

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C Street SW – Commission Meeting Room
Ephrata, Washington
COMMISSION MEETING
Tuesday, November 12, 2024

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
Calendar Review
- 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 – *(Does not include anonymous letters)*
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of October 22, 2024

2. Regular Agenda

9066 – Resolution Establishing Grant PUD’s Cell Phone Policy.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to approve the purchase of 4 parcels at Rd. W. NE and Rd. 16 NE totaling approximately 960 acres at a cost of \$1,056,000.00 plus closing costs of \$2,000.00 and including honoring the existing farm lease through August 2025. (3497)

3. Review Items For Next Business Meeting

XXXX – Resolution Amending Grant PUD’s Code of Ethics Policy and Superseding Resolution 9015 Relating to Grant PUD’s Code of Ethics.

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

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract No. 110-12625 for the proposed 5-year Purchase Power Agreement (PPA) with Goose Prairie Solar LLC. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract No. 130-12624 for the proposed sale, from the Grant PUD’s retained share, of 10% of the Priest Rapids Project Output (PRPO) for a 3-year term, commencing on January 1, 2025. (xxxx)

4. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

October 22, 2024

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: 614 157 417# with the following Commissioners present: Tom Flint, President; Terry Pyle, Vice-President; Larry Schaapman, Secretary; Judy Wilson, Commissioner and Nelson Cox, Commissioner.

The Commission convened to review vouchers.

The Commission calendar was reviewed along with future agenda items. Trade association and committee reports were reviewed.

The Commission recessed at 9:22 a.m.

The Commission resumed at 9:31 a.m.

A round table discussion was held regarding the following topics: Energy Demand meeting update; WPUDA inquiry to Grant as host for 2025 annual meeting; WPUDA Manager's meeting this week; visit inquiry from Seattle Times staff member; and inquiry on Douglas PUD Hydrogen topic.

Danny Combs, Safety Coordinator, gave the Safety Report.

Rich Flanigan, Senior Manager of Power Portfolio and Phil Law, Term Marketer, gave a report on the Goose Prairie Solar PPA and gave a report on the 10% PRP Slice.

The Commission recessed at 10:45 a.m.

The Commission resumed at 10:55 a.m.

Shaun Harrington, Senior Economist and Matt Birch, Senior Economist, reported on the Retail Load and Revenue Variance Report.

Clayton Buck, Wanapum Leader; Lela Buck, Director of the Wanapum Heritage Center and Elder Rachel Buck expressed thanks to Grant PUD for the work on the Wanapum Native American Discovery Unit and also to the overall relationship between the Wanapum and Grant PUD.

The Commission recessed at 11:32 a.m.

The Commission had an opportunity to visit the Wanapum Native American Discovery Unit.

The Commission resumed at 11:54 a.m.

Rhiannon Fronsman, Executive Business Advisor, gave a pre-kick off discussion to the Commission regarding the Align Org Strategy work.

An executive session was announced at 12:30 p.m. to last until 12:55 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate with legal counsel pursuant to RCW 42.30.110(1)(b). The executive session concluded at 12:55 p.m. and the regular session resumed.

Consent agenda motion was made by Commissioner Wilson and seconded by Commissioner Cox to approve the following consent agenda items:

Payment Number	147747	through	148191	\$39,524,278.05
Payroll Direct Deposit	247141	through	247971	\$2,690,267.55
Payroll Tax and Garnishments	20241016A	through	20241017A	\$1,151,948.77

Meeting minutes of October 8, 2024.

