiving Party’s

organization and to any professional consultants who have been retained by Recipient, who have a need to know such Proprietary Information in the course of the performance of their duties.

7. The obligations of Recipient specified in Section 6 above shall not apply, and the Recipient shall have no further obligations with respect to any Proprietary Information which is:
 - A. Rightfully in the public domain prior to receipt by the Recipient or becomes rightfully in the public domain after receipt by the Recipient without violation by the Recipient of the terms of this NDA;
 - B. Known, as evidenced by documentation reasonably satisfactory to Owner, to the Recipient without restriction prior to disclosure by the Owner;
 - C. Independently developed without any wrongful means by employees of the Recipient who did not have access to the Proprietary Information;
 - D. Disclosed without restriction to the Recipient by a third party having a bona fide right to disclose the same;
 - E. Disclosed with the prior written approval of Owner;
 - F. Later rendered nonproprietary through the issuance of a patent or other publicly available instrument, or which legitimately comes into the public domain; or
 - G. Required to be released by law or court order, provided, however, that the Owner shall be provided notice and an opportunity to seek a protective order as specified in Section 8. The Receiving Party shall reasonably cooperate with Owner's efforts to secure a protective order.
8. In the event a request for or order to release Proprietary Information is made to either Party pursuant to the Washington State Public Records Act, other law, regulation, or government or court order, the Receiving Party shall, prior to disclosure of said Proprietary Information, provide the Owner of the Proprietary Information with five (5) days written notice of the impending release thereof so as to allow the Owner the option of negotiating proprietary protection for the information, seeking a protection order, approving release of the information or defending any legal action that is brought to enforce such request. In such event, the Owner shall bear its costs of the litigation, any damages or attorney's fees that may be awarded and reimburse the Receiving Party for any out of pocket expenses incurred in providing such support to the Owner. If the Owner has not obtained a protection order, negotiated protection for the information, or taken other action within the five (5) day period, the Receiving Party may disclose the Proprietary Information without further liability. In no event shall the Receiving Party be liable for any release which is either compelled from the Receiving Party by process of law, or where notice was provided and the Owner took no action to oppose the release of information.
9. This NDA shall become effective upon full execution and shall terminate thirty (30) days from the date that written notice of termination is given by one Party to the other, or one (1) year from the effective date of this NDA, whichever shall occur first; except that the obligations set forth in Section 6 above shall continue for a period of two (2) years from the effective date of this NDA. Upon termination of this NDA, each Recipient, at the request of the Owner, shall return all Proprietary Information delivered under this NDA, including all copies and work product containing such Proprietary Information unless Recipient is required to retain it pursuant to applicable law.

10. Any notice or other communication under this NDA given by either Party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either Party may from time to time change such address by giving the other party notice of such change.

District	Contractor
Public Utility District No. 2 of Grant County, Washington Attn: Kevin McKee PO Box 878 Ephrata, WA 98823 (509) 766-2505 Kmckee@gcpud.org	Nokia of America Corporation Attn: Mr. Jody Bishop 600 Mountain Avenue Murray Hills, New Jersey 07974 (214) 929-2673 Jody.bishop@nokia.com

11. This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Parties agree to the exclusive jurisdictions of the state courts and U.S. Federal courts located there for any dispute arising out of this NDA. Venue for any action brought pursuant to this NDA shall, at the District's option, be in Grant County Superior Court, Grant County, Washington or in the United States District Court for the Eastern District of Washington. Further, Recipient agrees that in the event of any breach or threatened breach by Recipient, Owner may obtain, in addition to any other legal remedies which may be available, such equitable relief as may be necessary to protect Owner against any such breach or threatened breach.
12. This NDA may not be assigned without the express written consent of both Parties.
13. This NDA constitutes the entire understanding of the Parties on the subject matter hereof and may be amended or modified only by a written agreement instrument executed by the authorized Representatives of all Parties, and shall be binding upon the Parties and their respective successors and assigns.
14. This NDA may be signed in counterparts, each of which shall be an original, but all of which shall constitute one and the same document. Signatures transmitted electronically shall be deemed valid execution of this NDA, binding on the parties.

IN WITNESS WHEREOF, the Parties have caused this NDA to be signed by their duly authorized representatives as of the date first written above.

Public Utility District No. 2
of Grant County, Washington

Nokia of America Corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT “J” DEFINITION OF PROTECTED INFORMATION

Definition of Critical Infrastructure Protection (CIP)

Pursuant to section 215 of the Federal Power Act (FPA), the Federal Energy Regulatory Commission (FERC) approved the Critical Infrastructure Protection (CIP) Reliability Standards. The CIP Reliability Standards require certain users, owners, and operators of the Bulk-Power System to comply with specific requirements (CIP-002 through CIP-014) to safeguard critical cyber assets. Penalties for non-compliance with NERC CIP can include fines, sanctions or other actions against covered entities.

Definition of Critical Energy Infrastructure Information (CEII)

The Critical Energy Infrastructure Information (CEII) guidelines of the Federal Energy Regulatory Commission (FERC) define CEII as specific engineering, vulnerability, operational or detailed design information about proposed or existing critical energy infrastructure (physical or virtual) that relates to the production, generation, transportation, transmission or distribution of energy, could be useful to a person planning an attack on critical infrastructure, is exempt from mandatory disclosure, and gives strategic information beyond the location of the critical infrastructure. 18 CFR §388.113 and RCW 42.56.520.

Definition of Bulk Electric System Cyber System Information (BCSI)

The North American Electric Reliability Corporation (NERC) has been designated by the FERC, through the Energy Policy Act of 2005, to establish and enforce standards and requirements for the reliable operation of the Bulk Electric System. The Bulk Electric System includes the District’s electrical generation resources, transmission lines, and interconnections with neighboring electric systems. Information related to the District’s Bulk Electric System Cyber Systems (BCS) is required to be protected due to the sensitive security nature of such information, and the need to protect public safety (hereinafter referred to as “CIP Protected Information”). BCSI generally (not exclusively) is defined as information about the BCS that could be used to gain unauthorized access or pose a security threat to the BCS and affect the reliable operations of the Bulk Electric System. The District is required to protect this information including, but not limited to, network topology/diagrams; floor plans for computing centers; equipment layouts; security configuration information and other information as defined in the NERC standards. FERC Order No. 706, issued January 18, 2008; 18 CFR Part 40; and RCW 42.56.070.

Definition of Security Sensitive Information (SSI)

Security Sensitive Information is those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal or terrorist acts, which are acts that significantly disrupt the ability of the District to fulfill its mission and goals and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety. SSI includes: (a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; (b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism; and (c) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

EXHIBIT “K” – PRICING SUMMARY OFFER # 22.US.294444
January 27, 2023

(see attached PDF and Link for Details [HERE](#))

EXHIBIT “L” – PROJECT CONCEPTUAL SCHEDULE G
March 7, 2023

(see attached PDF)



PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY
WASHINGTON

Contract Documents 430-10427R

Exhibit "A.1"

MPLS/DWDM WAN

Statement of Work

January 27, 2023

Table of Contents

1	Introduction	5
2	Project Description	5
2.1	Description.....	5
2.2	Equipment Configuration	9
3	Project Management Services	11
3.1	Nokia Responsibilities.....	11
3.2	District Responsibilities.....	13
3.3	Assumptions	13
4	Remote Network Design	14
4.1	Nokia Responsibilities.....	14
4.2	District Responsibilities.....	14
5	Architecture and Design – IP Service Routers	16
5.1	Nokia Responsibilities.....	16
5.2	District Responsibilities.....	18
5.3	Assumptions	19
6	Engineering of IP Service Routers & Optical Network Equipment	19
6.1	Responsibilities – Remote Site Engineering.....	19
6.1	Equipment Engineering – Production Locations	20
6.2	Assumptions	20
7	Staging Services – Optical Network Equipment	21
7.1	Nokia Responsibilities.....	21
7.2	District Responsibilities.....	22
7.3	Assumptions	22
8	Remote Optical Network Integration.....	22
8.1	Nokia Responsibilities.....	22
8.2	District Responsibilities.....	24
8.3	Assumptions	25

9	Remote Network Integration – IP Service Routers	25
9.1	Nokia Responsibilities.....	25
9.2	District Responsibilities.....	26
9.3	Assumptions	26
10	Remote NFM-T Integration Service.....	27
10.1	Nokia Responsibilities.....	27
10.2	District Responsibilities.....	29
10.3	Share of Responsibilities	29
10.4	Assumptions	30
11	Remote NSP NFM-P Software Integration	30
11.1	Nokia Responsibilities.....	30
11.2	District Responsibilities.....	31
11.3	Assumptions	32
12	Remote Network Services Migration – IP Service Routers.....	32
12.1	Nokia Responsibilities.....	32
12.2	District Responsibilities.....	33
12.3	Assumptions	33
13	vCPAA Integration	34
13.1	Nokia Responsibilities.....	34
13.2	District Responsibilities.....	34
13.3	Assumptions	35
14	Compute resources to host vCPAA VMs are available per the NFM-P / vCPAA published requirements.Schedule / Timeline	35
15	Assumptions	35
16	Exclusions.....	36
17	Additional Terms	39
17.1	Conditions.....	39
17.2	Change Management.....	39
17.3	Acceptance.....	39

18	Pricing Summary.....	40
18.1	Pricing Notes	40

1 Introduction

This Statement of Work ("SOW") describes the deliverables, parties' respective responsibilities and other conditions applicable for the provision of Network Design, Engineering and Installation of IP and Optical Network Equipment, Staging Services, Optical Network Integration and Network Management Systems Installation and Commissioning ("Service(s)") by Nokia of America Corporation ("Nokia") for PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY WASHINGTON ("District", GCPUD). Performance of the Services described in this SOW shall be governed by the terms and conditions of Contract Documents 430-10427R ("Agreement"). No obligation to provide any of the Services described herein arises until an Agreement has been executed by both parties and an order for such Service, incorporating the terms of this SOW, has been placed by District and accepted by Nokia. In the event of a conflict between the terms of the Agreement and this SOW, the several Contract Documents shall take precedence in the order outlined in Section GC-16 of the Agreement. Nokia's performance of the Services described below is subject to the assumptions, exclusions and other conditions identified in this document.

2 Project Description

2.1 Description

Nokia is proposing the 1830PSS and the 7750 for the GCPUD solution. Project will consist of installing and integrating (17) 1830PSS nodes, (there are 14 Edge Nodes, 2 Core Nodes and 1 In-Line Amplifier) 2 7750 SR-7s, and 2 7210 SAS. Additionally, the NSP NFM-P/T Management Systems will be installed and integrated.

Section 2.3 below, shows the physical connectivity between the routers and the DWDM layer. Each site sends a dedicated wave to EPH and a dedicated wave to MLK providing redundant high-speed express paths devoid of routing and switching decisions or congestion from neighboring sites.

At each individual site, the 1830 provides a 10 port 10GE card with a 100G wave that connects to EPH and another physically diverse 10 port 10GE card with a 100G wave that connects to MLK. At EPH, the PSS-16II, is used to terminate the 14, 100G Waves coming from the 14 edge sites in the field. At EPH, each of the 100G waves coming from the edge sites are broken back down into 10G ports to hand off to the 10GE ports on the 7750 Service Router. Each edge site includes a 12CE121 module used to connect 1GbE interfaces. The 12CE121 cards will be dual homed to the S13X100E modules and the traffic will be carried in VLANs to the MLK and EPH core sites.

Two additional 100G waves between EPH and MLK provide direct high-speed interconnect between the two 7750 SR-7s core routers. These SR-7s routers each have a high capacity 7210 SAS-Sx configured in satellite mode for aggregating local hub sites or other 1/10G ports. These SAS-Sxs are connected to the 7750 with redundant 100GigE interfaces

This SOW includes the following services:

- Project Management Services
- Network Design
- Network Architecture and Design – IP Service Routers

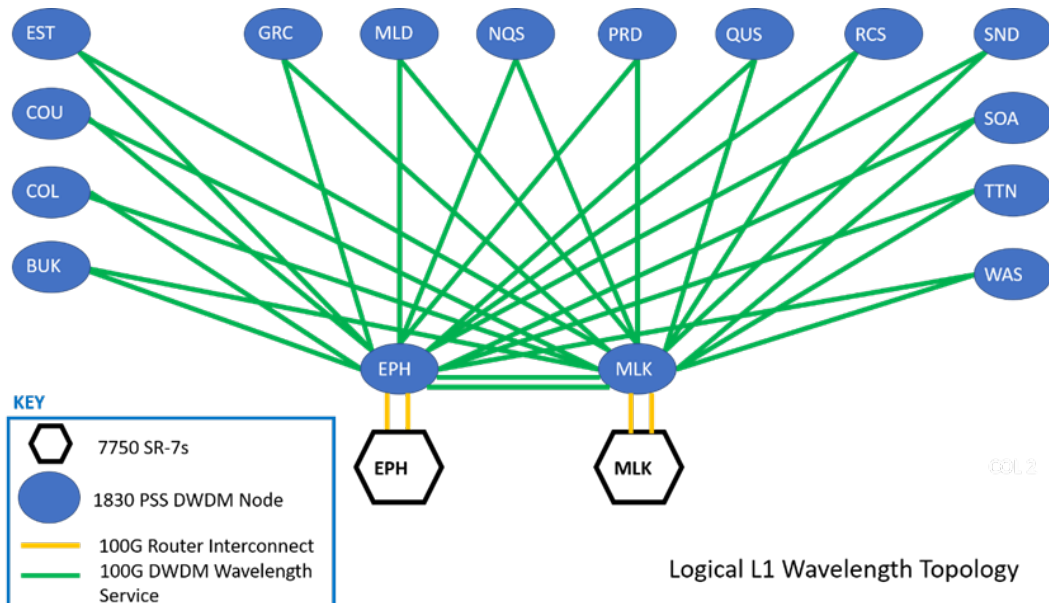
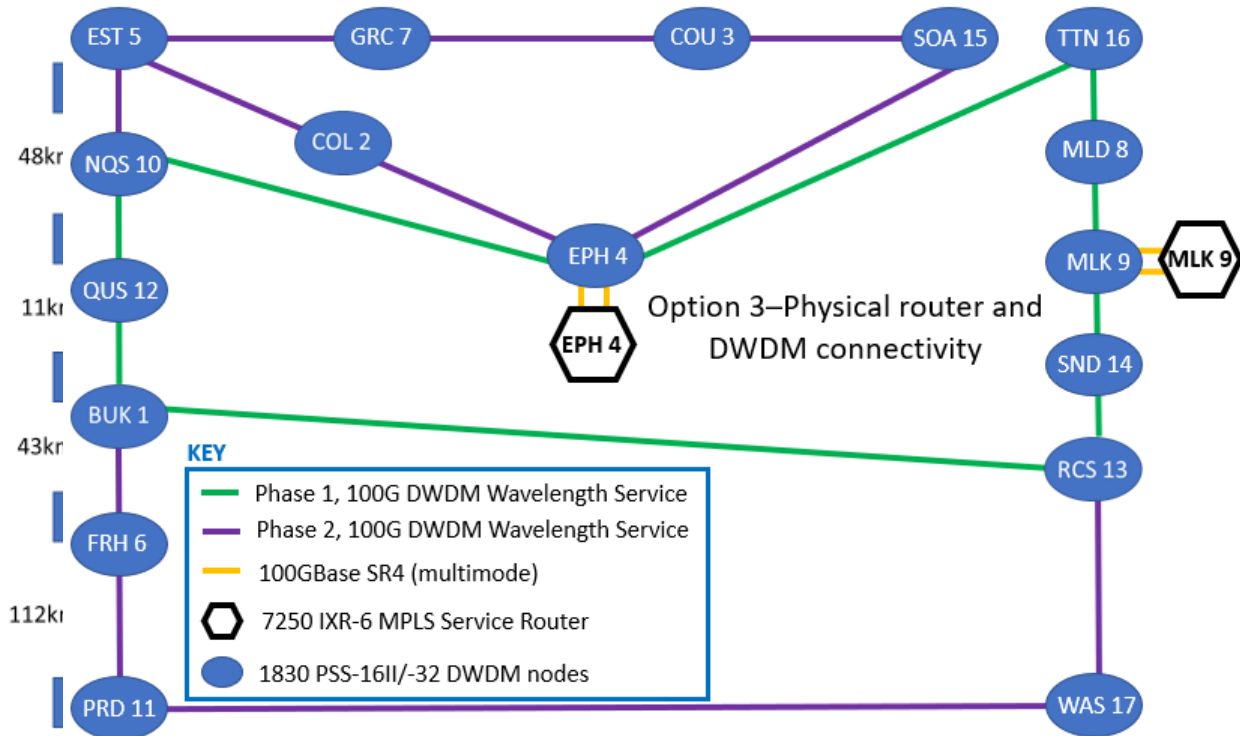
- Engineering and Installation support of IP / Optical Network Equipment
- Staging Services
- Optical Network Integration
- Network Integration – IP Service Routers
- NSP Installation and Commissioning and Integration
- NSP NFM-T Installation and Commissioning and Integration
- NSP NFM-P Installation and Commissioning and Integration
- Network Services Migration – IP Service Routers
- vCPAA Integration

Project Scope: (17) 1830PSS nodes, [(14) iROADM Edge Nodes and (2) iROADM Core Nodes, and (1) In-Line Amplifier], (2) 7750 SR-7s, (2) 7210 SAS systems, the NSP NFM-P/T, and vCPAA Network Management Systems

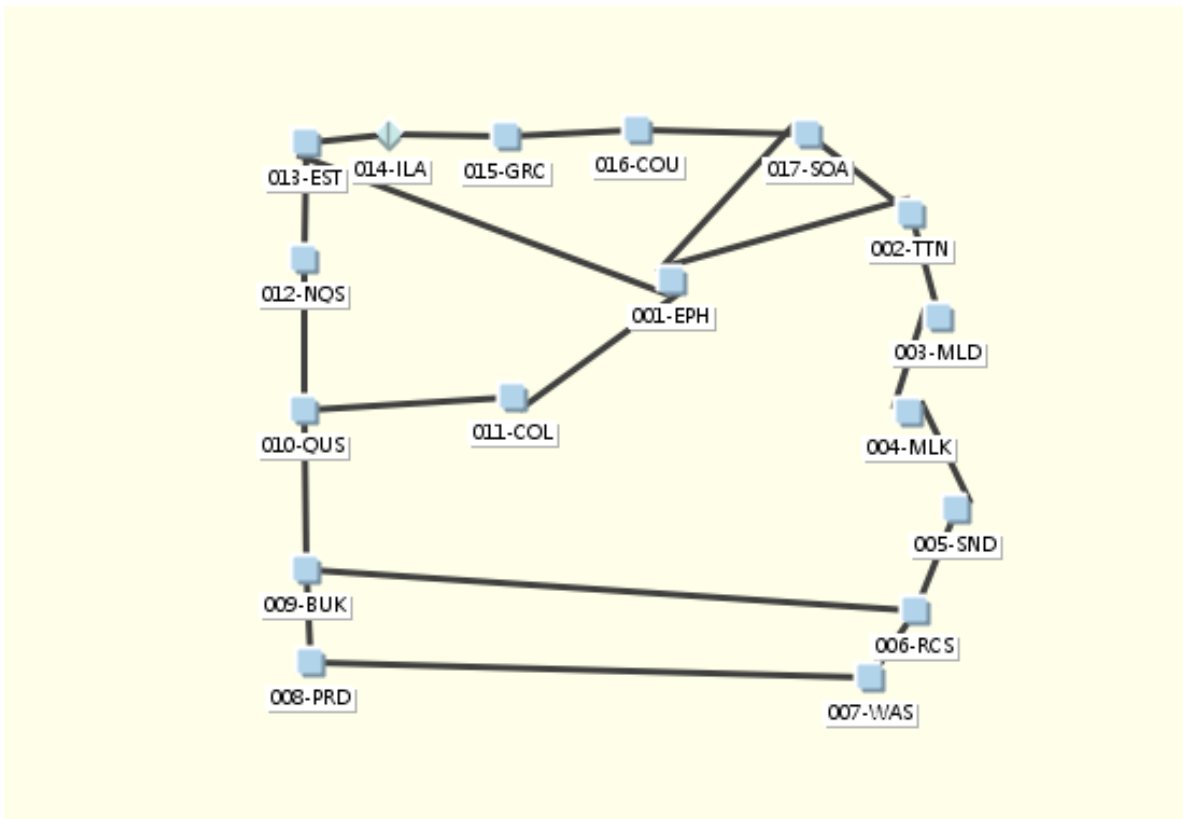
2.1.1 Architecture Diagrams

The diagrams below, shows the physical connectivity between the routers and the DWDM layer.

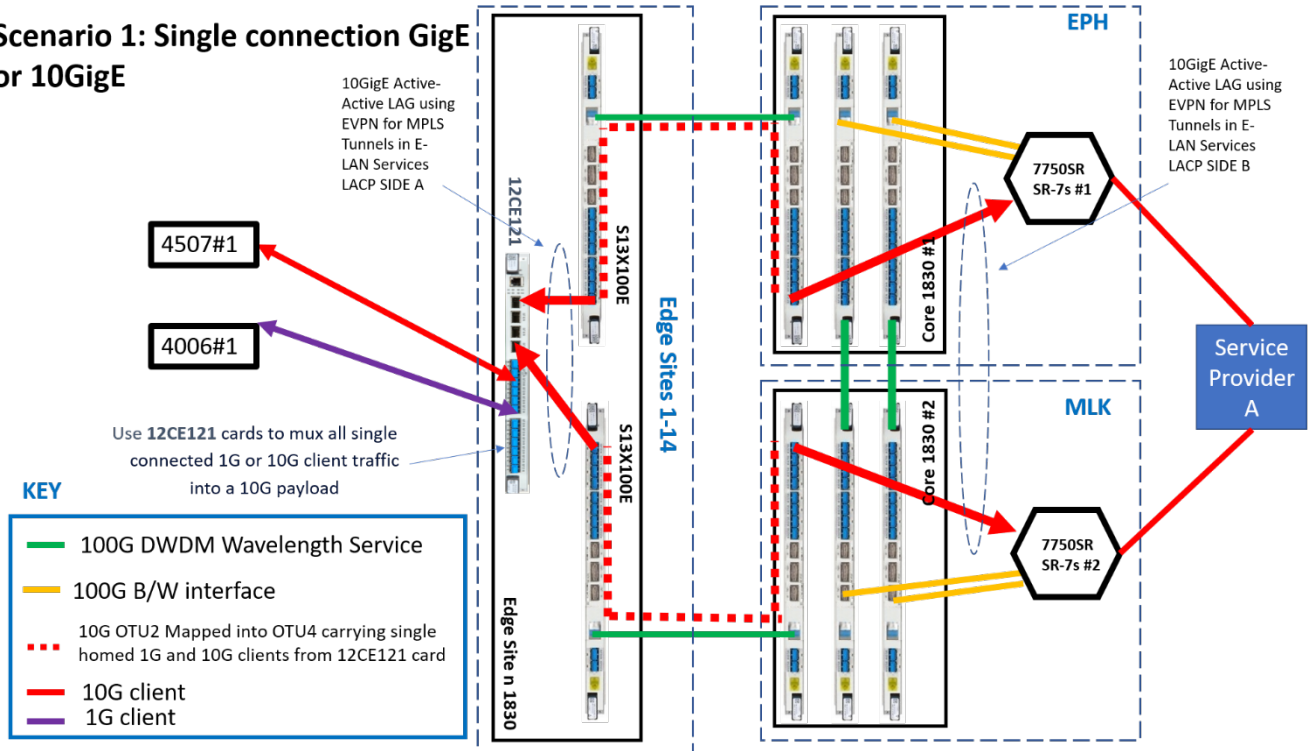
2.1.2 IP Network



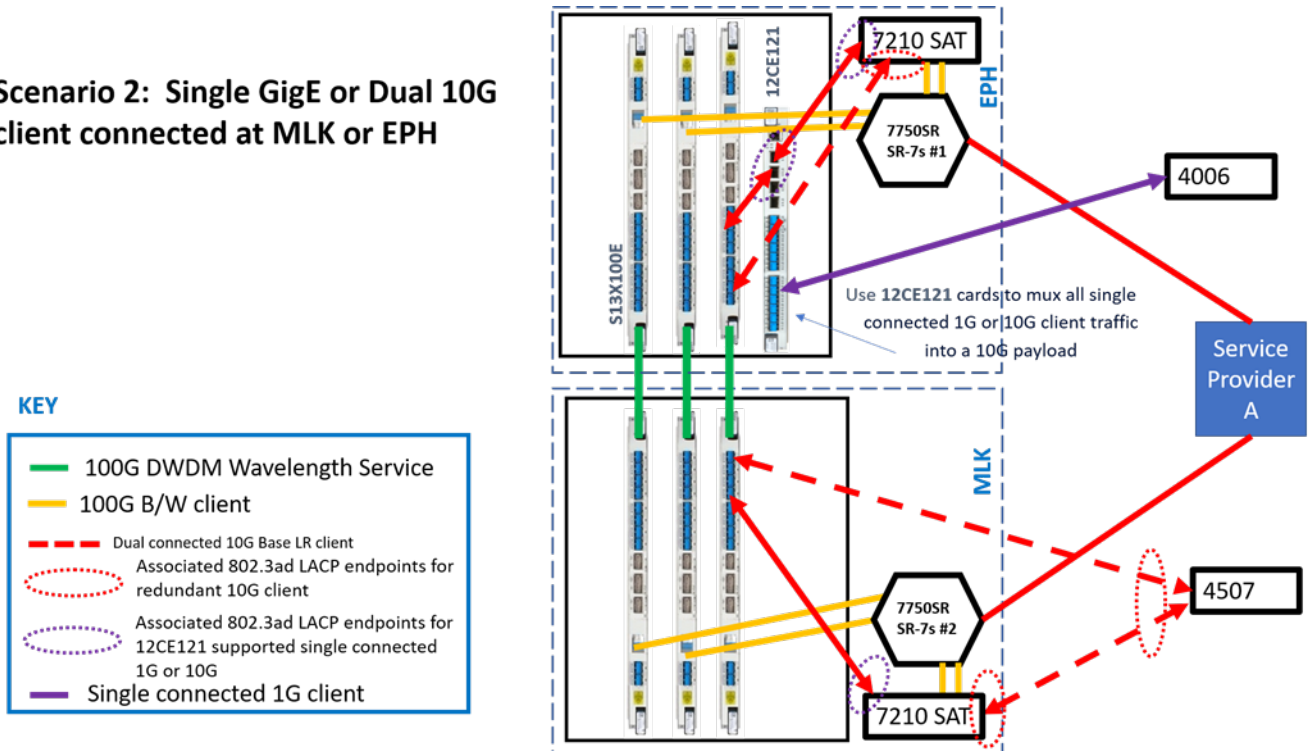
2.1.3 Optics Network EPT View



Scenario 1: Single connection GigE or 10Gig



Scenario 2: Single GigE or Dual 10G client connected at MLK or EPH



2.2 Equipment Configuration

The Remote Services described in this SOW are exclusively for the following products:

Network Architecture – Optical

- There are two 100G waves from a pair of S13X100R cards from each Edge Node to the Core Nodes (EPH & MLK). Each 100G wave carries 10x10GigE circuits. 12CE121s are present to carry the 1G or non-redundant 10G clients
- There are two 100G circuits passing between MLK and EPH over S13X100Rs equipped with 100G (QSFP28) clients. These are for the 200G interconnect between 7750s
- There are five 100G circuits passing between MLK and EPH over S13X100Rs to provide redundant 10G connections between local hub sites (connected to EPH or MLK) and the two 7750s. 12CE121s are present to carry the 1G or non-redundant 10G clients

- (14) 1830 PSS16II iROADM Edge Nodes, (2) 1830 PSS16II iROADM Core Nodes and (1) 1830 PSS16II In-Line Amplifier
 - Each Edge Node contains (2) S13X100R modules equipped with SFP+ 10GBASE-LR –LW clients. Each edge node also contains at least 1 12CE121 equipped with 1000Base-LX SFPs.
 - EPH contains (21) S13X100Rs equipped with SFP+ 10GBASE-SR clients and 10GBase-LR clients. EPH also contains (3) 12CE121 equipped with 1000Base-LX SFPs.
 - MLK contains (21) S13X100Rs equipped with SFP+ 10GBASE-SR clients and 10GBase-LR clients. EPH also contains (1) 12CE121 equipped with 1000Base-LX SFPs.

 - NFM-T Module:
 Network Functions Manager – Transport (NFM-T):
 For NFM-T module only, the configuration will include the following on new server/VMware:
 NFM-T server/database
 The following table depicts the NFM-T module deployment.

NSP System	NFM-T deployment
Production NFM-T	<ul style="list-style-type: none"> ▪ New server/VMware ▪ Simplex configuration ▪ High Availability (HA) configuration

Network Architecture and Design, Integration and Migration – IP Service Routers

- (2) 7750 SR-7s and (2) 7210 SAS-Sx

Network Services Platform (NSP) R22

- The NSP configuration will include the following, per the licenses purchased by District:
 - 2 x Deployer Node VM
 - 2 x Co-located NFM-P (single VM for the primary application server and database server and second VM for the backup application and database server)
 - Classic Management Feature Package
 - Network Infrastructure Management Feature Package

vCPAA Integration

- 1 x vCPAA

Please refer to Exhibit "K" Pricing Summary Offer #22.US.294444, January 27, 2023, of the Contract Documents for additional equipment, part number and pricing information.

3 Project Management Services

3.1 Nokia Responsibilities

3.1.1 Description

Nokia will provide Project Management Services for the duration of the project. Nokia will utilize a Project Manager who will function as a single point of contact (SPOC) for District on the project and will coordinate project activities through final delivery of all contracted-for elements, coordinating all in-scope tasks until project closeout. The project manager(s) that is(are) assigned to the project will be guided by the principles of Project Management established by the Project Management Institute (PMI®) in order to plan, schedule, and implement project activities, meeting industry recognized standards of quality, reporting frequency, and control.

3.1.2 Tasks

Nokia shall:

3.1.2.1 Project Initiation and Planning Phase

- Appoint a Project Manager functioning as the SPOC for the project and the clearinghouse for project communications.
- Mobilize resources for all project management functions (if applicable).
- Implement central and regional material management (if applicable).
- Collaborate with District to develop a baseline Project Management Plan, which will include:
 - A description of the project scope, and a plan to manage scope. This includes a delineation of project objectives.
 - Plan to collaboratively review and obtain acceptance of key milestones.
 - Schedule Management Plan with a baseline schedule with critical paths, and key milestones. This includes the definition of entry and exit criteria (checklists) for various stages of the project (e.g., site readiness criteria, installation, integration, order completion, etc.) and for the entire project.
 - Resource Management plan with a staffing assignment and a Resource Calendar.
 - Communication Management Plan, including: District and Nokia involved organization and stakeholders identified with names, plan for joint project kickoff meeting, and reporting structure (periodicity, contents, etc.) for periodic progress meetings to review status and validate the project outlook, covering:
 - Progress meetings: location, duration, frequency
 - Progress reporting contents and format
 - Management report cycle, distribution lists, media
 - Exception reporting and escalations, media, management levels

- Test and Acceptance Plan appropriate to the project and agreed to with District
- Change Management Plan with identification of tools to be used.
- Document and Revision Control plans for hardware, software, documentation, procedures, etc.
- Preliminary timeline with critical dates.
- High level list of all deliverables.

3.1.2.2 Project Execution and Control Phase

- Manage and control the execution to the baseline plan and modify the plan as necessary and as agreed to by stakeholders. This phase includes:
 - Coordinating project activities through final installation/delivery of all contracted-for elements, and coordinating all orders until project closeout.
 - Managing project processes, e.g., Change Control, Document Control, Configuration Management, Deliverable Timeliness and Deliverable Quality, etc.
 - Communicating project status (schedule, technical, quality, etc.) using processes and reports determined in the communications plan to District, and collaboratively determine resolution of project scope change requests. Where agreed to, develop custom reports.
 - Managing resources – allocating staff and other resources (e.g., equipment, laboratories, 3rd party suppliers, etc.), getting commitment to project schedule, and having staff trained.
 - Monitoring and controlling the project - comparing actual performance to plan. Recommending preventive or corrective actions. Validating defect correction.
 - Analyzing and tracking project risks to verify that risks are identified, status is reported, and appropriate risk response plans are executed. Escalating and issuing jeopardies, as necessary.
 - Managing change control – identifying changes that have occurred or need to be addressed. Verifying that only approved changes are implemented. Jointly reviewing change requests with District and determining how requests are to be resolved.
 - Documenting and incorporating only approved changes into the project products and services, and documenting the impact of requested changes.
 - Contract Administration – verifying that the deliverables/milestones and obligations per the respective Contract Documents are achieved/in compliance and notifying District appropriately, if otherwise.
- In case of delays and failures by third parties directly contracted by District, or the failure of such third parties to cooperate with Nokia, Nokia will refer the matter to District for resolution.

3.1.2.3 Project Closeout

- Manage close-out activities, before any necessary resources are released, including:
 - Verify that all activities within the scope of Nokia's responsibility under accepted purchase orders have been completed in accordance with contractual requirements. Update respective contract records.

3.1.3 Deliverables

Nokia shall provide the following:

- Project Documentation to be provided to District on an ongoing basis includes:
 - Progress reports as required

- Project timeline
- Other documentation as mutually agreed to

3.2 District Responsibilities

District shall:

- Place timely purchase orders for all goods and services included in the project.
- Provide contact list, including a PM SPOC, of the District managed project resources and stakeholders.
 - Include 3rd party supplier contacts involved in the project
- Identify District SPOC for escalations/issues.
- Provide remote access to systems as required.
 - Provide Nokia with access to District's IT network, as required to perform the Service.
- Provide Nokia with all information reasonably requested by Nokia necessary for the performance of the services, including without limitation providing technical configuration information such as IP addresses, BDFB assignments, alarming scheme and assignments, relay rack locations, circuit assignments (DS3, OC3, T1) as specifically requested by Nokia in connection with this project. This information should be accurate and complete and be provided five (5) days prior to Service initiation.
- Review and approve agreed-to documentation:
 - Review document within five (5) business days from document receipt. At this time, provide comments and requested changes or approve the document.
 - If comments are provided or changes requested, Nokia will review the changes and incorporate changes, where possible, and re-submit a final draft along with a "red-lined" draft of the changes within five (5) business days for review and approval. District will accept such final draft documents or provide a detailed explanation of the remaining deficiencies within five (5) business days.
- Sign off on plans as defined in the Deliverables section.
- In the case of District-provided systems and/or products included in this Project but procured directly by District, ensure cooperation of the other vendors whose deliverables can delay timely completion of project.
- Execute according to the agreed upon plans at hand-off/interface points, including the completion of responsibilities assigned to District in the SOWs included in this project.
- Assist Nokia in discussions with any third party that District requires Nokia to manage within the scope of the project, and execute such letters of agency or similar documents as required to authorize Nokia to manage and direct such third parties on District's behalf.
- Secure the cooperation of and any necessary license rights from District third party vendors as required for Nokia's performance of the services.

3.3 Assumptions

- Nokia PM will work remotely and travel at District's request.

4 Remote Network Design

4.1 Nokia Responsibilities

4.1.1 Description

Nokia will remotely perform a feasibility study to evaluate the specific technologies needed for the proposed service or network. This Service applies to the following network per quote # 22.US.294444, January 27,2023

Nokia will evaluate options and then select a network design approach, perform a detailed network design, and provide District with the necessary documentation for implementation of this design based on District's specific objective and constraints.

The network design process will generally include the following phases:

- Project readiness
- Data collection and network analysis
- Network design and technical guidelines

4.1.2 Tasks

4.1.2.1 Data Collection and Network Analysis Phase

As part of the 3 day Remote Network Design Workshop and the High Level Network Design Creation, Nokia shall:

- Identify various network design scenarios and models based on District input data and network design criteria taking into account:
 - Single year vs. multiple year design scenario
 - Hierarchical vs. flat network architecture
 - Node locations
 - Transport network layout
- Perform network scalability analysis, including:
 - Identifying functional component and interfaces based on potential network equipment and solution to be used.
 - Modeling network links and equipment hardware (link type, equipment buffer size, QoS priority treatment, etc.).
 - Identifying protocol stacks and end-to-end traffic flow for each service type to be supported.
 - Imposing constraints on network nodes, topology, and traffic distribution (co-located network nodes, specific network topology requirements, dual-homing).
 - Identifying additional signaling, control, and management traffic (e.g., PNNI, H.323, SIP, SNMP).

4.2 District Responsibilities

District shall:

- Designate an individual from its organization to serve as District's Project Manager and be Nokia's primary contact with District. The District Project Manager will have full authority to act on behalf of the District with respect to:
 - Approve deliverable items
 - Authorize payments
 - Other activities specified in this SOW
- Provide details of the network environment during the 3 day remote design worksop and the project duration :
 - Types and locations (coordinates) of network nodes
 - Type of network links (e.g., 10M/100M/1GE/10GE/100GE Ethernet)
 - Existing network details for purpose of HLD design and Network Migration Strategy creation
 - Network topology requirements and constraints (i.e partner links or partner provided fiber)
 - Existing legacy networks (topology and size of network links, number of existing switches or routers, and their configuration [e.g., loading percentage of switching capacity or I/O slots])
 - Existing networks routing schemes/algorithm
 - Target network scalability requirements
 - Target network link utilization or reserved bandwidth
 - Protection requirements (no protection, protection against single link failure, or protection against single link or node failure)
 - District-selected equipment and constraints
- Provide service specifications and requirements:
 - Subscriber/traffic forecast (current and future growth) provided as total number of subscribers for each type of service and/or total amount of traffic (service-specific or generic). Demand may be point-to-point, per access site, or entire network load.
 - Traffic distribution assumptions if traffic demands not provided as point-to-point (equal distribution or weighted distribution [gravitational model])
- Provide performance requirements:
 - Bandwidth allocation
 - Performance metrics
 - packet delay
 - Throughput (at network or application layer)
 - Network access/service availability
- Review draft documents provided by Nokia and provide written comments back to Nokia not later than five (5) business days after receipt of the draft.
- Secure the cooperation of District's third party vendors as required for Nokia's performance of the Service.

5 Architecture and Design – IP Service Routers

5.1 Nokia Responsibilities

5.1.1 Description

Nokia will work with District to produce a network detailed design which reflects the objectives and requirements for the network solution that has been proposed for this SOW. The design work is done at a Nokia R&D center where design options can be verified in a lab and discussed among the Nokia team of architects. This Service also includes a network migration strategy. The network migration strategy covers the migration of District's existing legacy Cisco ASR9000 node traffic to a Nokia IP/MPLS network in accordance with the network detailed design, and aims at preserving the capability and services offered to existing customers.