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

Resolution No. 9065 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Commissioner Schaapman and seconded by Commissioner Cox to approve Resolution No. 9065. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9065

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-11844R, FOR SUPPLYING 115kV AND 230kV HIGH VOLTAGE SF6 CIRCUIT BREAKER(S)

Recitals

1. Bids were publicly opened on September 5, 2024 for Contract 170-11844R, for Supplying 115kV and 230kV High Voltage SF6 Circuit Breaker(s);
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
 - Irby Electrical Utilities, bidding GE Grid Solutions, LLC. \$14,818,890.00 (Base Bid Price) \$15,051,310.00 (Additive Bid Price)
3. The low bid, submitted by Irby Electrical Utilities is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$16,845,000.00 (Base Bid Price) and \$16,505,000.00 (Additive Bid Price); and
5. Grant PUD's Senior Manager of Power Delivery Engineering and Director of Power Delivery concur with staff and recommend award to Irby Electrical Utilities as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 170-11844R, for Supplying 115kV and 230kV High Voltage SF6 Circuit Breaker(s) with Irby Electrical Utilities of Portland, OR in the amount of \$29,870,200.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 22nd day of October, 2024.

Motion was made by Commissioner Cox and seconded by Commissioner Schaapman authorizing the General Manager/CEO to execute Change Order No. 3 to Contract 430-11765 with Absher Construction Design Build Team, increasing the not-to-exceed contract amount by \$28,211,336.00 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. 3. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Commissioner Cox and seconded by Commissioner Pyle authorizing the General Manager/CEO to execute Change Order No. 13 to Contract 430-4045 with Voith Hydro Inc., increasing the not-to-exceed contract amount by \$79,535,551.56 for a new contract total of \$155,411,603.56 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. 13. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Commissioner Schaapman and seconded by Commissioner Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to approve and execute insurance renewal coverages on or before November 1, 2024. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Commissioner Cox and seconded by Commissioner Wilson authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Real Estate Purchase and Sale Agreement between Langshaw Investments LLC, a limited liability company and Public Utility District No. 2 of Grant County, Washington a municipal corporation for the acquisition of a parcel of land consisting of approximately 10 acres, more or less, and commonly known as a portion of Grant County Assessor Parcel No. 161328000 in that portion of NW-NE-SW Section 18 Township 18 North, Range 27, Grant County, Washington in the amount of Twelve Thousand Dollars (12,000).

Jesus Lopez, Senior Manager of Power Delivery and Chris Heimbigner, Senior Manager of Power Delivery, gave a report on the Power Delivery Performance Report.

Rey Pulido, Director of Power Delivery, shared the Power Production Performance Report.

The Commission recessed at 3:00 p.m.

The Commission resumed at 3:05 p.m.

An executive session was announced at 3:05 p.m. to last until 4:30 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g), to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate with legal counsel pursuant to RCW 42.30.110(1)(b). The executive session concluded at 4:30 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:30 p.m. on October 22 and reconvened on Thursday, October 24 at 8:00 a.m. at Three Rivers Convention Center, 7016 W. Grandridge Blvd., Kennewick, Washington for the purpose of attending an Energy Northwest Public Power Forum and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Judy Wilson, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 5:00 p.m. on October 24 and reconvened on Tuesday, October 29 at 6:30 p.m. at Pillar Rock Grill, 1373 Road F.2 NE, Moses Lake, Washington for the purpose of attending an AG Power Banquet and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, Judy Wilson, and Nelson Cox.

There being no further business to discuss, the October 22, 2024 meeting officially adjourned at 8:45 p.m. on October 29, 2024.

Tom Flint, President

ATTEST:

Larry Schaapman, Secretary

Terry Pyle, Vice President

Judy Wilson, Commissioner

Nelson Cox, Commissioner

REGULAR AGENDA

For Commission Review – 10/22/2024

RESOLUTION NO. XXXX

A RESOLUTION ESTABLISHING GRANT PUD'S CELL PHONE POLICY

Recitals

1. Grant PUD desires to establish a Cell Phone Policy to provide guidance to Grant PUD personnel regarding the use of Grant PUD-owned and employee-owned Cell Phones; and
2. Grant PUD's Executive Leadership has reviewed the Cell Phone Policy attached hereto and recommends that it be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that:

Section 1. The attached Cell Phone Policy is hereby approved and adopted and shall be effective December 20, 2024.