The network design documentation will address all networking aspects, such as:

- Physical architecture
- IGP topology and IP addressing scheme of the IP/MPLS network
- MPLS topology and LSP infrastructure
- Element and network security requirements
- QoS configuration requirements
- Service definition
- Resilience model
- Synchronization design
- Failover mechanisms

5.1.2 Tasks

Nokia shall:

5.1.2.1 Network Design

- Lead a services and technical requirements gathering workshop, remotely, with District to obtain the required information to start the architecture and design process.
- Develop a network detailed design documenting the recommendations and design for the next-generation IP/MPLS project based on the service and network requirements provided by District. The network detailed design will cover the following components:
 - System security (user profile access, management access, ssh/console access)
 - Network management
 - Resilience model
 - Failover mechanisms
 - Naming conventions
 - Overview of products used as part of the network design
 - QOS (both network and access for SR)
 - Ethernet port configuration parameters
 - IP addressing scheme
 - L3 network interface configuration parameters to enable MPLS infrastructure

- New IP/MPLS network architecture
 - IGP design (topology and standardized parameter settings)
 - MPLS design (LDP and RSVP) including seamless MPLS design
 - Network synchronization
 - BGP Design (parameter recommendations, route-reflector design, RFC3107)
 - Service designs for existing customer service offerings (standardizing goal design for each as applicable for the solution proposed:
 - L2 VLLs
 - L2 VPLSs (H-VPLS)
 - L3 VPRNs (IPv4)
 - Multicast
 - Identification of application source traffic requirements and network forwarding paths to support Multicast Protocols (PIM, IGMPv2/v3, etc.)
 - Intra/inter domains identification
 - QoS
 - Source Redundancy
 - Scalability, Policies, Resiliency
 - Peering with vCPAA
 - Management VLAN, IES Spokes, VLL E-Pipe backhaul
 - IES SAP peers for all IGP interfaces
- Review network detailed design with District and obtain sign off.

5.1.2.2 Network Migration Strategy

Perform an audit of the existing Cisco ASR9000 configurations. The audit will be performed to collect focused information on the current network elements configurations, summarizing its key characteristics, including information pertaining to service, routing, addressing, and timing topologies. The audit will facilitate the migration services described later in this SOW. The audit output will provide the following information:

- Site legacy services architecture
 - A breakdown of existing services per site
 - Existing bandwidth capacity of services
 - Breakdown of GE ports / VLAN services to be translated
 - Available timing sources
 - Identification of variations from design rules/standards/templates
- The migration strategy will take the following into consideration:
- Minimizing service outage
 - Maintaining QoS across the IP/MPLS network
 - Maintaining network redundancy
 - Maintaining traffic performance across the network
 - Coordination of the migration with District operations
 - Completing the migration within the maintenance window

- Providing a back-out plan
- Develop a high level migration strategy, capturing and documenting the following information:
 - Migration scope
 - Identification of the logical migration method
 - The required network logical topology
 - Services migration configuration and their distributions
 - Services migration special cases
 - Technical description of services the migration of the GE / VLAN traffic from the Cisco ASR9000s to the Nokia IP/MPLS network
 - Migration strategy and steps
 - Identification of downtime for the migration, as applicable
 - Testing and validation strategy
 - Maintenance window specific procedures
 - Completing the migration within the maintenance window
 - Identifying clear steps for a roll-back plan
 - Testing in Nokia's labs
 - Validation of end-to-end migration methods
- Review the high level migration strategy (included with the HLD) with District and obtain sign-off.

5.1.3 Deliverables

Nokia shall provide the following:

- Remote network design workshop – up to three (3) days
- High Level Network Design (HLD) document
- High Level Migration Strategy included with the HLD document

5.2 District Responsibilities

- Provide the Nokia network architecture and design team with all relevant service and technical requirements prior to the commencement of the network design.
 - List of all standard services to be provided.
 - List of services/customers with special service-specific or customer-specific requirements (standard and non-standard, and their variant configurations).
 - Definition of service topology hierarchies for Layer 2 (e.g., L2 H-VPLS, PBB) and Layer 3 (e.g., Hub/Spoke, Mesh), on a service by service basis.
- Respond to Nokia technical questions and inquiries for information in a timely manner. Nokia requires turnaround on technical requests within 24 hours.
- Provide knowledgeable personnel to attend the network design workshop, and review and approve the network design in accordance with a schedule to be developed between Nokia and District.
- Provide configuration files from the legacy Cisco ASR9000s.
- Adhere to any provisioning freeze, as specified in the migration strategy, until integration and / or migration is / are completed, and the network is turned over to District.

5.3 Assumptions

- All network elements are designed in a single batch.
- The migration strategy is exclusively for the following:
 - Migrating services from ten (10) Cisco ASR9000s to the Nokia 7750s
- Changes requested after the sign off of the HLD and High-Level Network Migration Strategy will be subject to Change Control.
- Any District or customer agent provisioning will not be done until after the network is turned over to District.
- All work will be performed remotely.
- If delays to service schedule, once established, are caused by District, additional charges may apply. If applicable, any delay claims arising under the Agreement by Nokia are subject to the provisions of Sections GC-10 and GC-13 of the Agreement.

6 Engineering of IP Service Routers & Optical Network Equipment

Engineering and Remote Site Survey Services provide the resources needed to deploy the IP and Optics equipment in District’s network as more specifically described in the sections below. Engineers collect and assess information about District’s on-site and equipment conditions to identify site requirements that may impact the overall deployment. Based upon District input and applicable equipment requirements, engineers prepare detailed specifications and order the required materials to enable efficient installation upon delivery.

Nokia and District responsibilities will be designated with the following:

N	Nokia
C	Customer (District)

6.1 Responsibilities – Remote Site Engineering

6.1.1 Description

Remote Site Engineering will be performed to determine if additional materials or information are needed for completion of the Services under this SOW. The Site Engineering will cover collection of relevant information or data to complete the equipment configuration.

6.1.2 Standard Tasks

	N	C
Perform Remote Site Engineering.	X	X
Provide Site Engineering Results	X	
Provide required site and equipment input information when requested.		X

6.1 Equipment Engineering – Production Locations

Engineering configures equipment requirements based on inputs from District order, completed questionnaires, and/or Remote Site Engineering data. The decisions as to specific equipment needs are based on each component’s functionality, capacity, and application of engineering rules associated with each component.

6.1.1 Share of Responsibilities

Task	N	C
Provide District equipment requirements, as applicable for product(s) being deployed		X
Execute first-pass verification and integrity check of District request and/or Order. <ul style="list-style-type: none"> ▪ Verify that the equipment configuration solution meets District’s needs, including any changes that may have occurred since initial District request and quote. ▪ Verify that it meets general high-level compatibility requirements such as equipment availability/orderability, floor space, site/environmental conditions, etc. 	X	
Design and configure equipment solution.	X	
Determine/validate placement and layout of new equipment.	X	
Translate commercial Bill of Quantity (BOQ) into a technical Bill of Material (BOM) or develop a BOM when no BOQ exists.	X	
Provide list of assignments for the grounding of equipment and associated framework.	X	
Provide running lists and assignments to run and connect system and interface cables (alarm, communications, fiber, Ethernet, etc.) from shelves to existing demarcation for the equipped ports as specified in the equipment configuration details.	X	
Identify required site material.	X	
Order required site material.		X

6.2 Assumptions

- Concrete floor in non-seismic zone with existing overhead cable rack, vertical and horizontal fiber duct, and cable demarcs (blocks, interface panels, other equipment).
- Existing Power in the rack either by a PDU or Main Power Cable.
- REMOTE SITE ENGINEERING to be performed by Nokia. Engineering document developed based on Site Survey data and District information.
- District should provide accurate site data, as required.
- Engineering document consists of work items, rack layout, circuit pack layout, cable running list and material list.
- After the remote site engineering has been performed, if it is determined that additional engineering effort will be required, a quote will be provided to District for evaluation of the additional charges in accordance with Section GC-12 of the Agreement.
- Remote site engineering schedules and resources will be determined after receipt of District Order.
- Standard loading dock is available for material delivery at street level. Non-standard delivery conditions (such as crane, windows, small door, etc.) will result in additional charges.
- A price quote with additional charges may be provided after the remote site engineering information is reviewed and final site installation material and associated engineering effort is determined.
- Assumes no Signal and power cable racking to be added.

7 Staging Services – Optical Network Equipment

7.1 Nokia Responsibilities

7.1.1 Description

Nokia's Pre-staging Service provides configuration, and testing of network equipment, **at a Nokia facility, prior to deployment**. Upon completion, Nokia delivers tested, and ready-for-deployment network elements to District. Staging Services include Initial network element turn-up, software download, and basic system level provisioning (TID, IP Address, Subnet Mask, etc.).

7.1.2 Optical Staging Preparation

- Communicate to the customer the network data needed to allow staging (Span losses, node layout, IP address plan, labeling and naming conventions, etc.)
- Interface with District on staging schedule, and staging content.

7.1.3 Staging Service Planning

Nokia shall provide the following:

- Generate (1) configuration file for each network element as designed to be used for staging.
- Inventory Parts for addition packing list
- Convert packing slips to digital format
- Electronically ship digital packing slips to customer contact who will virtually receive equipment

7.1.4 Staging Service

- Network Element Assembly
 - Allocate equipment to individual sites as requested by customer
 - Verify or set Shelf ID setting from configuration file
 - Remove common boards from original packing and slot them into shelf (2 EC and 2 PF per shelf)
 - Install remaining cards, pluggables and intra nodal fibers per configuration file
- Power Up and Self-Test
 - Power up equipment
 - Verify card and pluggable Activation and alarms
- Load Software and Configuration
 - Load customer ordered software per equipment specifications.
 - Provision TID, IP Address, Subnet Mask, etc.
 - Provision all equipped transmission parameters via supplied EPT file, e.g., amplifier settings, port rates, topologies, cross connects, etc.

7.1.5 Staged Equipment Shipment

- Packing and Shipment
 - Generate a packing slip for each site
 - Consolidate equipment into one box and attach packing slip to inside of the box

- Digitally send per site packing list to a designated individual responsible for equipment allocation entries in Customers Database

7.2 District Responsibilities

District shall:

- Provide recommended racks, shelves and ancillary equipment or equivalents for this Service.
- Provide necessary provisioning parameters for EPT generation (TID, IP Address, Subnet Mask, etc.)
- Provide component and wiring labeling requirements, including labels, tags and/or barcodes.
- Coordinate closely with Nokia Engineering on any configuration changes.
- Provide EPT file sign-off for the network prior to staging and deployment.
- Provide shipping data and location(s) for ordered equipment

7.3 Assumptions

- Staging Services defined in this SOW will be performed at a pre-designated facility. Any equipment not staged will be the responsibility of the customer to deploy.
- Staging Level and lead times are factored into the delivery schedule.
- Price includes testing in accordance with Nokia's and/or third-party manufacturer's published specifications and/or standard installation and test procedures, which is to confirm standalone functionality of the individual equipment unit.
- Any changes requested after the configuration file signoff will require a change order and additional charges.

8 Remote Optical Network Integration

8.1 Nokia Responsibilities

8.1.1 Description

Nokia's Remote Optical Network Integration Service supports District's efforts to efficiently deploy and integrate an optical network. Nokia integrates individually installed network elements, preparing them to accept District traffic. This Service is delivered following the completion of installation and standalone testing of the equipment.

Nokia will develop a Customer Test Plan that includes Nokia recommendations, integration test procedures, network design details, network diagrams, system-level/site-specific provisioning information, and other data as required. Subsequent to District review and approval, Nokia executes the plan and remotely performs on-site turn-up, integration and testing of District's optical network. At the completion of the Service, Nokia provides a Customer Turnover Package containing all pertinent field results.

8.1.2 Tasks

Nokia shall perform the following tasks:

8.1.2.1 Pre-Integration Activities

- Assign resources for Optical Network Integration planning for the optical network segment.

8.1.2.2 Optical Network Integration Planning

A Nokia Planning engineer will perform the following;

- Review Equipment Design Package (EDP) and Engineering Planning Tool (EPT) files to prepare for the integration and testing of the new equipment into a functioning network utilizing published documentation and standard test procedures.
- Verify with District the integrity of the engineering design of the network, including detailed review of possible points of failures (links, cards, chassis, software etc.)
- Review the integration and standard test procedures with District.
- Verify Optical Network Integration readiness prior to start of Service.
- Propose a date for Nokia resources to perform remote support activities and obtain District agreement to this date.

8.1.2.3 1830 PSS Service Addition

Typical remote commissioning support efforts will be as follows:

- Remotely verify the installation and prep work has been completed at the locations.
- Remotely verify that the NEs have no unexpected alarms and are in stable condition.
- Remotely direct the District's onsite technician through the turn up the new 1830 equipment, as detailed in the product documentation (e.g., verify proper transmit power levels, appropriate circuit pack attenuation measurements, etc.). Implement component replacements (such as circuit packs, fiber jumpers, or Line Build Outs), as required during the turn-up.
- Remotely provision required logical cross-connects/associations and signal specifics for equipped services.
- Verify discovery of newly deployed network elements with NFM-T
- Complete troubleshooting of equipment and network issues if required.

8.1.2.4 Testing

- Confirm Interconnection connectivity, as detailed in the EPT file for elements included in this SOW.
- Perform transmission testing tasks, using PM registers and internal testing capabilities, to complete network testing, as detailed in the product documentation (e.g., perform 1hr end-to-end Bit Error Rate Testing (BERT)).
- Verify Alarm free operation of the integrated circuits
- Complete troubleshooting of equipment and network issues if required.
- Verify the Optical Element Management System (NFM-T) connectivity and status if available.
- Document and interpret test results.

8.1.3 Deliverables

Nokia shall provide the following:

- Revised EPT design file as provided.
- Method of Procedures (MOP) for network element additions
- Final Report specifying all recorded power levels and testing results

- Final Customer Sign Off

8.2 District Responsibilities

District shall:

- Sign off on the Customer Test Plan no later than five (5) business days after Nokia's delivery of such plan.
- Provide confirmation of Optical Network Integration readiness including the following information:
 - Dark outside plant fibers to connect to proposed optical ring.
 - Any Line Build-outs (LBOs), fibers, and/or cables used in this deployment must meet the manufacturer's technical requirements.
 - Acceptable (as listed by the Fiber Manufacturer and the Optical Equipment specifications) Outside Plant fiber type and Fiber Analysis data on all spans for projects involving OC-192/STM-64 or higher bit rate traffic. Fiber Analysis is defined as Optical Time Domain Reflectometer (OTDR) trace measurements, span loss measurements, Chromatic Dispersion measurements, and Polarization Mode Dispersion measurements. If the Fiber Analysis measurements are not acceptable based on Nokia product specifications, District will perform fiber rework and report the newly captured and analyzed OSP Fiber data to comply with the Nokia optical product specifications.
 - Acceptable (as listed by the Optical Equipment specifications) optical reflectance and Optical Return Loss on each optical fiber path, from the transmitting bay/port to the receiving bay/port. If Optical Return Loss values are not acceptable, District will determine and correct the cause and report new Optical Return Loss values.
 - Verify fiber assignments (e.g., Outside Plant Lightguide Cross-Connect (LGX) relay rack, panel and jack numbers) and connector type for optical equipment.
 - Comply with the Nokia Management System requirements: Provide the required hardware (i.e., router and wide area link, Internet Protocol (IP) or Open Systems Integration (OSI) Address(es), Subnet Mask(s), Default Gateway(s)) and set up the necessary provisioning to connect the gateway network element(s) with the network monitoring location(s).
 - Specify Preferred system-level provisioning information (e.g., Target Identifier(s), synchronization source and signal specifics).
 - Provide a contact list for the District Technical Team (e.g., project management, engineering, operations, Network Operations Center (NOC), site technicians, etc.) for each route or sub-network.
 - Provide completed and signed site-specific installation checklist(s) if District uses non-Nokia Installation, verifying that the installation and standalone testing of the optical networking equipment has been completed.
- Provide Fiber Analysis data fifteen (15) business days prior to the start of the on-site Optical Network Integration activity.
- Provide any necessary technical support and for replacing any spare components on any non-Nokia equipment involved in this deployment.
- Provide Nokia at least ten (10) day's notice of any delays expected on the Optical Network Integration readiness date(s).).

8.3 Assumptions

- Physical equipment installation of the network element(s) being serviced is a prerequisite for this Service.
- Any change in the listed design will impact the integration estimates. All changes in work are subject to the provisions of Section GC-12 of the Agreement.
- The estimate assumes a transmission test (BER) time for a total maximum duration of two hours, on a newly-configured circuit on the proposed optical network to verify functionality of the protection scheme and alarming capabilities of the equipment. Any additional test will be priced separately. The transmission test will be performed at either the circuit pack ports or at the equipment specific LGX termination ports that are directly connected to the newly installed Nokia optical equipment.

9 Remote Network Integration – IP Service Routers

9.1 Nokia Responsibilities

9.1.1 Description

Nokia will utilize the approved Network Design (including the network migration strategy) to develop the per-network element configurations, including system, routing, interface and network services needed to bring each Nokia router in the designated network to an operational state. Nokia will then test the configurations and verify successful integration into the target network and conformance with the Network Design.

9.1.2 Tasks

Nokia shall:

- Establish deployment schedule with the Nokia assigned PM and/or District's PM team.
- Develop an Acceptance Test Plan (ATP), to be reviewed and approved with District, to implement the new network elements.
- Develop configuration files, as defined in the Nokia generated network design documentation, and including network services for all network elements covered by this Service and specifically listed in the "Equipment Configuration" section of this SOW, and including:
 - Configurations in the IP / MPLS network to implement the vCPAA, including management VLAN, IES Spokes, VLL E-Pipe backhaul, and IES SAP peers for all IGP interfaces
- Test and verify the CLI syntax of the configuration files in Nokia's Labs.
- Deliver the configuration files to District's installation teams who will load onto network element a minimum of one (1) week prior to the scheduled installation date.
- Provide remote support to District's installation teams to load the configuration files onto the target network elements.
- Establish remote connectivity into District's network for the duration of the Integration Services period.
- Verify connectivity to the new node once installation has been completed.
- Notify the NOC of intention to start configuration prior to making provisioning additions.
- Perform any additional advanced configuration of the nodes, as needed.

- Perform network element discovery.
- Execute the ATP, which may include, but not be limited to:
 - Validating routing configurations
 - Validating establishment of MPLS LSPs, as applicable
 - Testing network connectivity
 - Testing path redundancy and network resiliency elements as applicable
 - Verifying multicast functionality
 - Verifying provisioned services
 - Verifying peering with vCPAA
- Obtain sign-off from District.

9.1.3 Deliverables

Nokia shall provide the following:

- ATP document.
- Configuration files for all nodes listed in the "Equipment Configuration" section of this SOW.
- All nodes listed in the "Equipment Configuration" section of this SOW fully configured and integrated.
- Network services provisioned:
 - A maximum of 675 VLANs – to be migrated from ASR9000s
 - Across a maximum of 150 GE / 10G ports – to be migrated from ASR9000s
 - A maximum of 450 VLANs for new sites
 - Across a maximum of 90 GE / 10G ports for new sites

9.2 District Responsibilities

District shall:

- Provide technical personnel to review and approve the ATP and any changes.
- Ensure that all changes in their internal management/DCN network (routers and firewalls) are in place, a minimum of one (1) week prior to the integration activity scheduled start, to ensure connectivity between new network elements and management network.
- Provide remote Internet access to the routers throughout the entire project duration.
- Provide Nokia with the site-specific data required to build the configurations if they were not completely provided during the design phase. This information must be provided at least ten (10) business days prior to the scheduled installation or integration date, as applicable.
- Adhere to any mutually agreed upon provisioning freeze, as specified in the migration strategy, until integration and / or migration is / are completed and the network is turned over to District.