Section 2. The General Manager is hereby authorized to modify the policy from time to time subject to the following limitations:

- A. The policy shall at all times be subject to and consistent with the requirements of all applicable laws and regulations.
- B. Any proposed changes to the policy shall be submitted to Grant PUD's Commission at least twenty (20) days prior to being put into effect.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of November 2024.

President

ATTEST:

Secretary

Vice President


Commissioner

Commissioner

MEMORANDUM

October 10, 2024

TO: Rich Wallen, General Manager/Chief Executive Officer

FROM: Tod Ayers, Chief HR Officer 

SUBJECT: Establish a Cell Phone Policy and update Cell Phone Stipend Practices

Purpose: To request Commission approval to establish a formal Cell Phone Policy, effective December 20, 2024.

Discussion: Grant PUD has provided cell phones and cell phone stipends to eligible employees for many years. Initially, any reference to this program was very brief and could be found in the District Equipment and Facilities Policy. That language was removed several years ago with the intent to move it to a standalone policy with clear guidelines and expectations.

In 2006/2007, when Grant PUD began offering an optional cell phone stipend to eligible employees, the monthly stipend ranged from \$40.00 to over \$150, depending on the business needs of the employee. This structure was in line with cell phone plans at that time, when standard plans did not include unlimited voice, text, and/or data. In April 2022, the stipend was revised to \$44.99 for all future requests, with existing stipends remaining at their previously approved amounts. This inconsistency puts Grant PUD at risk of noncompliance with IRS guidelines regarding fringe benefits. To ensure compliance and equity, employees receiving a stipend will all receive the same amount as of the effective date of this policy.

The purpose of this new Cell Phone Policy is to formally establish:


- Guidelines regarding the eligibility and use of Grant PUD-provided cell phones and the eligibility and expectations of receiving a cell phone stipend.
- A monthly stipend of \$60.00 for all eligible employees as of the policy effective date. This amount has been bargained with IBEW.

This new policy will be effective on December 20, 2024, which is the first pay period of 2025.

All employees will be notified of this policy before the effective date. Employees with a Grant PUD-issued cell phone will be required to acknowledge the new policy in PolicyTech. Employees receiving a stipend will be required to sign a Cell Phone Stipend Agreement.

Recommendation: Commission approval of the attached Cell Phone Policy, effective December 20, 2024.

Legal Review: See attached email.

Effective Date: 12/20/2024	Version: 1 Supersedes: N/A	Related Documents: Cell Phone Request Form, Cell Phone Stipend Agreement
		<h1>POLICY</h1>
Approved by: Commission		Regulation: IRS Notice 2011-72, IRS Employer's Tax Guide to Fringe Benefits, Resolution XXXX
Policy Owner: Chief HR Officer		Policy Categories: Information Technology and Employment, Benefits & Workplace

HR-DW-POL-300 – CELL PHONE POLICY

1. Scope

This policy applies to all Grant PUD employees.

2. Policy Statement

Grant PUD strives to provide employees with the right technology tools they need to do their jobs. Grant PUD recognizes Cell Phones as a valuable resource in conducting Grant PUD business in an effective and timely manner. The purpose of this policy is to provide guidelines regarding the use of Grant PUD-owned and employee-owned Cell Phones.

3. Definitions

Cell Phone: For purposes of this policy, the term “Cell Phone” is defined as any handheld electronic device with the ability to receive and/or transmit voice, text, and/or data without a cable connection. This excludes laptops and tablets.


Stipend: All employees who receive a Stipend shall receive a monthly amount of \$60.00 paid to the employee by Grant PUD to compensate the employee for the use of their personal Cell Phone to conduct Grant PUD business. The Stipend will be considered a non-taxable fringe benefit to the employee.

4. Eligibility

- A. Grant PUD may provide an employee with a Grant PUD-issued Cell Phone or a Cell Phone Stipend when there are substantial business reasons for doing so and such accessibility is necessary to perform their official job duties. Promoting goodwill, boosting morale, and/or attracting prospective employees are not substantial business reasons.
- B. Employees receiving a Stipend that was approved prior to the effective date of this policy must submit an approved Cell Phone Stipend Agreement to HR within 60 days following the effective date of this policy. If approved in accordance with this policy, the Stipend will continue at the amount specified in Section 3. If an approved Cell Phone Stipend Agreement is not received by HR within 60 days following the effective date of this policy, the employee will no longer receive a Stipend.