9.3 Assumptions

- Pre-requisites:
 - The delivery of this Service is contingent upon the availability of an up-to-date network design that was developed by Nokia's Professional Services. If there is no current, Nokia developed, network design available, a custom SOW is required to cover this integration.

- The Network Integration Service builds upon the Nokia delivered Network Design Service, and is based upon the design documentation generated by that design service. This documentation can take the form of either a general Detailed Design document, or a combination of High Level and Low Level design documentation. Regardless of the type of design documentation, in order for the Network Integration Service phase to begin, there must be a sign-off of all Network Design documentation between District and Nokia's Professional Services.
- The delivery of this Service is also contingent upon the sign-off between Nokia and District, of the High Level Migration Strategy document.
- A network design for the target network and a Nokia developed and approved Network Migration Strategy are available prior to the start of this Service.
- The ATP is approved and signed-off prior to the development of configuration files.
- The ATP development and execution are based on Nokia best practices, and are customized for District's network. Deviations from Nokia best practices or further customer requested customizations can be discussed and supported via the Change Management process.
- The Nokia developed ATP is to be executed by an authorized Nokia engineer.
- Configuration files are generated prior to the start of integration.
- Configuration files will include network services as follows:
 - A maximum of 675 VLANs – to be migrated from ASR9000s
 - Across a maximum of 150 GE / 10G ports – to be migrated from ASR9000s
 - A maximum of 450 VLANs for new sites
 - Across a maximum of 90 GE / 10G ports for new sites
- Network element re-configuration work due to non-Nokia attributable reasons will be subject to the provisions of Section GC-12 of the Agreement.
- All work is performed remotely.

10 Remote NFM-T Integration Service

10.1 Nokia Responsibilities

10.1.1 Description

The NFM-T SW installation will be delivered remotely by a Network Management Subject Matter Expert (SME) to install a new Network Services Platform (NSP) module Network Functions Manager – Transport (NFM-T) and Network Resource Controller – Transport (NRC-T).

As part of this Service, an NFM-T SME will install the pertinent NFM-T software components in District's chosen VMware environment. All preparation work and software installation will be performed remotely.

10.1.2 Tasks

Nokia shall:

10.1.2.1 Preparation

- Prior to installation in District's environment, the NFM-T SME will gather the appropriate information on the following:
 - Workstation hardware and OS specification
 - NAT information, if applicable, and firewall information
 - Type of installation and deployment and license information
 - Platform sizing and compatibility with the NFM-T release
 - Appropriate file system configuration and sizes
 - User configuration, group, default values
- The NFM-T SME will conduct a conference call with District engineers and operators to explain the installation steps and procedure

10.1.2.2 Installation

- Once the platform requirements have been collected and implemented, the NFM-T SME will perform the following NFM-T HW/SW installation/configuration.
 - Check all processes are up and running on all benches
 - Check all NFM-T functionality in off-line mode
 - Check all NEs are running with the proper SW release
 - GO/NO GO formal meeting with District engineering team

10.1.2.3 Commissioning

- Connect the network elements if the NEs are available during the installation, via the discovery mechanism, to test the connectivity
 - Check all NFM-T processes are up and running
 - Check all NFM-T functionality
 - Discover NEs on the NFM-T if available
 - Check all NEs are discovered properly and are now managed by NFM-T
- Respond to questions related to the NFM-T application installation and operation

10.1.2.4 Post migration activities

Up to 5 business days after migration Nokia shall perform the following remotely;

- Check of NE Supervision and Alarms
- NFM-T Server HW / SW Inventory verification
- NFM-T Consistency Audit
- Audit of Static Configuration (Topology)
- Audit of Dynamic Configuration (Infrastructure connectivity and Services)

10.1.3 Deliverables

Nokia shall provide the following:

- Integrated NFM-T application

10.2 District Responsibilities

District shall:

- Provide Nokia with all relevant service and technical requirements prior to service commencement.
- Ensure VPN access to the hardware server/s designated for the NFM-T, and accessibility of the network elements from that system. Accessibility issues between the network elements and the NFM-T (e.g., access list, firewall, VPN, VLAN, etc.) must be addressed up-front by District prior to the start of this service.
- Respond to Nokia technical questions and inquiries for information in a timely manner. Nokia requires turnaround on technical requests within 24 hours.
- Provide the system hardware for the NFM-T.
- Ensure all network elements to be managed by the NFM-T have been provisioned for management.
- Complete all pre-testing of facilities (if applicable).
- Ensure the workstation hardware is installed, cabled and turned up prior to the scheduling of the NFM-T application installation.
- Provide District engineer to assist with on-site support, if needed (e.g., NOC support for trouble clearing and testing of connectivity between NFM-T and network elements).
- Configure any third-party application (if applicable).

10.3 Share of Responsibilities

The high-level share of responsibilities between stakeholders is depicted below.

Table Legend: N=Nokia; C=Customer (District)

NFM-T Installation and Commissioning	N	C
Initial audit / setup		
Organize platform requirements meeting	X	
Prepare and submit information request	X	
Respond to information request		X
Retrieve system database and hardware specifications	X	
Verify system compatibility with NFM-T module target release	X	
Summarize all the information in a minutes of meeting	X	
Approve minutes of meeting		X
Provide a MOP	X	
Install and configure NFM-T per provided license(s)	X	
Provide NFM-T hardware and license(s)		X
Validate NFM-T operational status	X	

NFM-T Installation and Commissioning	N	C
Network element discovery	X	
Respond to questions related to NFM-T	X	

10.4 Assumptions

- The service is for one (1) NFM-T system consisting of the NFM-T OTNE and (1) AI Driver.
- The network elements are remotely accessible from the NFM-T system.
- The network elements are ready for management.
- The workstation hardware is installed, cabled and turned up prior to the scheduling of the NFM-T application installation.
- The required RHEL OS Software is loaded on the VMWare
- North Bound Interface (NBI) (the configuration and / or integration is out of scope)
- All planning, preparation, and System Commissioning is performed remotely.
- Anything not specified above is not included in the service.

11 Remote NSP NFM-P Software Integration

11.1 Nokia Responsibilities

11.1.1 Description

As part of this Service, an NSP expert will remotely install the pertinent NSP NFM-P software components in District's environment. All work will be performed remotely.

11.1.2 Tasks

Nokia shall:

11.1.2.1 Preparation

- Prior to installation in District's environment, the NSP Expert will gather the appropriate recommendations on the following:
 - Dedicated hardware or Virtual Machine hardware and Red Hat Enterprise Linux ('RHEL', 'Linux') OS specification
 - NAT information, if applicable, and firewall information
 - Type of installation and deployment per license information
 - Hardware and Linux OS compatibility with the NFM-P release
 - Appropriate file system configuration and sizes
 - User configuration, group, default values
- The NSP Expert will conduct a conference call with District engineers and operators to explain the installation steps and procedure

11.1.2.2 Remote Software Installation

Once the platform requirements have been collected and implemented, the NSP Expert will perform the following:

- Support installation of underlying OS needed for the target NSP release
- Install the Deployer Nodes
- Install the NSP Clusters
- Install the Oracle Database software
- Install the NFM-P Server software
- Perform router discovery (up to 3 routers), if the routers are available during the software integration, via the discovery mechanism to test management connectivity
- Test to ensure all recommended backup, restore and resynchronizations follow the design and best practices
- Test the activity switch mechanism for a redundant setup (if applicable)
- Respond to questions related to the NFM-P application installation and operation

11.1.3 Deliverables

Nokia shall provide the following:

- Integrated NSP NFM-P application

11.2 District Responsibilities

District shall:

- Provide Nokia Professional Services with all relevant service and technical requirements prior to service commencement.
- Ensure VPN access to the hardware server/s designated for the NSP NFM-P, and accessibility of the network elements from that system. Accessibility issues between the network elements and the NFM-P (e.g., access list, firewall, VPN, VLAN, etc.) must be addressed up-front by District prior to the start of this service.
- Respond to Nokia Professional Services technical questions and inquiries for information in a timely manner. Nokia requires turnaround on technical requests within 24 hours.
- Provide the system hardware, operating system and software specifications for the NFM-P.
- Provide licensed copy/ies of the software.
- Ensure their OS includes the latest OS patches to warrant their system is not vulnerable to any security threats or known software defects at the OS level.
- Ensure all network elements to be managed by the NFM-P have been provisioned for SNMP management.
- For Virtual Machine installs, ensure Virtual Machine has been configured per Nokia recommendations.
- Complete all pre-testing of facilities (if applicable).
- Ensure the dedicated hardware installed, cabled and turned up prior to the scheduling of the NFM-P application installation.
- Provide remote Oracle Integrated Lights Out Manager (iLOM) access to the new hardware platform / environment if available.

- Provide District engineer to assist with on-site support, if needed (e.g., NOC support for trouble clearing and testing of connectivity between NFM-P and network elements).
- Configure any third party application (if applicable).

11.3 Assumptions

- The service is for one (1) NSP NFM-P system.
- The network elements are remotely accessible from the NSP NFM-P system.
- The network elements are ready for SNMP management.
- District has purchased Red Hat Enterprise Linux ('RHEL', 'Linux') OS support from the RHEL OS vendor.
- District's OS includes the latest OS patches to ensure their system is not vulnerable to any security threats or known software defects at the OS level.
- The dedicated hardware or Virtual Machine is installed, cabled and turned up prior to the scheduling of the NFM-P application installation.
- All work is performed remotely.
- iLOM access to the new hardware platform / environment is available (if applicable).

12 Remote Network Services Migration – IP Service Routers

12.1 Nokia Responsibilities

12.1.1 Description

Nokia will utilize the Nokia generated Network Migration Strategy document to develop a master migration Method of Procedure (MOP) to remotely migrate the designated network services from the legacy to the target network elements and provide remote support during the traffic migration.

12.1.2 Tasks

Nokia shall:

- Establish deployment schedule with the Nokia assigned PM and/or District's PM team.
- Develop a master migration MOP, to be reviewed and approved with District, to migrate the traffic from the legacy equipment onto the designated MPLS network nodes.
- Establish remote connectivity into District's network for the duration of the Network Migration Services period.
- Notify District's NOC of readiness to start migration support.
- Execute the migration MOP, which may include, but not be limited to:
 - Validating circuit links, network services, as applicable
 - Testing network connectivity on both end points of the service getting migrated
 - Validating that migrated traffic is passing through the designated nodes, as applicable
- Obtain sign-off from District

12.1.3 Deliverables

Nokia shall provide the following:

- Master migration MOP.
- Remote traffic migration support to the designated routers by one (1) engineer for up to a maximum of five (5) maintenance windows.

12.2 District Responsibilities

District shall:

- Provide technical personnel to review and approve the Master migration MOP to migrate traffic from the legacy to the target network elements, as summarized in the "Equipment Configuration" section of this SOW.
- Provide remote access to the target routers throughout the entire project duration.
- Ensure that connections between the existing DSXs connecting to the legacy equipment and the new DSXs connecting to the target routers are pre-wired ahead of traffic cutover.
- Manage end customer schedules and provide support to end customers during maintenance windows.
- Perform any necessary troubleshooting or reconfiguration needed on the legacy gear in support of the migration.
- Provide on-site support at the legacy and the target network elements to perform cable swings, DACS rearrangements and any troubleshooting, as needed, during traffic migration.
- Adhere to any mutually agreed upon provisioning freeze, as specified in the migration strategy, until integration and migration are completed and the network is turned over to District.

12.3 Assumptions

- Pre-requisites:
 - The delivery of this Service is contingent on the availability of a District baselined network design (HLD and LLD) for the target network or the sign-off between Nokia and District of the Network Design, if the optional service is purchased from Nokia.
 - The delivery of this Service is also contingent upon the sign-off between Nokia and District, of the High Level Migration Strategy document(s).
 - The delivery of this Service assumes that all network services being migrated from the legacy ASR9000s were pre-provisioned as part of the integration service described in the "Network Integration – IP Service Routers" SOW section.
- A network design for the target network and a Nokia developed and approved Network Migration Strategy are available prior to the start of this Service.
- The migration service is for the number and type of network elements shown in the "Equipment Configuration" section of this SOW.
- All network services were pre-provisioned as part of the "Network Integration – IP Service Routers" service also quoted in this SOW.
- The target network elements are fully operational as an overlay network to the legacy network, including:
 - Routing
 - MPLS configuration (LSP paths, etc.)

- Managed by the NFM-P
- The network will operate in both current and future mode during the migration.
- The MOP is approved and signed-off prior to the start of migration.
- All work will be performed remotely.
- The migration takes place during maintenance windows.
- The maintenance window is a minimum of six (6) hours long.
- Network element re-configuration work due to non-Nokia attributable reasons will be subject to the provisions of Section GC-12 of the Agreement
- The existing equipment will not be removed by District until all traffic has been successfully migrated to the target network elements.

13 vCPAA Integration

13.1 Nokia Responsibilities

13.1.1 Description

As part of this Service, Nokia will perform vCPAA Integration. The vCPAA will be installed in a Virtual Machine (VM) and interconnected with the NSP NFM-P system in the District IP/MPLS network. Activation of the vCPAA and integration into the Control Plane Assurance Manager (CPAM) will also be performed as part of this Service. All work will be performed remotely.

13.1.2 Tasks

Nokia shall:

Once the platform requirements have been collected and implemented, the vCPAA expert will perform the following:

- Discover the vCPAA from the CPAM application
- Perform integration of vCPAA
- Set protocol checkpoints
- Configure the vCPAA (network probe) in District's IP / MPLS network
- Peer vCPAA for any EGP AS's, including RR clusters, confederations, etc.
- Complete Administrative Domain configuration
- Perform acceptance/validation testing

13.1.3 Deliverables

Nokia shall provide the following:

- Integrated vCPAA on a release supported by the associated NSP NFM-P

13.2 District Responsibilities

District shall:

- Provide Nokia Professional Services with all relevant service and technical requirements prior to service commencement.

- Provide remote access to Nokia to verify the platform meets the sizing requirements for the vCPAA a minimum of two (2) weeks prior to the remote work.
- Provide VPN access into the network NSP NFM-P for remote access via Internet.
- Procure the required Host OS and Nokia supported Hypervisor licenses and software versions and install them on the target VMs for the vCPAA.
- Ensure Virtual Machine/s has/have been configured per Nokia recommendations.
- Respond to Nokia Professional Services technical questions and inquiries for information in a timely manner. Nokia requires turnaround on technical requests within 24 hours.

13.3 Assumptions

- This service provides remote support for the installation and configuration of the vCPAA VM in the network, including configuration of peers.
- The router is fully operational and connected to the network prior to the start of this Service.
- Network connectivity is available between the designated vCPAA VM instances and the NSP NFM-P system.
- The service applies to a single routing domain with a single OSPF area or single ISIS level.
- District has purchased Host OS and Hypervisor support from the Host OS and Hypervisor vendor/s.
- All work is performed remotely.

14 Compute resources to host vCPAA VMs are available per the NFM-P / vCPAA published requirements. Schedule / Timeline

- All work shall be completed in accordance with Section SR-2 of the Agreement.
- Nokia requires a minimum of 4 - 6 weeks from receipt of Purchase Order (PO) until Service commencement to accommodate the necessary resource scheduling.

15 Assumptions

General Assumptions:

- Services performed under this SOW will be performed remotely in accordance with generally accepted industry standards. The Remote Services in this SOW are related to Nokia optical and router hardware proposal 22.US.294444 provided to District.
- The material and Services offered by Nokia for the project are listed and described within this SOW and its Appendices.
- This SOW assumes that site grounding at the identified locations is sufficient.
- During the implementation period of the project, District will make available to Nokia the spare modules purchased by District for the project. Nokia will bear the cost of repair including shipping charges for any failed spare module during this period.

- District will ensure that its engineering, craft-level and/or supervisory personnel will be available to allow Nokia to perform the work as proposed by Nokia for the project. District will also make available authorized personnel to sign Method of Procedures (MOP) and Customer Acceptance Notices.

16 Exclusions

Any service not expressly included in this SOW is excluded. Among other things, the service(s) listed below, do not include, for example, the following services or tasks.

Network Architecture and Design – IP Service Routers does not include:

- Design pertaining to transport planning/availability (e.g., analysis of available fiber/transport options, design of optical transport network, DWDM/CWDM design/wavelength assignments, link budget calculations, specifications of XFPs/SFPs to be used for various inter-nodal transport links)
- Optional designs, except as required to support interface migration designs – these can be custom quoted, as needed:
 - IPsec or firewall services
 - Network Group Encryption (NGE)
 - MEF design for standardized MEF L2 services (e.g., E-LINE, E-LAN, E-TREE, E-ACCESS)
 - OAM (Y.1731, TWAMP, 802.3ah, 802.1ag)
 - Packet Microwave Card (PMC)
 - AA, NG BNG, IPv6, CG-NAT, PBB services
- Service offerings which District may want to provide in the future.
- Additional service designs or configurations beyond what is outlined in “description / scope” sections above.
- Any service type configuration, variants to those service or hierarchical service topologies that have not been described fully by District prior to commencement of the network design.
- Low Level Network Design (“LLD”) document.
- Configuration file examples (these can be provided as part of a Low Level Network Design (“LLD”) Service).
- Any design changes requested after the sign off of the design document. These will be subject to Change Control.
- A per node or per service Migration MOP / Cut-Over Plan.

Optical Network Integration does not include the following:

- Provisioning or set-up of an element management system (EMS) or Data Communications Network (DCN) Infrastructure or their components, except Nokia elements..
- Any material or spare components, such as circuit packs, fibers, LBOs, cables, software or flash cards.

Network Integration – IP Service Routers does not include:

- A Method of Procedure (MOP).
- Any integration services for nodes in excess of the numbers listed in the “Equipment Configuration” section of this SOW.

- Additional testing beyond that included in the agreed upon ATP.
- Technical support for the execution of Nokia ATP by non-authorized personnel.
- Any updates to existing District inventory systems.
- Any integration with external 3rd party OSS/BSS systems.
- Any updates/additions potentially required to existing traffic monitoring/planning tools.
- Any provisioning work on District management/DCN network or firewalls required to make the new network elements reachable from the management network.
- The provisioning or testing of new services added directly, by District or its agents, to the new Next Generation IP/MPLS Network.

NFM-T Installation and Commissioning does not include:

- The detailed physical design of the network (i.e., design and engineering related to the physical aspects of the network such as cabling, fiber, physical-layer repeaters, passive optical components, power, air flow, and other physical issues)
- NSP Network Platform Design:
 - Network Architecture, High Level Design, Low Level Design documentation
 - Hardware platform and resource requirements
 - Bandwidth requirements
 - Network latency considerations
 - Scalability
- NSP modules:
 - Network Services Director (NSD)
 - Network Resource Controller (NRC-F, NRC-P, NRC-T, NRC-X)
- NSP license
- NFM-T license
- Restore/Build topology maps for the entire network unless specified elsewhere in this SOW
- NSP hardware (standalone workstations or VMware)
- NFM-T hardware (standalone workstations or VMware)
- Hardware installation and / or cabling
- OS RAID deployment, hardening of the OS and disk mirroring OS tasks
- Managed network element configuration, troubleshooting, or NE upgrades of any kind
- Troubleshooting of District developed scripts
- OSS/BSS integration of the network elements, or network management system, with any third-party OSS systems

NSP NFM-P Software Integration does not include:

- Any software Right to Use (RTU) fees
- The detailed physical design of the network (i.e., design and engineering related to the physical aspects of the network such as cabling, fiber, physical-layer repeaters, passive optical components, power, air flow, and other physical issues)
- Any NSP module not listed in the "Equipment Configuration" section of this SOW

- NFM-P Auxiliary Servers: Client Delegate, Auxiliary Server – Statistics Collector, Call Trace Collector, PCMD Collector, Flow Collector - Auxiliary Database, Analytics Server (these can be custom quoted, as needed).
- NSP / NFM-P licenses
- NSP hardware (standalone dedicated hardware or Virtual Machine)
- NFM-P hardware (standalone dedicated hardware or Virtual Machine)
- NSP Network Platform Design Document ("PDD") and Configuration Design Document ("CDD")
- Linux OS software or support
- OS RAID deployment, disk mirroring
- Network element configuration or troubleshooting
- Dedicated hardware or Virtual Machine hardware installation
- Virtual Machine or KVM configuration
- Discovery of more than three (3) Nokia network elements used to verify functionality, provided that the routers are operational at the time of NFM-P integration.
- Discovery and/or management of non-Nokia network elements. Non-Nokia network elements may be discovered through the purchase of Generic Network Element (GNE) licenses and GNE policy configuration services by Nokia professional services.
- OSS/BSS integration of the network elements, or network management system, with any third-party OSS systems
- vCPAA installation and configuration
- Any service, unless explicitly described in this proposal – e.g., the following are excluded:
 - Software upgrades of any kind after the initial installation
 - Re-installation if the NFM-P is moved from one location to another (e.g., staging to production)

Network Services Migration – IP Service Routers does not include:

- A site specific cut sheet including patch panel information and other physical inventory data.
- A node specific MOP, except for Nokia elements
- Network services configuration – those are provided as part of the "Network Integration – IP Service Routers" Service in this SOW.
- Configuration changes or troubleshooting support for the legacy gear.
- On-site support to perform cable swings, DACS rearrangements and / or any hardware or cabling troubleshooting.

vCPAA integration does not include:

- Any software loads or Right to Use (RTU) fees.
- Integration of OSS application
- Dedicated hardware or VM server installation.
- Host OS and Hypervisor software, licenses.
 - RHEL KVM (Red Hat) or
 - ESXi (VMWare)
- Host OS and Hypervisor software installation on the target server/s.
- Host OS and Hypervisor support.
- Virtual Machine installation.

- Support for multiple routing domains with multiple OSPF areas or multiple ISIS levels.
- Any service, unless explicitly described in this proposal

17 Additional Terms

Unless otherwise stated in previous sections of this SOW, the following terms apply to all Services. Additional terms and conditions are per the Agreement.

17.1 Conditions

- Nokia reserves the right to determine which personnel to assign to perform Services. Nokia personnel shall at all times be subject to the employment conditions of Nokia and not those of District.
- Nokia may use proprietary tools and software for providing this Service. The stated price does not include the sale, licensing or transfer of such tools or software to District.
- All work will be performed during normal business hours – 8 AM to 5 PM, District local time, Monday through Friday (excluding holidays) and as required for after business hour support for migration and maintenance activities - unless different working hours/schedule have been specified elsewhere in the SOW.

17.2 Change Management

The pricing in this SOW is based upon performance of the tasks and provision of deliverables specifically defined in this document. Requests for additional work activities that are not described in this document are subject to Section GC-12 of the Agreement.

Additional charges may apply if performance or completion of the Service is delayed for any reason attributable to District. Any delay claims arising under the Agreement by Nokia are subject to the provisions of Sections GC-10 and GC-13 of the Agreement.

17.3 Acceptance

“ACCEPTANCE OF GOODS” – Acceptance of goods occurs when the District; (1) after a reasonable opportunity to inspect the goods (10 business days) provides written confirmation to the Contractor that the goods are conforming or that the District will take or retain them despite their non-conformity; or, (2) fails to make an effective rejection, but such acceptance does not occur until the District has had a reasonable opportunity to inspect them (10 business days), District acceptance will be deemed to occur on the 11th day after delivery.

“ACCEPTANCE OF SERVICES” - Maintenance, management and other recurring services are deemed accepted as such Services are performed. For all other services, Contractor shall notify District upon completion of services by either providing a notice of completion or by providing District with the deliverable(s) specified in the Contract documents. Thereafter, District shall have 15 business days from the date of the notice or completion or delivery of deliverables to notify Contractor that the Services do not conform to the requirements described in the Contract Documents. Such Services shall be deemed accepted on the earliest of: (1) the passage of 15 business days from date of notice of completion with no notice of non-conformance from District; (2) District’s actual written acceptance; or (3) District’s use of the Services after delivery of the Services.

18 Pricing Summary

18.1 Pricing Notes

- The quoted prices are valid for POs received within 60 days from the date of this SOW.
- All prices are in US dollars, unless stated otherwise.
- Prices do not include taxes.
- If this SOW is accepted as is, please reference the 22.US.294444 quote number on your PO(s).
- Anything not specifically described above is not included in this SOW.

Network Architecture and Design – IP Service Routers:

- Pricing assumes that District purchases the Network Integration Service for Nokia to implement the network design service quoted here.
- Pricing assumes all work is performed remotely and does not include any travel time or travel and living expenses.

Optical Network Integration:

- Service pricing in this SOW is only valid for equipment contained in the Bill of Material (BOM) represented by the quote number indicated above. (Exhibit "K", Contract Documents 430-10427R). Equipment provided under any other quote number is not covered in this SOW and will require additional services pricing.
- The price for this Professional Service shows the services costs only; no necessary materials are included in these figures.
- The price for this Service does not include any District lab verification or staging activities prior to the start of on-site integration.

NFM-T Installation and Commissioning:

- Changes involving additional scope or an extension of the project timeframe will require a change order in accordance with Section GC-12 of the Agreement.
- The remote upgrade does not include any travel or living expenses.

NFM-P Software Integration:

- Pricing assumes all work is performed remotely and does not include any travel and living expenses.

Network Integration – IP Service Routers:

- Pricing assumes all work is performed remotely and does not include any travel and living expenses.

Services Migration – IP Service Routers:

- Pricing assumes all work is performed remotely and does not include any travel and living expenses.

vCPAA Integration:

- Pricing assumes all work is performed remotely and does not include any travel and living expenses.

Statement of Work - CARES Services

Public Utility District No. 2 of Grant County Washington

Contract Documents 430-10427R
Exhibit "A.2"

January 27, 2023

NOKIA # 22.US.294444

1	INTRODUCTION	4
2	SOFTWARE SUPPORT SERVICE.....	4
2.1	SERVICE DESCRIPTION.....	4
2.2	DELIVERABLES	4
2.3	SUPPORTED PRODUCTS AND SOFTWARE	5
2.4	SERVICE LEVELS.....	5
2.4.1	Ticket Request Classification	5
2.4.2	Services Delivery Outcomes.....	6
2.4.3	Access Methods.....	7
2.4.4	Service Delivery Targets and Service Hours	7
2.5	SERVICE DELIVERY TARGETS AND END OF LIFE.....	8
2.6	SHARE OF RESPONSIBILITIES.....	8
2.7	CUSTOMER'S OBLIGATIONS.....	10
3	RETURN FOR REPAIR SERVICE DESCRIPTION.....	10
3.1	SUPPORTED PRODUCTS AND FRUs.....	11
3.2	RETURN FOR REPAIR SERVICES LEVELS	11
3.3	RETURN FOR REPAIR DELIVERABLES	11
3.4	SHARE OF RESPONSIBILITIES.....	11
3.5	RETURN FOR REPAIR GENERAL TERMS AND CONDITIONS.....	13
3.6	13	
3.6.1	Returned Defective FRUs	13
3.6.2	Unreturned Defective FRUs.....	14
4	REPAIR WARRANTY PERIOD	14
5	ADVANCED EXCHANGE SERVICE	14
5.1	SUPPORTED PRODUCTS AND FRUs.....	14
5.2	ADVANCED EXCHANGE SERVICE LEVELS	14
5.3	ADVANCED EXCHANGE DELIVERABLES.....	14
5.4	SHARE OF RESPONSIBILITIES.....	14
5.5	ADVANCED EXCHANGE GENERAL TERMS AND CONDITIONS.....	17
5.6	DEFECTIVE RETURN DELIVERY	17
5.6.1	Exchanged Defective FRUs	17
5.6.2	Unreturned Defective FRUs.....	18
6	SOFTWARE SUBSCRIPTION PLAN/SOFTWARE RELEASE SUBSCRIPTION	18
6.1	NOKIA RESPONSIBILITIES	18
6.1.1	Description	18
6.1.2	Tasks/Deliverables.....	18
6.2	LIMITATIONS.....	19
6.3	CONDITIONS.....	19
6.4	POSSIBLE NEW RELEASE ROADMAPS.....	20

6.5 CUSTOMER RESPONSIBILITIES..... 20

 6.5.1 Customer Responsibilities Concerning Nokia Feature Release Download Services 21

7 EXCLUSIONS..... 21

8 ADDITIONAL TERMS 24

 8.1 CONDITIONS..... 24

 8.2 CHANGE MANAGEMENT 25

 8.3 ACCEPTANCE..... 25

9 PRICING SUMMARY 25

 9.1 PRICING NOTES 25

 9.2 PRICING TABLE 26

10 ENTIRE AGREEMENT 26

11 DEFINITIONS 26

12 APPENDIX..... 28

 12.1 Supported Products List (SPL)..... 28

1 INTRODUCTION

This Statement of Work ("SOW") describes the deliverables, the Parties' respective responsibilities and other conditions applicable for the provision of Care Services ("Service(s)") by Nokia of America Corporation ("Nokia") for Public Utility District No. 2 of Grant County Washington ("Customer"). Performance of the Services described in this SOW shall be governed by the terms and conditions of Contract Documents 430-10427R ("Agreement") between Public Utility District No. 2 of Grant County Washington and Nokia of America Corporation. No obligation to provide any of the Services described herein arises unless an order for such Service, incorporating the terms of this SOW, has been placed by Customer and accepted by Nokia. In the event of a conflict between the terms of the Agreement and this SOW, the several Contract Documents shall take precedence in the order outlined in Section GC-16 of the Agreement.

Nokia's performance of the Services described below is subject to the assumptions, exclusions and other conditions identified in this document.

2 SOFTWARE SUPPORT SERVICE

2.1 SERVICE DESCRIPTION

Service consists in providing remote support within the agreed response times for the Supported Products. Support, by way of example: Answering product-related questions, troubleshooting assistance, providing diagnostic procedures, investigating suspected software defects and remedying errors and malfunctions, providing access to Patch- and / Maintenance- Releases as may become available.

2.2 DELIVERABLES

Nokia deliverables
Online access to product specific customer support content of the nokia.com website. Online content may include technical product support information, subscription services, and other facilities, all provided in English language.
Online access to Patch Releases, or Maintenance Releases for Supported Products, when available, and according to the life cycle defined for each Supported Product.
Online access to Release documentation, describing improvements, minor enhancements, fault corrections as well as standard installation instructions and procedures for Patch Releases or Maintenance Releases in electronic format.
Provide Customer access for opening Ticket Requests, according to agreed Service Level.
Confirmation of Customer's Ticket Requests.
Troubleshooting of problems, via phone, or virtual private network, down to Supported Products component level, or sufficiently to exclude Supported Products as the root cause.
Provide resolutions to problems by providing software and/or procedural workarounds, where feasible.
Provide in case of material performance-affecting errors or malfunctions in the Software, corrective action to restore product performance. Such corrective action may, at the sole discretion of Nokia,

initially include temporary patch changes followed by further modification of the Software to achieve removal of such material errors or malfunctions.

Provide answers to technical queries and requests for information, relating to operational problems experienced by Customer in its daily network operations and maintenance.

2.3 SUPPORTED PRODUCTS AND SOFTWARE

The Services are:

- i) intended for Supported Products deployed in a commercial communications network and
- ii) provided for issues detected in said Supported Products that are demonstrable in the currently supported releases of Software, running unaltered, and on an appropriate run-time-environment as specified by Nokia.

Coverage may be extended to Supported Products used in Customer’s own lab for testing purposes before and during commercial use in the Customer’s network. In such events, the Services will be provided during normal Business Hours without regard to the Support Level applicable to Customer’s other Supported Products and subject to any specific Non-Production Targets set forth in this SOW.

Supported Software releases are defined by the life-cycle specific for each Supported Product or product line.

This Services cover Supported Products:

- installed and integrated by Nokia,
- installed by Customer and certified by Nokia, or
- installed by Customer trained by Nokia.

In general, software corrections are provided either in a scheduled Maintenance Release or in the next Feature Release under development. Decisions of which versions of software will be updated, and whether to include a correction in a Maintenance Release as opposed to including it in the next Feature Release, rests in Nokia's sole discretion.

2.4 SERVICE LEVELS

Services Level defines the Services delivery targets and in addition, Service Hours and Services access methods available to Customer. All requests for assistance from the Customer are considered as Ticket Requests.

2.4.1 Ticket Request Classification

To classify a request, Nokia technical support personnel will confirm with Customer the impact of the reported problem to determine an appropriate classification ("TR Classification"). Where the Parties disagree on the TR Classification of a particular reported problem, Customer and Nokia technical representatives will discuss the classification in good faith to reach a mutually acceptable TR Classification. In the event the Parties are unable to reach agreement on the TR Classification, Nokia reserves the right not to consider the reported problem in the overall SLA performance targets.

Severity definitions for a Ticket Request	
Critical	Severity Critical issues are conditions under which a software/feature is inoperative and an inability to use the licensed product/Services having a critical effect on operations. These are conditions that severely affect the primary functionality of the product such as:

Severity definitions for a Ticket Request	
	<ul style="list-style-type: none"> • product inoperability • a significant reduction in the performance, (i.e., traffic/data handling capability), such that designed-for loads cannot be handled • any loss of emergency capability (e.g., emergency calls) • safety hazard or risk of security breach. <p>Due to the business impacting nature a Critical issue requires non-stop immediate corrective action until restoration, regardless of time of day or day of the week.</p>
Major	<p>Severity Major issues are conditions under which a software/feature is partially inoperative but is still usable. The product is usable, but a condition exists that seriously degrades the product operation, maintenance or administration, etc., and requires attention during pre-defined standard hours to resolve the situation. The urgency is less than in critical situations because of a lesser immediate or impending effect on problem performance, operations and revenue, such as:</p> <ul style="list-style-type: none"> • Reduction in product's capacity (but still able to handle the designed-for load) (i.e. simplex failure (loss of redundancy) • Any loss of administrative or maintenance visibility of the product and/or diagnostic capability • Repeated degradation of an essential component or function • Degradation of the product's ability to provide any required notification of malfunction.
Minor	<p>Severity Minor issues are conditions under which a software/feature is usable, with limited impairment on the function(s) of the system. The condition is of a lesser severity than Critical or Major and is not critical to overall customer operations and does not restrict such operations. By default, all issues occurring on non-production environments should be registered as incidents with minor priority, unless stipulated otherwise in this SOW.</p>
Information Request	<p>An Information Request is any product/technology related question that is not related to a reported problem with the Nokia product or technology. The answer to the question is the resolution for an information request, not the resolution of the underlying problem.</p>

2.4.2 Services Delivery Outcomes

The following outcomes of the Services deliveries are to be used in assessing Nokia's Services performance..

Services Delivery Outcomes	
Initial response (Critical)	Nokia's Services engineer attempts to contact Customer, typically via phone after initially reviewing the case.

Services Delivery Outcomes	
Initial response (all others)	Response sent by Nokia’s Services engineer after initially reviewing the case. The information communicated in the Initial Response typically includes the name of the contact person who will be handling the matter, the case identification details, a determination of the severity classification of the case, and possibly any requirements for additional information needed from the Customer about the nature of the reported problem.
Restoration	Neutralization of the impact of services or network equipment in the event of a disruption, where either part or all the network’s functionalities are not available.
Temporary Solution	A temporary measure implemented to manage a problem and is intended to minimize harmful effects until a permanent solution can be implemented. A Temporary Solution may include operational advice or a modification and is measured from time Nokia communicates the availability of a Temporary Solution to Customer.
Solution	A procedural solution, or modification, or answer to address a problem is made available to Customer. If the Solution is for a SW defect, the target shown is when the Software package that corrects the reported problem is made available.
Solution (Information Request)	A clarification and qualified answer to the question, containing information related to operational problems experienced by Customer in its daily network operations and maintenance activities.

2.4.3 Access Methods

Customer’s access to Services are as follows:

Services	Access to Services
Critical	24/7, phone
All other	24/7, phone, email, web

2.4.4 Service Delivery Targets and Service Hours

The following Targets shall apply to Services outcomes in response to a Ticket Request within the scope of the Services:

Service Level: Gold *

Service Product	Severity	Initial Response 1)	Restoration 2), 3), 4)	Temporary Solution	Solution
Technical Support	Critical	15 M	4 H	NT	30 CD
	Major	1 H	12 H		45 CD
	Minor	4 H	Not Applicable	Not Applicable	120 CD
	Information Request	4 BH			4 BD

*Applicable to:

- IP products except NSP Automation Packages (e.g., Intents, Services fulfillment augmentation, workflows, etc.), for which only Bronze Services are available.

General Notes:

- o Services delivery performance target is ninety two (92%) percent
 - o Performance is calculated by using a rolling average over twelve (12) months as follows:
 - o For all outcomes, due within a calendar month:
(closed within the calendar month / due within the calendar month) x 100%

Specific Notes (referenced in table):

1- Critical Ticket Requests can only be opened by phone. For Major and Minor Ticket Requests opened via the web, 5 minutes will be added to all Respond targets submitted via Nokia’s on-line web form. For Major and Minor Ticket Requests sent to Nokia via email, 60 minutes will be added to all Respond targets.

2- Restoration targets only apply to outage conditions (service or functionality) that can be entirely neutralized remotely. If an on-site intervention is necessary, the travel time to arrive at Site is added to the Restoration time target or discounted from the Restoration interval. Additional fees may apply.

3- Target does not apply when Supported Products are not installed in redundant configurations, if available.

4- If Customer requires a service window (i.e. scheduled downtime of the network) to address a reported problem, the scheduled interval will not be included within the Restoration time, since during the scheduled period Nokia cannot perform activities.

If on-site intervention is required to resolve a hardware problem (e.g., replacing a faulty Supported Products), the Restoration target is temporarily suspended during that time period. It will restart once the hardware problem is corrected (e.g., a new or repaired Supported Products is installed in the network).

2.5 SERVICE DELIVERY TARGETS AND END OF LIFE

If Customer requires Remote Technical Support under this SOW for a Supported Product for which the Feature Release or Maintenance Release is at end-of-life, the service request may be rejected because the service level defined in this SOW is not applicable to end-of-life product releases.

2.6 SHARE OF RESPONSIBILITIES

Customer responsibilities
Ensure that only submitters that are trained by Nokia on Operations and Maintenance of the Supported Products are entitled to report a Ticket Request. Customer shall keep updated and shared with Nokia both the list of entitled submitters and modifications to escalation chains.
Ensure availability of employees which are trained by Nokia on Operations and Maintenance of the Supported Products to assist Nokia’s personnel. This may include, without limitation, assistance in performing additional tests, and gathering additional information.
Ensure that the Supported Products are, over time, installed, configured, operated, administrated and maintained in accordance with Nokia’s applicable installation, configuration, operation, administration, and maintenance specifications.