5. Grant PUD-provided Cell Phones

- A. Grant PUD may issue a Cell Phone to an eligible employee for work-related communications. Grant PUD-owned Cell Phones will be used for authorized Grant PUD


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business only. Such requests must be approved by the employee's immediate supervisor via Grant PUD's [Cell Phone Request Form](#).

- B. Employees in possession of Grant PUD-owned Cell Phones are expected to protect the equipment from loss, damage, or theft. Upon resignation or termination of employment, the employee will return the Cell Phone to Grant PUD.
- C. Employees have no right to privacy with respect to the use of Grant PUD-owned Cell Phones. This includes any and all voicemails, social media messaging, emails, text messages, call history and/or any other information stored on a Cell Phone, regardless of whether stored in the device or in remote sites and/or with remote services. Grant PUD has the right to inspect any and all Grant PUD-owned Cell Phones used by employees for such information at any time.

6. Stipend for Use of Personal Cell Phone

- A. If an employee's immediate supervisor determines an employee is eligible to carry a Cell Phone for Grant PUD business, the employee may, upon approval of the applicable Senior Manager or above, receive a monthly Stipend for use of their personal Cell Phone in lieu of receiving a Grant PUD-owned Cell Phone. Stipends must be requested by the employee and approved via Grant PUD's Cell Phone Stipend Agreement.
- B. A Stipend shall be a voluntary program between Grant PUD and the employee. It's not meant to provide full coverage for the employee's personal Cell Phone, plan cost, or usage. It is intended to reimburse the employee for the use of their personal Cell Phone to conduct Grant PUD business. When an employee elects to receive a Stipend to offset their personal Cell Phone expense rather than a Grant PUD-provided Cell Phone, the employee assumes all risk to the device and is solely responsible for the protection and replacement of such personal property. Grant PUD may change or cancel Stipends as deemed reasonable due to business usage and/or employee work-related responsibilities.
- C. Employees who receive a Stipend are responsible to install and update software necessary to meet authentication requirements, software deemed necessary to execute employee job responsibilities, and software to mitigate cyber security concerns.
- D. Employees who receive a Stipend will immediately report their personal Cell Phone number to their immediate supervisor and maintain their current number in Grant PUD's employee directory. Failure to do so may result in termination of the Stipend.
- E. Employees who receive a Stipend are responsible for obtaining and maintaining their personal Cell Phone with a provider of their choice. Grant PUD will not be responsible in


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any way for an employee's personal Cell Phone and associated service, including but not limited to damage, loss, insurance, accessories, and/or delinquent payments.

- F. Employees who receive a Stipend will immediately notify their immediate supervisor and Payroll if their service is cancelled for any reason and they no longer have a Cell Phone. Employees are prohibited from continuing to collect a Stipend when the device is no longer active or no longer needed for the performance of the employee's job responsibilities. The employee will reimburse Grant PUD for any Stipend payments received when the employee did not have service.
- G. A Stipend is neither permanent nor guaranteed. Grant PUD reserves the right to revise or cancel Stipends at any time.

7. General Responsibilities

- A. Employees carrying a Grant PUD-owned Cell Phone or receiving a Stipend agree to have the Cell Phone accessible and available during their scheduled work hours or while on call or standby or other times they may be required to be available for Grant PUD business.
- B. Employees are expected to follow applicable local, state, and federal laws and regulations regarding the use of Cell Phones at all times.
- C. Employees will comply with the requirements of Grant PUD's Vehicle/Asset Usage Policy. Employees who are charged with traffic violations resulting from the use of their Cell Phone while driving will be solely responsible for all liabilities that result from such actions.
- D. Grant PUD will not provide hands-free devices except in certain Grant PUD vehicles that use Cell Phone technology as backup communications media (e.g., line trucks).
- E. Cell Phones should be turned off or set to silent or vibrate mode during meetings, conferences, and in any circumstance where incoming calls may be disruptive.
- F. Employees are strongly encouraged to regularly back up data on their Cell Phone and ensure all operating system and application updates and patches have been installed. Additionally, employees are expected to comply with Grant PUD practices on emails appearing to be malicious in nature and exercise caution.
- G. If a Cell Phone becomes lost, stolen, sold, or tampered with, the employee must call the Service Desk immediately. The Service Desk may delete that remote account and create a new user account, lock, or erase the remote device or Grant PUD data and access to such, or take other appropriate actions to protect Grant PUD's and the employee's information. Grant PUD is not responsible for personal data or information on Cell Phones.

Effective Date: 12/20/2024	Version: 1 Supersedes: N/A	Related Documents: Cell Phone Request Form, Cell Phone Stipend Agreement
		<h1>POLICY</h1>
Approved by: Commission		Regulation: IRS Notice 2011-72, IRS Employer’s Tax Guide to Fringe Benefits, Resolution XXXX
Policy Owner: Chief HR Officer		Policy Categories: Information Technology and Employment, Benefits & Workplace

H. The use of a Cell Phone to conduct Grant PUD business, whether the Cell Phone is owned by Grant PUD or the employee, creates a public record subject to disclosure under the Washington State Public Records Act. This includes, but is not limited to, text messages, voicemail, and email. Such records shall be retained in accordance with Grant PUD’s public records policies and state retention schedules.

8. Risks/Risk Owners

This policy, along with other control mechanisms, is intended to mitigate the following risks:

- Business Interruption Risk
- Integrity Risk
- Cybersecurity Risk
- Regulatory Risk
- Human Resources/Benefit Administration
- Reputation Risk

Risk Owners:

- Grant PUD supervisors
- Grant PUD employees who carry a Grant PUD-owned Cell Phone or receive a Stipend.

9. Review/Revision History

Date	Description
12/20/2024	Effective date



CELL PHONE STIPEND AGREEMENT

Employees who hold positions that include the need for a cell phone may receive a Cell Phone Stipend to reimburse for business-related costs incurred when using their personal Cell Phone. The Stipend will be considered a non-taxable fringe benefit to the employee. For more information, refer to the Cell Phone Policy.

Employee Name:	
Title:	
Cell Phone No.:	

By signing below, I acknowledge and agree as follows:

- I have read, understand, and agree to the responsibilities associated with receiving a Cell Phone Stipend and agree to abide by the associated policies, which include but is not limited to:
 - Cell Phone Policy
 - Vehicle/Asset Usage Policy
 - Information Classification
 - Technology Acceptable Use Policy
 - Managing Grant PUD Records
- I understand that entering into this Agreement is voluntary.
- I understand this Agreement, in whole or in part, is not a condition of employment and can be terminated by either side upon written notice.
- I understand that using a personal Cell Phone for Grant PUD business may result in personal records and/or the Cell Phone being subject to public disclosure, and/or disclosure during litigation.
- I will notify Grant PUD immediately if my Cell Phone is ever lost or stolen.
- I agree to have my Cell Phone accessible and available during my scheduled work hours, while on call or standby, or other times that I may be required to be available for Grant PUD business.
- I am willing to use my personal Cell Phone for official Grant PUD business. Grant PUD will provide me a monthly Stipend, which will be included in my regular paycheck.

Employee

Signature: _____

Date: _____

Supervisor

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Senior Manager

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Submit the completed form to HumanResources@gcpud.org.