Customer responsibilities
For the Supported Products, Customer shall provide its own means to install fixes, patches, and updates, as and when made available by Nokia.
Maintain a procedure external to the software programs for regular back-up (software, configuration) and for reconstruction of lost or altered files, data, and/or programs.
Ensure that adequate resources are made available to Supported Products, as defined in Supported Products' documentation. In case of a software only product, the resources include, but are not limited to, CPU, memory, I/O bandwidth, storage and network communication response times.
Set up infrastructure (including hardware, software and connectivity related) to access the product specific Customer support content of the nokia.com website.
Provide to Nokia expert the login credentials and procedures to access the Customer's network (via network management system(s) or directly to specific network devices)
Provide all information necessary for Nokia to provide the Service without delay on the Supported Products. This includes, without limitation: identification of the releases of the Supported Products; network configuration and recent configuration changes; evidence of problem on the Supported Products; logs, traces and product diagnostic results for the Supported Products and for all the components of the environment of the Supported Products; evidence that resources allocation has been aligned with Supported Product's needs, as defined in Supported Products' documentation; already performed actions; any information to help reproduce the conditions under which the trouble occurred.
Include Severity Level of problem, service disruption status, Supported Product name, contract number, submitter name & location, call-back telephone number and/or email address, system name & location, type and serial and/or license number, and alternate contact.
Perform initial problem diagnostics and analysis to isolate the problem to specific Supported Product. In the event of service disruptions, perform 1st/2nd line troubleshooting and correction attempts following the incident management process of network operations.
Provide additional information within adequate time, proportional to Nokia's service delivery targets.
Perform follow-up and implementation of instructions, guidelines or any remedial advice provided by Nokia including installation of correction or corrective measures.
Provide verification of the delivered solution or confirmation of system restoration and closure of TR within reasonable time, proportional to Nokia's service delivery targets.
Allow Nokia to collect network inventory for the purposes of support services, for e.g. notifying on relevant Maintenance Releases and End of Life notifications.

Nokia responsibilities
Provide instructions and templates for gathering of information from incidents.
Provide instructions for opening Ticket Requests.
Provide the login credentials and procedures to establish access to Nokia's online Customer support systems.
Provide deliverables stated in the Deliverables section, according to the targets set in the Service Levels section.
Coordinate with Customer(s) of embedded 3rd party software.

2.7 CUSTOMER'S OBLIGATIONS

General obligations:

- Customer will be notified upon completion of Services (Ticket Request handling) by declaration of the "Solution Provided milestone" in the incident handling tool as a deliverable specified in this SOW.
Customer shall have 15 business days from such notice to notify Nokia that the Services (Ticket Request handling) do not conform to the requirements described in the Contract documents by "Rejection of the Solution" in the incident handling tool. Nokia is entitled to close the Ticket Request – on the earliest of:
 1. The term of 15 business days' notice has passed with no "Rejection of the Solution";
 2. Customer's acceptance of the "Solution Provided"
- Customer shall promptly provide all required information. In case Customer is not responding timely to the requests for additional information related to a Ticket Request, Nokia is entitled to close the Ticket Request after three (3) failed attempts within 3 working days.
- Customer shall promptly apply the solutions provided by Nokia to address a reported problem's measurements. This includes but is not limited to allowing such operations only during scheduled downtime of the network.
- Customer will be responsible for any delay caused in establishing satisfactory quality of Remote Access, which shall be deleted from the Services performance measurements.
- All software that is ultimately provided in connection with the Service including, without limitation, Maintenance Releases, Patch Releases or workarounds, are licensed subject to the same terms, restrictions, and limitations as contained in the licenses under which the original software was acquired.
- Nokia will reserve the right to charge an additional fee in the case of improper initial problem diagnostics and/or analysis to isolate the problem to specific Supported Product.

3 RETURN FOR REPAIR SERVICE DESCRIPTION

Repair or Replacement Services provide for the repair or replacement of Customer owned Field Replaceable Units (FRUs). Customer will return a reported defective FRU to Nokia and Nokia will repair it or replace it with a functional FRU from Nokia's inventory. Repaired or replaced FRUs may contain components that are used, remanufactured or refurbished. Replaced FRUs will be form, fit and functionally compatible.

3.1 SUPPORTED PRODUCTS AND FRUs

The Services described in this SOW are exclusively for the Product(s) and associated Supported FRUs identified as outlined in the Support Product List.

3.2 RETURN FOR REPAIR SERVICES LEVELS

Return for Repair Services offer the following Services levels:

Repair or Replacement: The repaired or replaced FRU delivery to the Hand Over Point (HOP) is measured in Calendar Days following receipt of the defective FRU at Nokia HOP.

3.3 RETURN FOR REPAIR DELIVERABLES

Following receipt and acceptance of the Hardware Services Request from Customer, Nokia will provide a Return Material Authorization (RMA) as return authorization and instructions for the return shipment of the defective FRU.

Upon receipt of the defective FRU at Nokia HOP, Nokia will deliver a repaired or replacement FRU to the designated HOP within the applicable FRU Delivery Target in accordance with applicable INCOTERMS, as DAP.

3.4 SHARE OF RESPONSIBILITIES

Services Readiness Process (R=Responsible A=Assist)	Nokia	Customer
Document the covered hardware, locations, configurations		R
Define the Supported Product List	R	
Define the Hand Over Points (HOP)	R	R
Define the INCOTERMS	R	
Define Nokia Hand Over Points (HOP)	R	
Define the Nokia-to-Customer FRU Delivery Target	R	
Define the Customer-to-Nokia FRU Return Delivery Deadline	R	
Designate Nokia contacts	R	
Designate Customer contacts		R
Establish and maintain entitlement records	R	
Provide notice of changes to installed products, locations and configurations on a quarterly basis		R
Define the Hardware Services Request procedures	R	

Services Readiness Process (R=Responsible A=Assist)	Nokia	Customer
Declare the Ready for Services Date	R	

Hardware Services Request and Approval Process	Nokia	Customer
Initiate the Hardware Service Request (HSR) per Nokia's procedures and provide the following minimum information: <ul style="list-style-type: none"> Requester's company name and entitled company name (if different) Requester's name, phone numbers and email addresses Identification of the Supported FRU and serial number Identification of the ship-to location address (HOP) Nokia assigned service agreement number 	R	
Minimize the number of No Fault Found (NFF) conditions through utilization of technical support services as appropriate; reference to, and compliance with, manufacturer's diagnostic procedures; and by remaining familiar with Nokia's and the manufacturer's published references	A	R
Verify Hardware Services Request entitlement and approve Hardware Service Request	R	
Issue Return Material Authorization (RMA)	R	

Hardware Services Request Fulfilment and Completion Process	Nokia	Customer
Handle electrostatic discharge (ESD) sensitive material in an appropriate manner including the use of ESD protection packaging		R
Remove extraneous, peripheral and ancillary hardware from the defective FRU		R
Include the Failure Report and all relevant documentation in the defective package		R
Provide adequate packing material to protect against a reasonable risk of damage that would normally occur during shipping by common carrier		R

Hardware Services Request Fulfilment and Completion Process	Nokia	Customer
Label the outside of the defective return package with the Nokia assigned RMA number		R
Deliver the defective FRU to the Nokia HOP within the FRU Return Delivery Deadline		R
Inspect defective FRU and packaging for correctness and condition and promptly report non-compliances	R	
Notify Customer in case exclusion conditions apply	R	
Deliver the repaired or replacement FRU to the CustomerHOP within the FRU Delivery Target	R	
Ensure the requested delivery site is ready to receive repaired or replacement Parts and that no delays are caused in the delivery attempt		R
Inspect replacement FRU and packaging for correctness and condition and promptly report non-compliances		R

3.5 RETURN FOR REPAIR GENERAL TERMS AND CONDITIONS

Term	Conditions	Value
Ready for Service	Measured from the provision of the Installed base and configuration detail	120 days
Return Defective FRU to Nokia HOP	From acceptance of Hardware Services Request	Thirty (30) Calendar Days
Deliver repaired or replacement FRU to designated HOP	From receipt of defective FRU at Nokia HOP	As defined in the Supported Product List

3.6

3.6.1 Returned Defective FRUs

Upon receiving the Return Material Authorization (RMA) from Nokia, Customer will deliver the reported defective FRU to Nokia Hand Over Point (HOP) within thirty (30) Calendar Days from RMA issuance.

Customer will follow the shipping instructions for returning defective FRUs to Nokia and will use the return label if one is provided. Customer must always return the specific FRU that was reported defective. Deviating RMA numbers, item codes or serial numbers will be rejected and returned to Customer .

In the case where Customer receives a replacement FRU and the defective FRU is later found to be unrepairable due to damage as set forth in Exclusions, Nokia may request a Purchase Order from Customer for the undiscounted price of the replacement FRU. Nokia is responsible for disposition of damaged FRU.

3.6.2 Unreturned Defective FRUs

Defective FRUs that have not been delivered from Customer to Nokia within thirty (30) calendar days from RMA issuance will cause the Hardware Services Request to be canceled.

4 REPAIR WARRANTY PERIOD

The warranty period for repaired or replaced Supported FRUs is six (6) months from the date of delivery to the designated HOP or the remainder of the original warranty period granted under the Agreement, whichever is longer.

5 ADVANCED EXCHANGE SERVICE

Advanced Exchange provides for the exchange of Customer-owned Field Replaceable Units (FRUs). Nokia will dispatch a functional FRU in advance of receiving the reported defective FRU from Customer. Exchanged FRUs may contain components that are used, remanufactured or refurbished. Exchanged FRUs will be form, fit and functionally compatible.

5.1 SUPPORTED PRODUCTS AND FRUs

The Services described in this SOW are exclusively for the product(s) and associated Supported FRUs identified as outlined in the Support Product List.

5.2 ADVANCED EXCHANGE SERVICE LEVELS

Advanced Exchange offers the following service levels, as defined in the Supported Product List:

Advanced Exchange in Days (AED): The replacement FRU delivery is measured in Calendar Days or Business Days.

5.3 ADVANCED EXCHANGE DELIVERABLES

Following receipt and acceptance of the Hardware Service Request from Customer, Nokia will provide a Return Material Authorization (RMA) as return authorization and instructions on where the Customer is to ship their defective FRU.

Nokia will deliver a replacement FRU to the Customer Hand Over Point (HOP) within the applicable FRU Delivery Target in accordance with applicable INCOTERMS as DAP. Customer requests for delivery of a Supported FRU to an alternate location not specified in the Supported Product List shall not be subject to the specified Delivery Deadline.

5.4 SHARE OF RESPONSIBILITIES

Service Readiness Process (R=Responsible A=Assist)	Nokia	Customer
Document the covered hardware, locations, configurations		R

Service Readiness Process (R=Responsible A=Assist)	Nokia	Customer
Define the Supported Product List	R	
Define the Customer Hand Over Points (HOP)	R	R
Define the INCOTERMS	R	
Define the Nokia Hand Over Points (HOP)	R	
Define the Nokia-to-Customer FRU Delivery Target	R	
Define the Customer-to-Nokia FRU Return Delivery Deadline	R	
Designate Nokia contacts	R	
Designate Customer contacts		R
Establish and maintain entitlement records	R	
Provide notice of changes to installed products, locations and configurations on a quarterly basis		R
Define the Hardware Service Request procedures	R	
Declare the Ready for Service Date	R	

Hardware Service Request and Approval Process	Nokia	Customer
Initiate the Hardware Service Request (HSR) per Nokia's procedures and provide the following minimum information: <ul style="list-style-type: none"> Requester's company name and entitled company name (if different) Requester's name, phone numbers and email addresses Identification of the Supported FRU and serial number Identification of the ship-to location address (HOP) Nokia assigned service agreement number 		R
Minimize the number of No Fault Found (NFF) conditions through utilization of technical support services as appropriate; reference to, and compliance with, manufacturer's diagnostic procedures; and by remaining familiar with Nokia's and the manufacturer's published references	A	R

Hardware Service Request and Approval Process	Nokia	Customer
Verify Hardware Service Request entitlement and approve Hardware Service Request	R	A
Issue Return Material Authorization (RMA)	R	

Hardware Service Request Fulfilment and Completion Process	Nokia	Customer
Deliver replacement FRU to the Customer HOP within the FRU Delivery Target	R	
Ensure the requested delivery site is ready to receive exchanged Parts and that no delays are caused in the delivery attempt		R
Inspect replacement FRU and packaging for correctness and condition and promptly report non-compliances	A	R
Handle electrostatic discharge (ESD) sensitive material in an appropriate manner including the use of ESD protection packaging		R
Remove extraneous, peripheral and ancillary hardware from the defective FRU		R
Include the Failure Report and all relevant documentation in the defective package		R
Provide adequate packing material to protect against a reasonable risk of damage that would normally occur during shipping by common carrier		R
Label the outside of the defective return package with the Nokia assigned RMA number		R
Deliver the defective FRU to the Nokia HOP within the FRU Return Delivery Deadline		R

Hardware Service Request Fulfilment and Completion Process	Nokia	Customer
Inspect defective FRU and packaging for correctness and condition and promptly report non-compliances	R	A
Notify Customer in case exclusion conditions apply	R	
Issue purchase order for replacement of excluded FRUs		R
Replace excluded FRUs at Customers’s expense	R	

5.5 ADVANCED EXCHANGE GENERAL TERMS AND CONDITIONS

Term	Conditions	Value
Ready for Service	Measured from the provision of the Installed base and configuration detail	120 days
Hardware Service Request Deadline	AE Calendar Day Service	As defined in the Supported Product List
Hardware Service Request Deadline	AE Business Day Service	As defined in the Supported Product List
Hardware Service Request Deadline	AE Calendar Hour Service	As defined in the Supported Product List, measured in calendar hours
Hardware Service Request Deadline	AE Business Hour Service	As defined in the Supported Product List, measured in business hours
Deliver Replacement FRU to Customer HOP	From acceptance of Hardware Service Request	As defined in the Supported Product List
Return Defective FRU to Nokia HOP	From date of replacement delivery at Customer HOP	Fourteen (14) Calendar Days

5.6 DEFECTIVE RETURN DELIVERY

5.6.1 Exchanged Defective FRUs

Upon receiving the replacement FRU Customer will deliver the reported defective FRU to Nokia’s HOP within the Return Delivery Deadline of fourteen (14) Calendar Days.

Customer will follow the shipping instructions for returning defective FRUs to Nokia and will use the return label if one is provided. Customer must always return the specific FRU that was reported defective. Deviating RMA numbers, item codes or serial numbers will be rejected and returned to Pare.

5.6.2 Unreturned Defective FRUs

FRUs for which Customer fails to comply with the Return Delivery Deadline requirements will be treated as Unreturned FRUs.

If Customer fails to return the reported defective FRU to Nokia as specified or returns material that is excluded from coverage as specified in "Exclusions" section, Customer agrees to pay Nokia the undiscounted price for the Advanced Exchange FRU(s) and a five hundred dollar (\$500) per item restocking fees.

When informed of Unreturned FRU instances by Nokia, Customer will acknowledge notification of such instances within fourteen (14) Calendar Days and will issue to Nokia a respective purchase order within thirty (30) days of Nokia's notification of such instances, or otherwise provide documented evidence that Nokia's claim of Unreturned FRUs does not apply.

6 SOFTWARE SUBSCRIPTION PLAN/SOFTWARE RELEASE SUBSCRIPTION

6.1 NOKIA RESPONSIBILITIES

6.1.1 Description

Nokia will make available all Feature Releases of software for network/node elements, management systems for specific network elements or families of network elements, and other network-related applications at Nokia's sole discretion.

6.1.2 Tasks/Deliverables

6.1.2.1 Access to Feature Releases

Provide, as may be available, and in Nokia's sole discretion, any Feature Releases for Products, provided that are within the Generally Available phase of their lifecycle. No releases are available for manufacture discontinued ("MD") products.

Feature Releases may also include provision of third-party software upgrades, as may be made available by the third-party software manufacturer, if the third-party software is supported by Nokia and was licensed to Customer by Nokia.

Feature Releases encompass the products that are purchased by Customer, as set forth in the Pricing section and the "Maintained Products and Scope of the Services" or "Products Covered" section of this SOW; provided, however, if a Feature Release contains a new feature for such product(s) for which an additional license or activation fee is required, this must be purchased separately by the Customer and will be subject to the provisions of Section GC-12 of the Agreement; otherwise, it is not included in the Services, and will not be provided to Customer.

Distribution of Feature Releases: Releases will be provided via Internet download on the Nokia Support Portal.

License Terms of Feature Releases: All software that is provided in connection with the Service is licensed subject to the same terms, restrictions, and limitations as contained in the licenses under which the original software was acquired

6.1.2.2 Release Notes

Provide the associated Release Notes applicable to the software and hardware revisions supported by the Feature Release and a list of all changes and additions to the latest release. Any procedural updates that are impacted by the Feature Release will also be provided.

6.1.2.3 Firmware for Control Cards

If required, provide new or an upgrade to firmware specific to the control card(s) of the relevant Products. (Does not include line card firmware).

6.1.2.4 Access to Patch Releases and Maintenance Releases

Provide, as may be available, and in Nokia's sole discretion, any Patch Releases and Maintenance Releases for the Products.

Distribution of Patch Releases and Maintenance Releases: Releases will be provided via Internet download on the Nokia Support Portal.

License Terms of Patch Releases and Maintenance Releases: All software that is provided in connection with the Service is licensed subject to the same terms, restrictions, and limitations as contained in the licenses under which the original software was acquired.

6.1.2.5 Product Upgrade Procedures

Provide a generic procedure document on how to upgrade the Product(s) located on the Nokia Support Portal.

6.2 LIMITATIONS

The following items must be purchased separately by Customer in accordance with Section GC-12 of the Agreement and are not contemplated to be part of the Project in this SOW:

- Any modifications to any parts of the network which are deemed by Nokia necessary to accomplish network compatibility with a Feature Release.
- Any additional products required to take advantage of any new functionality within a Feature Release.
- Any additional software licenses required to support growth in the network of hardware or software (e.g. nodes, subscribers, etc.).
- Any features in a Feature Release for which an additional license or activation fee is normally required.
- Where required, a minimum of twelve (12) weeks lead-time must be provided for all Firmware orders (i.e. PROMs – Programmable Read-Only Memory).

6.3 CONDITIONS

- Customer must purchase the Services for a minimum period of time.
- Customer must purchase the Services in conjunction with Software Support Services (Technical Support).

- For each product, the quantity specified must include all such parts found in the subject network. Coverage for a subset of deployed products in the subject network are not permitted.
- After the Effective Date , to account for any changes to the network elements or quantity of software licenses above and beyond those listed as products covered, one of the following schemes applies:
 - Network Growth Scheme 1: A Change Order shall be executed in accordance with Section GC-12 of the Agreement.
 - Network Growth Scheme 2: A new, separate agreement shall be executed.
- If Customer terminates the Agreement prior to the expiration of the Term, and then wants to re-subscribe to this Services at a later date, such Services will not be provided unless and until Customer has reimbursed Nokia in accordance with Section GC-5 of the Agreement.
- Prices are based upon purchase of the Services for the entire agreed Term. Suspension of work or termination other than for default shall be in accordance with Section GC-5 of the Agreement.

6.4 POSSIBLE NEW RELEASE ROADMAPS

The forecast of future software releases ("product roadmap") is provided by Nokia solely to inform Customer of Nokia's plan of record for the relevant product(s) and both Parties to this SOW hereby agree that such information does not form a commitment of any kind on either party in relation to this SOW. There are no penalties, liquidated damages or other remedies associated with changes to the product roadmap including cancellation of any specific feature or functionality or delay in the timing of development.

6.5 CUSTOMER RESPONSIBILITIES

Prior to the commencement of the SSP Services, Customer shall:

- If necessary, upgrade the entitled products to the specified release level. All expenses, including but not limited to hardware, software, third-party products, or installation, are solely the responsibility of Customer.
- Nokia Software Support Services (Technical Support) must be in effect prior to the delivery of the SSP/SRS Services.

During the SSP/SRS Services term, Customer shall:

- Provide commercially available computing hardware for the Products according to product specifications, except in those cases where Nokia provided such computing hardware.
- Update the products covered on an annual basis.
- Allow Nokia, if Nokia deems it necessary, to verify the accuracy of the reported parts shown as products covered by reasonable means.
- If Customer is not forthcoming with updates to the products covered table as indicated in above, Nokia shall be permitted to perform an audit of the subject network, at Customer's sole expense.

6.5.1 Customer Responsibilities Concerning Nokia Feature Release Download Services

- Customer must designate contact(s) within its organization who is/are responsible for receiving the Feature Releases and will communicate such contact(s) in writing to Nokia.
- Customer shall not enable or permit download access to any person other than its designated contact(s), without Nokia's prior written consent. Such consent shall be at Nokia's sole discretion.
- If requesting such consent, Customer shall identify to Nokia any non-employee who Customer would like to have access to the download site, and if requested by Nokia, will provide a copy of a Nondisclosure Agreement executed between Customer and the non-employee in accordance with the confidentiality terms of the Agreement pursuant to which products were supplied. Such agreement will provide, at a minimum, the level of protection provided in the Agreement. Nokia may refuse consent within its sole discretion.
- Customer will remove employees' access immediately upon employment separation by locking and removing employees' email account.
- Customer's use of any download site is subject to all Terms of Use then set forth or linked to the download site. Such Terms of Use shall in no event be construed to increase Nokia's obligations under this SOW nor to create or modify any performance objectives for the Services under this SOW.
- Without limiting Nokia's other rights, Nokia may deny access immediately and in the future to individuals using the download site other than as permitted. Nokia shall have no liability to Customer on account of such denial.

7 EXCLUSIONS

The Services under this SOW do not include the following:

- Access to Feature Releases.
- Optional or new software features resident in a Maintenance Release or Feature Release, except to the extent that Customer has separately paid the applicable license fees for the use thereof.
- Customer's request to change the product specification.
- Open source software, if any, that is distributed on an "as is" basis under the respective license terms, and Nokia disclaims any liability in relation to such open source software.
- Software as such or software in respect of third-party equipment that Nokia purchases or licenses from third parties and delivers to Customer, either as a sublicense or as a direct license from the third party in connection with, or as part of the delivery of Supported Products. Nokia undertakes to forward to Customer the maintenance undertakings and/or warranties given by such third parties.
- Pre-releases, or testbed, trial or pilot releases of Software (which are expressly designated as experimental or preliminary) that may be offered to Customer from time to time. Such releases are provided to Customer for testing and other purposes than use in any revenue-earning or other primary business purpose, and such software is expressly agreed as being supplied on an "as is" basis.
- Onsite service, installation service, preventive service, or coverage of third-party software.
- Creating or making corrections to Customer -specific reports.

- Maintenance operations, including but not limited to system administration, system audits, backup and restore procedures, proactive monitoring, operational reports.
 - Maintenance or repairs of accessories, attachments or any other devices not identified in this SOW.
 - Furnishing of optional accessories or consumable supplies.
 - Equipment certification efforts, as required per Nokia's policy on equipment not installed by an approved Nokia installer, or lapse in maintenance coverage, or equipment that has been moved.
 - Recovery of any lost data or expenses for reconstructing data lost during the performance of the Services.
 - Support for custom software features not identified in this SOW as Supported Products, that include any features that are not present in the generally available version of the Supported Products.
 - Providing Customer specific instructions for installation of Patch Releases or Maintenance Releases .
 - Support for non-Supported Products, whether they reside on the same computing hardware platform on which Supported Products reside.
 - Modifications, maintenance, or repair performed by other than Nokia designated personnel, including changes, modifications or alterations not authorized by Nokia in the Supported Products, the hardware, or the software environment in which the Supported Products operate including, without limitation, the introduction of updates of third-party software or hardware that have not been validated by Nokia.
 - Database problems: If the condition is determined to be the result of corruption of the Supported Products' database, and such corruption is not the direct result of the Supported Products, the condition will be referred back to Customer. However, if corruption is the result of, or caused by, Nokia's Supported Products, Nokia shall manage the resolution of the problem, at no additional charge; provided, however, that Nokia shall only be responsible for restoring data on the media. Customer shall be responsible for providing Nokia with the data that needs to be restored.
 - Other/interfacing systems problems: If the condition is possibly caused by systems other than the Supported Products including, but not limited to, systems that interface with the Supported Products, then the condition will be referred to Customer for corrective action, unless
 - The other system(s) has (have) been furnished by Nokia and is (are) covered under a Nokia maintenance contract, in which case Nokia shall manage the resolution of the problem.
- OR
- Interoperability with the other system(s) is covered by a dedicated SWS Maintenance agreement for Interoperability Support
 - Events due to a failure to continually provide a suitable operational environment with all facilities prescribed by the applicable product specifications document including, but not limited to, the failure to provide, the failure of, or faulty, adequate electrical power, air conditioning, or humidity, dust control.

- Use of the Supported Products in a manner not in accordance with its specifications, operating instructions, or license-to-use,
- Support of Software running on either obsolete or End-of-Life Hardware.
- Support of a Supported Product that is operating on an end-of-life software release.

Hardware Services under this SOW do not include:

- The detection or isolation of failed FRUs.
- The removal or installation of FRUs from or into the network/systems.
- FRU modification or upgrade services, unless deemed necessary by Nokia.
- Root cause analysis or failure mode analysis that specifies the actual FRU failure cause or any specific remedial action.
- Custom reports unless mutually agreed between Customer and Nokia.
- FRUs with defects or malfunctions caused directly or indirectly by: (1) failure of non-Nokia personnel to follow the manufacturer's installation, operation, or maintenance instructions; (2) Products or their FRUs not specifically identified in the Supported Product List; (3) abuse, misuse, or negligent acts of non-Nokia personnel; (4) damage from fire, water, wind, exposure to weather, or other forces of nature; or (5) acts of terrorism, vandalism or other hostiles actions.
- FRUs that show evidence of: (1) improper packaging; (2) improper handling; (3) modification by non-Nokia approved personnel; (4) the installation or attachment of non-Nokia approved components including hardware or software; or (5) any condition that exceeds the tolerances as prescribed by the manufacturer or failure to continually provide a suitable operational environment including, but not limited to, the failure to provide adequate electrical power, air conditioning, dust control or excessive humidity.
- Passive and mounting hardware including, but not limited to, cabinets, chassis, frames, antennae, connectors, cables, cable assemblies, cords, brackets, bezels, faceplates, adapters, panels or labels.
- Consumables including, but not limited to, fuses, batteries, air filters, or transformers.
- Documentation or software in all media forms.
- Equipment certification, as required per Nokia's policy on equipment not installed by an approved Nokia installer, or lapse in Maintenance coverage that spans more than ninety (90) days, or equipment that has been moved.

The following exclusions are applicable to Model-Driven Mediation (MDM) Adaptors ("Adaptor") for use with Nokia's Network Services Platform (NSP) product and product line, specifically for use with third-party products.

- a. If Nokia's support personnel determine that an Adaptor is the source of the fault, Nokia will confirm support validity before providing Services. Adaptors that qualify for Services are:
 - supplied and sold by Nokia
 - being used as intended (e.g., Adaptor is associated with the built-for equipment type, release, and function).
 - not modified in any way by Customer
 - within both the NSP and Adaptor's software support lifecycle

- b. If Nokia deems that access to the third-party equipment is required to troubleshoot the issue, Customer must make available such equipment or an identical one running in a lab. If access is unreasonably delayed, the TR will be suspended until access is granted.
- c. No Services will be provided for the third-party equipment associated with the Adaptor.

The following exclusions are applicable to optical or electrical transceivers ("Transceiver"), such as, but not limited to SFP, XFP, SFP, SFP+, QSFP+, QSFP28, CFP.

- a. If Customer submits a Ticket Request on i) a non-Nokia Transceiver installed in a Supported Product, or ii) a Supported Product, where it is determined the fault lies in a non-Nokia Transceiver, the TR will be closed without delay, marked resolved, and excluded from Services delivery performance targets. Customer may opt to replace said Transceiver with a Nokia Transceiver and raise a new TR if the problem persists after replacement occurs.
- b. If the act of diagnosing a fault to lie in a non-Nokia Transceiver requires Nokia to deliver an abnormal amount of effort, Nokia reserves the right to charge Customer for time and materials.
- c. If it is determined that damage to a Supported Product occurred due to the presence of non-Nokia Transceiver installed therein, the TR will be closed without delay, marked resolved, and excluded from Services delivery performance targets. Thereafter, Services will no longer be provided on said Supported Product.
- d. If Customer installs non-Nokia Transceiver in a Supported Product, Customer accepts full responsibility for any damage, service interruptions or other incidents caused by misbehavior of said devices and waives all rights to recourse or claims against Nokia.

SSP/SRS Services do not include:

- Performing services related to implementing Releases in Customer's network, including but not limited to:
 - Software Installation or upgrade services (on-site or remotely), network and node staging (on-site or remotely), hardware modification, software configuration or re-configuration, custom tool/script development, technical support prior to or during installation (on-site or remotely), or network integration. Installation services are available for purchase from Nokia.
- Supplying spare parts, training, network planning, management or related project Services.

8 ADDITIONAL TERMS

8.1 CONDITIONS

- Nokia reserves the right to determine which personnel to assign to perform Services. Nokia personnel shall at all times be subject to the employment conditions of Nokia and not those of Customer. If Nokia personnel are present on Customer's premises, those Nokia personnel shall respect such on-site conditions, as applicable.
- Nokia may use proprietary tools and software for providing the Services. The stated prices herein do not include the sale, licensing or transfer of such tools or software to Customer, and procurement subject to Section GC-12 of the Agreement.
- All work will be performed during normal business hours – 8 AM to 5 PM, Customer local time, Monday through Friday (excluding holidays) and as required for after business hour

support for maintenance services unless different working hours/schedule have been specified elsewhere in the SOW.

8.2 CHANGE MANAGEMENT

The pricing in this SOW is based upon performance of the tasks and provision of deliverables specifically defined in this SOW. Requests for additional work activities that are not described in this SOW are subject to Section GC-12 of the Agreement.

Additional charges may apply if performance or completion of the Services is delayed for any reason attributable to Customer. Any delay claims arising under the Agreement by Nokia are subject to the provisions of Sections GC-10 and GC-13 of the Agreement. Subject to Section GC-13 of the Agreement the Customer agrees to authorize: (a) Nokia's billing for such Services on a time and material basis at Nokia's then current standard rates and subject to any applicable per incident and/or minimum hourly billing requirements then in effect, and/or (b) the schedule extension attributable to the delay.

8.3 ACCEPTANCE

"ACCEPTANCE OF SERVICES" - Maintenance, management and other recurring services are deemed accepted as such Services are performed. For all other services, Contractor shall notify District upon completion of services by either providing a notice of completion or by providing District with the deliverable(s) specified in the Contract documents. Thereafter, District shall have 15 business days from the date of the notice or completion or delivery of deliverables to notify Contractor that the Services do not conform to the requirements described in the Contract Documents. Such Services shall be deemed accepted on the earliest of: (1) the passage of 15 business days from date of notice of completion with no notice of non-conformance from District; (2) District's actual written acceptance; or (3) District's use of the Services after delivery of the Services.

9 PRICING SUMMARY

9.1 PRICING NOTES

- The prices in this SOW are valid for purchase orders received within 60 days after the Effective Date of this SOW.
- All prices are in United States dollars, unless otherwise agreed in writing.
- Prices do not include taxes.
- Pricing Summary Offer # 22.US.294444, January 27, 2023, shall be referenced in any purchase orders issued pursuant to this SOW.
- If a purchase order is received prior to the execution of this SOW, then this SOW shall be deemed accepted as written.
- Any task not specifically required in this SOW, shall be excluded herefrom.
- Prices are based upon purchase of the Services for the entire agreed Term. Accordingly, and notwithstanding any other provision of the Agreement, there is no right by Customer to terminate for convenience either this SOW or any purchase order during the course of the Initial Term or any Renewal Term.

9.2 PRICING TABLE

Ordering Instructions	Service Type	Product	Qty	Year
Maintenance pricing is set forth in Price Offer # 22.US.294444 and incorporated herein as if fully set forth at length.				

10 ENTIRE AGREEMENT

This SOW and the non-conflicting terms and conditions of the Agreement Documents 430-10427R constitute the entire agreement, and supersede all prior oral and written understandings, between the Parties regarding the subject matter hereof. In the event of a conflict between the terms of the Agreement and this SOW, the several Contract Documents shall take precedence in the order outlined in Section GC-16 of the Agreement. Any modification or addition to this SOW shall be subject to Section GC-12 of the Agreement.

11 DEFINITIONS

"Agent" means the entity authorized by Customer to request and consume the Services defined in this SOW.

"Agreement" shall mean the several Contract Documents governing the Services described in this SOW.

"Assistance Request" or "AR" shall mean a Customer-initiated request for Services to be performed. An AR will be considered valid when Nokia acknowledges the request for assistance and confirms acknowledgement by providing Customer with an AR tracking number (call number, ticket number). An AR may be initiated by Customer by telephone through the Nokia Technical Services Center ("TSC") or via mail or through the Nokia.com customer support web site: <http://www.Nokia.com/support>. Phone has to be used to initiate an AR for Critical and Major AR.

"Business Day (BD)" means every official working day (excluding weekends and public holidays) in the location the Customer's equipment is located.

"Business Hour (BH)" means the elapsed 60-minute period during normal working hours, unless otherwise specified, from 8:00 AM – 5:00 PM, in the location where Customer's equipment is operating.

"Business Minute (BM)" means a minute of time where Customer's equipment is operating from 8:00 AM – 5:00 PM, during the Business Day.

"Calendar Day (CD)" means Sunday, Monday, Tuesday, Wednesday, Thursday, Friday and Saturday and shall be inclusive of national, state or local holidays.

"Core Network" as per the ETSI definition of 3GPP Core Network (for the 5G: 3GPP TS 23.501 version 15.3.0 Release 15).

"CR-24" means Continuous Release delivery with a 24-month support life cycle (requiring continuous Software updates).

"Generally Available" or "GA" means identified hardened product that is available for general release to Customer; product is now volume manufactured and standard ordering procedures will apply with no further approvals required.

"Hour (H)" means any consecutive 60-minute (min) period.

"Hardware" means all or any specific physical product manufactured by Nokia and/or third parties.

"Feature Release" means the collection of commercially significant functionality and SW corrections, made available by the Nokia as a deliverable of separate commercial agreement.

"KPI" means Key Performance Indicator defining the target times in accordance with the TL9000 telecom standard for the measurement of the performance of the Service delivered by Nokia.

"Main Release" means a Software release including significant new feature content, which may include architectural changes, performance enhancements, operability and serviceability changes, significant interface and compatibility modifications, made available by Nokia as a deliverable under a separate commercial agreement.

"Maintenance Release" means a software release that contains modifications intended to resolve problems that prevent products from performing up to the manufacturer's technical specifications. Typically, they are comprised of a collection of Patch Releases. Also known as an Update release

"Minute (M)" means any consecutive 60-second period

"Network Element Products" (NE Products) includes software and operating systems for network/node elements

"Network Management System Products" (NMS Products) includes management system software for specific network elements or families of network elements.

"Network Related Products" (NR Products) includes other network-related applications not classified as a NE or NMS Product "No Target (NT)" means Nokia will use commercially reasonable efforts to perform the corresponding activity, if feasible at Nokia's sole discretion

"Patch Release" means an unscheduled release containing SW corrections or other remedial measures, made available by Nokia as a deliverable of Nokia Support Service Agreement.

"Release" means (unless the release type is specified) all Software release types supplied under this SOW.

"Remote Access" means the ability of Nokia to log into the Supported Products from a remote distance and to perform the Service and/or an audit once a data connection has been established between Supported Product and Nokia's support center(s).

"Service" means the Software Support Service as provided under this SOW.

"Service Hours" means the times when the work will be performed. Service Hours 8/5 means that work is done during Customer's normal Business Hours. Service Hours 24/7 means that work is done 24 hours a day, 365 days a year.

"Service Level" means the level or grade of the Service defined with reference to specific KPIs, Service availability windows, and Service access methods, supplied by Nokia.

"Temporary Solution" means a temporary measure implemented to manage a problem and is intended to minimize harmful effects until a permanent solution can be implemented. A Temporary Solution may include operational advice or a modification and is measured from time Nokia communicates the availability of a Temporary Solution to Customer.

"Ticket Request" or "TR" means a transaction process initiated by Customer for the delivery of Software Support by Nokia. A Ticket Request will be considered valid when Nokia formally acknowledges such request by providing the Customer with a Ticket Request identifier.

"Software" means any software, computer program, object code, listing or related material in machine-readable or printed form (including Third Party software and firmware), or any updates and modifications thereto, that are included in the Products or licensed separately, regardless of the form or media on which it is delivered, but excluding free and open source software and source code.

"Supported Product" means those products for which Software Support is purchased in accordance to this SOW and are specifically identified in the section/appendix "Supported Products List". Different products or products additional to the number of Supported Products stated in this section are not covered in this SOW.

APPENDIX

11.1 Supported Products List (SPL)

Product Name	Qty.	Service Product / Service Level
1830 PSS-16II	23	<ul style="list-style-type: none"> • Software Support Service (Tech Support Gold) • Advanced Exchange - 1 Calendar Day • Software Support Plan
7750 SR-7	2	<ul style="list-style-type: none"> • Software Support Service (Tech Support Gold) • Advanced Exchange - 1 Calendar Day • Software Support Plan
7210 SAS-Sx	2	<ul style="list-style-type: none"> • Software Support Service (Tech Support Gold) • Advanced Exchange - 1 Calendar Day • Software Support Plan
NSP: NFM-T High Avail	1	<ul style="list-style-type: none"> • Software Support Service (Tech Support Gold) • Software Release Subscription
NSP: NFM-P High Avail	1	<ul style="list-style-type: none"> • Software Support Service (Tech Support Gold) • Software Release Subscription

GRANT OF LICENSE

- 1.1. Customer shall use all Licensed Materials in accordance with this Exhibit "A.3". Upon delivery of any Licensed Material and subject to Customer's payment of the applicable fees for such Licensed Material and compliance with the other terms and conditions of this Agreement, Nokia grants to Customer, and Customer accepts, a personal, nonexclusive, nontransferable license to use the portions of the Licensed Material for which activation has been authorized by Nokia, solely on or with the single unit or arrangement of Equipment for which the Licensed Material was delivered, for Customer's internal use in the United States.
- 1.2. Customer acknowledges and agrees that: (a) Nokia may have encoded within the Software optional functionality, features and/or capacity, which may be accessed only through the purchase of the applicable license extension from Nokia at an additional Price (no licenses are granted to such functionality, features and/or capacity unless Customer purchases the applicable license extension); and (b) Customer may need to obtain a new or additional application key from Nokia to use such Software.
- 1.3. This Agreement applies to all updates, upgrades, maintenance releases, revisions and enhancements for the Licensed Materials which Nokia may supply to Customer from time to time.
- 1.4. Customer may copy Licensed Materials as reasonably necessary for backup and archival purposes if the copies contain all of the Nokia proprietary notices contained in the original Licensed Materials. All copies of all Licensed Materials (including partial copies) are Nokia Confidential Information. All rights, title and interest in and to the Licensed Materials, including all intellectual property rights, remain vested in Nokia, its suppliers and licensors, and Customer is granted only a limited license to use the Licensed Materials in conjunction with the Equipment, as set out in this Exhibit "A.3".
- 1.5. Customer shall not directly or indirectly: (a) modify, copy, transmit, alter, merge, decompile, disassemble, reverse engineer or adapt any Licensed Material or portion thereof; (b) encumber, time-share, rent or lease the rights granted herein; (c) manufacture, adapt, create derivative works of, localize, port or otherwise modify any Licensed Material or portion thereof; (d) disclose or otherwise make available any Licensed Material or portion thereof to any third party, except as required to perform the internal tasks of the Customer with 3rd party support subject to non-disclosure agreement; (e) enable any Software functionality, feature or capacity which Nokia licenses as a separate product, without Nokia's prior written consent; (f) take any action that may result in the Software becoming subjected to the terms of a license that requires it to be (i) disclosed or distributed in source code form, (ii) licensed for the purpose of making derivative works, or (iii) redistributable at no charge; or (g) use any Licensed Material or portion thereof except in accordance with this Exhibit "A.3".
- 1.6. Upon reasonable prior written notice, Nokia may inspect and audit Customer's compliance with this Exhibit "A.3" during normal business hours. Customer shall cooperate with the audit and shall grant assistance and access to applicable records, materials, personnel, Equipment, and any other information or products which may reasonably enable Nokia to determine whether the use, copying and disclosure of the Licensed Materials comply with this Agreement. In addition, Customer shall provide remote access to its systems, in compliance with all applicable regulation and law to which Customer is subject, to enable Nokia to electronically audit Customer's compliance with this Exhibit "A.3". If an audit reveals that Customer possesses or at any time possessed unlicensed copies of any Licensed Materials, or used any Licensed Materials beyond the licensed functionality, features or capacity restrictions or beyond the terms stated herein, then Customer shall pay Nokia the applicable license fees (plus interest) and the costs incurred in the audit immediately upon request.
- 1.7. Certain Software may be delivered with its own specific license ("Additional License"). In such a case, the terms of the Additional License will be delivered to Customer, such as in a separate license.txt file or as part of a tear-open document, and will govern use of the Software by Customer to the extent Nokia does not have a right to supersede them in this Agreement. Nokia's licensors are third party beneficiaries of this Agreement with respect to their Licensed Materials.
- 1.8. If Customer's license or Additional License is cancelled or terminated, or when Customer no longer uses the Licensed Materials, Customer shall return or destroy the Licensed Materials and all copies and certify to Nokia that it has done so.



Pricing Summary
Offer # 22.US.294444
January 27, 2023

Grant County PUD
Contract Document 430-10427R
Exhibit "K"
 Pricing Details [HERE](#)

			Payment Billing Milestone #1	Payment Billing Milestone #2	Payment Billing Milestone #3	Payment Billing Milestone #4	Payment Billing Milestone #5
1830							
1830 and NFM-T Systems	\$ 7,144,963.81	Mgmt Adj	\$ 2,470,644.50				
Services	\$ 233,196.00	\$ (4,674,319.31)		\$ 63,277.44	\$ 17,359.00		
Maintenance Year 1	\$ 188,439.00	\$ (152,559.56)				\$ 65,159.99	
Maintenance Year 2	\$ 314,254.00	\$ (123,279.01)					\$ 108,665.34
Subtotal	\$ 7,880,852.81	\$ (205,588.66)					
Management Adjustment	-\$ 5,155,746.54						
Optics Total	\$ 2,725,106.27						
Router							
System	\$ 2,245,855.33	(\$1,542,392.07)	\$ 703,463.26				
Services	\$ 171,876.00	(\$130,081.26)		\$ 41,794.74			
Maintenance Year 1	\$ 163,133.01	(\$92,915.19)				\$ 70,217.82	
Maintenance Year 2	\$ 177,871.38	(\$92,915.19)					\$ 84,956.19
Subtotal	\$ 2,758,735.72						
Management Adjustment	-\$ 1,858,303.71						
Router Total	\$ 900,432.01						
Training							
1830/7750/NSP	no charge						

Milestones TOTAL:	\$ 3,625,538.28
BOND TOTAL (3 yrs)	\$ 38,068.14

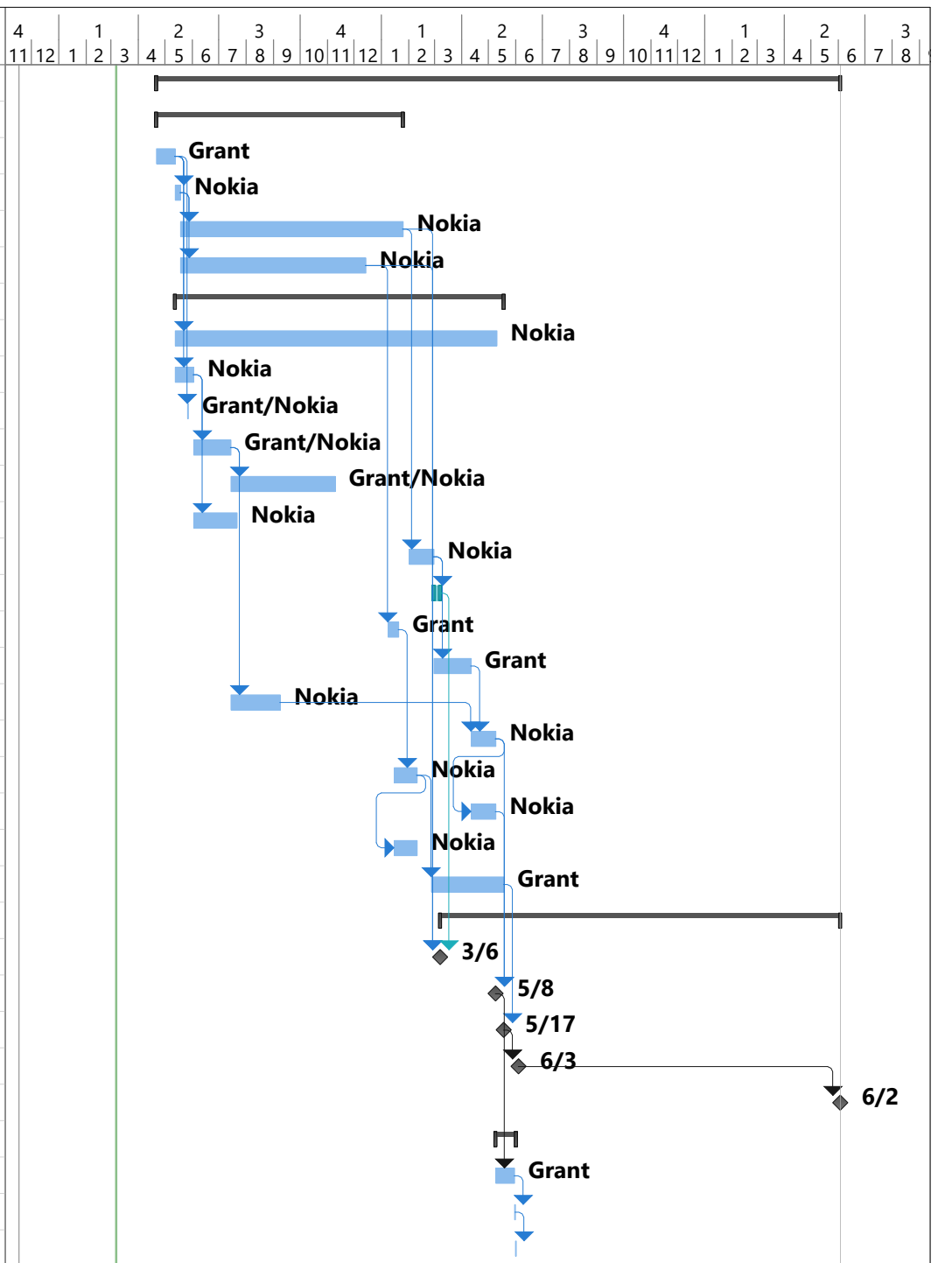
3,663,606.42

Milestone #1 Invoice	Milestone #2 Invoice	Milestone #3 Invoice	Milestone #4 Invoice	Milestone #5 Invoice
\$ 3,174,107.76	\$ 105,072.18	\$ 17,359.00	\$ 135,377.81	\$ 193,621.53
\$ 38,068.14				
Due upon delivery of equipment	Due upon services completion	Due upon migration completion	Due upon network turn up	Due 1 year after Milestone #4

Annual support costs after the first two years

Tech Support		
1830	\$	97,907.00
7750	\$	71,400.61
7210	\$	1,549.04
NFM-P	\$	11,080.56
NFM-T	\$	28,687.00
Return for Repair		
1830	\$	138,486.00
7750	\$	33,366.75
7210	\$	4,808.00
Software Subscription Plan		
1830	\$	23,050.00
7750	\$	33,850.82
7210	\$	951.60
NFM-P	\$	20,864.00
NFM-T	\$	26,124.00
Annual Maintenance costs starting year 3	\$	492,125.38

ID	Task Mode	SOW Section	Task Name	Duration	Start	Finish	Predecessors	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3
1			Grant County PUD MPLS/DWDM WAN	552 days	Fri 4/21/23	Mon 6/2/25																	
2			Procurement	199 days	Fri 4/21/23	Wed 1/24/24																	
3			Purchase Order Released by Customer	15 days	Fri 4/21/23	Thu 5/11/23																	
4			Hardware Order Released to MFG team	4 days	Fri 5/12/23	Wed 5/17/23	3																
5			Equipment Manufacturing 1830 DWDM	180 days	Thu 5/18/23	Wed 1/24/24	4																
6			Equipment Manufacturing 7750/7210 MPLS	150 days	Thu 5/18/23	Wed 12/13/23	4																
7			Services	266 days	Fri 5/12/23	Fri 5/17/24																	
8		3	Project Management Services	260 days	Fri 5/12/23	Thu 5/9/24	3																
9			Assemble Project team	15 days	Fri 5/12/23	Thu 6/1/23	3																
10			Project Kickoff Meeting	1 day	Fri 5/26/23	Fri 5/26/23	3FS+10 days																
11		4	Remote Network Design	30 days	Fri 6/2/23	Thu 7/13/23	9																
12		5	Network Architecture & Design IP/MPLS	84 days	Fri 7/14/23	Wed 11/8/23	11																
13		6	Site Engineering IP/Optical Sites	35 days	Fri 6/2/23	Thu 7/20/23	9																
14		7	DWDM Staging Services	20 days	Thu 2/1/24	Wed 2/28/24	5FS+5 days																
15			Deliver DWDM Equipment	5 days	Thu 2/29/24	Wed 3/6/24	14																
16			IP Network Installation	10 days	Mon 1/8/24	Fri 1/19/24	6FS+17 days																
17			Optical Network Installation	30 days	Thu 2/29/24	Wed 4/10/24	14																
18		8	Remote Optical Planning	40 days	Fri 7/14/23	Thu 9/7/23	11																
19		8	Remote Optical Integration	20 days	Thu 4/11/24	Wed 5/8/24	18,17																
20		9	IP Router Integration	20 days	Mon 1/15/24	Fri 2/9/24	16FS-5 days																
21		10	NFM-T Integration Services	20 days	Thu 4/11/24	Wed 5/8/24	19FS-20 days																
22		11	NFM-P Integration	20 days	Mon 1/15/24	Fri 2/9/24	20FS-20 days																
23		12	Network Migration Service - IP Routers	60 days	Mon 2/26/24	Fri 5/17/24	20FS+10 days																
24			Invoicing Plan	323 days	Wed 3/6/24	Mon 6/2/25																	
25			Invoice for Hardware Upon Delivery (1830, 7750 & 7210)	0 days	Wed 3/6/24	Wed 3/6/24	5,6,15																
26			Invoice for Engineering, Installation and Pro Services	0 days	Wed 5/8/24	Wed 5/8/24	19,21																
27			Invoice for Migration Support	0 days	Fri 5/17/24	Fri 5/17/24	23																
28			Invoice for Year 1 Maintenance	0 days	Mon 6/3/24	Mon 6/3/24	27FS+11 days																
29			Invoice for Year 2 Maintenance	0 days	Mon 6/2/25	Mon 6/2/25	28FS+260 days																
30			Project Closure	17 days	Thu 5/9/24	Fri 5/31/24																	
31			Validate all Deliverable Received	15 days	Thu 5/9/24	Wed 5/29/24	26																
32			Lessons Learned	1 day	Thu 5/30/24	Thu 5/30/24	31																
33			Project Closure	1 day	Fri 5/31/24	Fri 5/31/24	32																



Project: Conceptual Schedule G
Date: Tue 3/7/23
Exhibit "L"

Task		Project Summary		Manual Task		Start-only		Deadline	
Split		Inactive Task		Duration-only		Finish-only		Progress	
Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
Summary		Inactive Summary		Manual Summary		External Milestone			

For Commission Review – 06/13/2023

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 1 to Contract 430-08476 with Moss Adams LLP, increasing the not-to-exceed contract amount by \$726,000.00 for a new contract total of \$1,926,000.00, revising the rate schedule, extending the contract completion date to July 1, 2026, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 1.

xxxx

MEMORANDUM

May 25, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Bonnie Overfield, Chief Financial Officer

FROM: Jennifer Sager, Senior Manager Accounting *JS*

SUBJECT: Contract 430-08476, Change Order No.1

Purpose: To request Commission approval of Change Order No. 1 to Contract 430-08476 extending the term three years, covering fiscal years 2023-2025 and update rates in Appendix A.

Discussion:

In September 2018, Moss Adams was awarded the contract for financial auditing services through the District's RFP process. The contract was executed in 2018 to cover fiscal years 2018 to 2022. At this time the District was able to capture 20% + reduction in annual fees over the previous vendor. In addition, Moss Adams included items such as our bond issuance, new implementation of new financial requirements and regulatory needs in the quoted annual fees eliminating additional change order costs for the District's routine basic requests.

Moss Adams is a nationally recognized firm in the area of public power with staff locally in Washington. The firm is experienced in municipal and electric utilities providing the District with quality financial audit services over the last 5 fiscal years. Due to the pandemic, 3 of the 5 audits were conducted under remote conditions. While this created some challenges and adjustments to the audit approach, the audits were completed in a timely professional manner with no additional costs or adverse consequences. The current contract for these services expires 7/1/2023.

Justification:

This audit engagement is significant in nature requiring a high degree of coordination between staff, management and the audit firm. While we were able to complete the all the work remotely, we were not able to capture the benefits that in-person, on site work provides. By extending this contract three years to cover annual Financial Audits for years 2023-2025, we will be able to capture these benefits and avoid the expense and disruption of onboarding a new firm. The District is required to have an external, independent, qualified auditing firm perform our annual financial audit. Moss Adams is experienced in the municipal and electric utility industry, remains independent and has performed well under the current contract. To continue this work under the current contact, a change order needs to be executed prior to expiration. The approval of the change order will avoid organizational disruption and added costs related to the RFP process and onboarding of a new firm to perform these services.

Financial Considerations:

The recommendation is to extend the contract term by three years in lieu of a single year extension with open contract balance. This will allow us to maintain business continuity and provide reasonable time to complete a market analysis for the fiscal years beyond 2025. The change order includes a set fee schedule for annual audit and estimated reimbursable expenses. The total cost of the three year

extension is \$726,000. Annual fees include an average increase of ~5.5% per year over the 2022 fees. In addition, the table of hourly rates will be updated to reflect current rates. Hourly rates are used for additional work requested by the District and executed through a Task Authorization. These rates had not been updated or escalated since the original contract execution. All increases are reasonable and align with current inflation rates. Being an annual requirement, fees related this contract will be included in Accounting's annual budget each year.

Change Order History:

No previous change orders have been requested.

Legal Review: See attached email.

Recommendation: Commission approval of Change Order No. 1 to Contract 430-08476 extending the term three years, covering fiscal years 2023-2025 and update rates in Appendix A.

From: [Bonnie Overfield](#)
To: [Jennifer Sager](#)
Cc: [Rebecca Diaz](#)
Subject: Re: Moss Adams C_430-08476 Change Order.pdf
Date: Tuesday, May 30, 2023 8:59:40 AM

Jennifer, I am unable to sign today due to traveling /access. I approve, I hope this email is sufficient to move forward since time sensitive.

Bonnie Overfield
Grant PUD
Chief Financial Officer

From: Jennifer Sager <Jsager@gcpud.org>
Sent: Tuesday, May 30, 2023 8:39:20 AM
To: Bonnie Overfield <Boverfi@gcpud.org>
Cc: Rebecca Diaz <rdiaz@gcpud.org>
Subject: FW: Moss Adams C_430-08476 Change Order.pdf

Bonnie,
The attached memo needs your approval to move forward with our Moss change order. Please review the attached memo and respond. Let me know if you have any questions.

Jennifer

From: Rebecca Diaz <rdiaz@gcpud.org>
Sent: Tuesday, May 30, 2023 8:32 AM
To: Jennifer Sager <Jsager@gcpud.org>
Subject: RE: Moss Adams C_430-08476 Change Order.pdf

Thanks Jennifer! Do you have Bonnie's initials or email approval?

From: Jennifer Sager <Jsager@gcpud.org>
Sent: Tuesday, May 30, 2023 7:48 AM
To: Rebecca Diaz <rdiaz@gcpud.org>
Subject: Moss Adams C_430-08476 Change Order.pdf

Rebecca,
Attached is the memo, please let me know what my next steps are. I appreciate you help on this and pushing this along.

Jennifer

**CHANGE ORDER
NO. 1**

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

A. Description of Change:

1. Appendix A Rate Schedule

a. Replace tabled titled Financial Statement Audit with the following:

Financial Statement Audit	
Year	Annual Amount
2018	\$198,000.00
2019	\$200,000.00
2020	\$205,000.00
2021	\$210,000.00
2022	\$216,000.00
2023	\$230,000.00
2024	\$242,000.00
2025	\$254,000.00

b. Replace the rate table with the following:

Title	Hourly Rate
Partner	\$400.00
Senior Manager	\$300.00
Manager	\$250.00
Senior	\$200.00
Staff	\$175.00

c. Add the following years to the Reimbursable Expenses:

Year 2023: \$12,000.00
Year 2024: \$13,000.00
Year 2025: \$14,000.00

B. Time of Completion: The revised completion date shall be July 1, 2026.

C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$726,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$1,926,000.00, including changes incorporated by this Change Order. .

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

Moss Adams LLP

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Change Order Table

Contract Title: Financial Auditors

Contract No.	430-08476	Award Date:	6/26/0218
Project Manager:	Jennifer Sager	Original Contract Amount:	\$1,200,000.00
District Representative (If Different):		Original Contract completion:	7/1/2023
Contractor:	Moss Adams		

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Extend Contract, Increase Contract Price, and Update Appendix A	Comm		07/01/26	\$726,000.00	\$1,926,000.00	\$726,000.00
Total Change Order Cost Change Amount					726,000.00		