For Commission Review – 10/22/2024

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to approve the purchase of 4 parcels at Rd. W. NE and Rd. 16 NE totaling approximately 960 acres at a cost of \$1,056,000.00 plus closing costs of \$2,000.00 and including honoring the existing farm lease through August 2025.

xxxx

MEMORANDUM

Date: October 9, 2024

TO: Richard Wallen, General Manager/Chief Executive Officer

VIA: John Mertlich, Chief Commercial Officer
Andrew Munro, Senior Manager of ESM Industry & Market Research

FROM: Kevin Marshall, Project Specialist X
David Dempsey, Engineer IV
Bryce Greenfield, Engineer IV

SUBJECT: Purchase of 4 Parcels at Rd. W NE and Rd. 16 NE

Purpose: To request Commission approval to purchase 4 parcels at Rd. W NE and Rd. 16 NE totaling approximately 960 Acres at a cost of \$1,056,000.

The purchase of these parcels provides the District with land to construct and operate generation facilities to help meet the future need for both energy and capacity. These parcels can potentially accommodate a 12-unit Small Modular Reactor (SMR) project, as well as a solar farm and a battery energy storage system (BESS). Additionally, this land could potentially be used for other energy projects as well.

The parcels are shown on the attached map and the parcel numbers are:

- 181441000
- 181442000
- 181442001
- 181437000

Discussion:

The purchase of these parcels provides sufficient land for a major electric energy park. The land can potentially accommodate an SMR facility, a solar farm, as well as a BESS all in one common area. The District is currently evaluating a 12-unit X-energy Xe-100 project within Grant County. The SMR project requires approximately 350 acres of land. In addition, there is another 600 acres that can be used for a solar farm, BESS, mitigation land, or other energy facilities.

The following attributes were evaluated during selection of this site:

- Available land area >500 acres
- Land needs to be relatively flat.
- Water availability for 100 gpm continuously, year-round.
- Acceptable geotechnical conditions for construction of an SMR (prefer rock near the surface) with a shear wave velocity >1000 fps at the bottom of the foundations.
- Outside of seismic risk zones (>5 miles from mapped faults).

- Shrub steppe mitigation requirements.
- Cultural and Fish & Wildlife walkdowns were conducted and the potential mitigation requirements are low.

Justification:

The purchase of these parcels provides the District with a viable site to construct future electrical generation and capacity facilities. Staff have evaluated numerous sites across Grant County that would be viable for an energy park and it has been difficult to find available sites that meet our needs. Finding large, contiguous parcels of land has been the greatest challenge.

Financial Considerations:

The total cost to purchase the land is \$1,056,000, plus miscellaneous closing costs estimated to be \$2,000.

The benefit to the District is the ability to construct an energy park that could potentially include an SMR, a solar farm, and BESS. It is difficult to find sufficient land for an energy park that is acceptable for constructing an SMR or a solar farm for seismic, transmission, size, water requirements, and other constraints. This land meets the requirements that are necessary.

The price is considered fair and reasonable based on several factors:

- The original listing price was \$1,250,000 with a closing within 45 days of acceptance.
- The appraisal estimated a market value of \$862,000.
- Staff originally offered \$862,000 with a closing date 90 days from the date of acceptance.
- The seller countered with \$1,056,000 with a closing date 45 days from the date of acceptance.
- Staff countered with a 60-day closing from the date of acceptance.
- It was agreed that a closing date of November 29, 2024 was acceptable to both buyer and seller.
- There are very few parcels of land of this size that meet the siting requirements for an SMR.
- The geotechnical conditions (rock near the surface) are good for siting an SMR on this site. To the best of our knowledge, the Nuclear Regulatory Commission (NRC) has never approved siting a nuclear facility on piling. Other sites that staff evaluated would most likely require piling or other mitigation.
- This site is approximately 15 miles from the airport, which makes the probability of an aircraft impact significantly less and will make the regulatory requirements for siting an SMR relatively straight forward.
- Most of the land has been used for dryland wheat farming. The shrub steppe remediation will be minimal. Shrub steppe mitigation on past projects has required a 2:1 mitigation. For a 350-acre SMR site that could have required 700 acres of mitigation. That represents considerable savings over other sites we have evaluated.

- Finding land for energy projects is getting more and more difficult. Developers are looking for land to build solar farms in Grant County. The price of parcels likely will continue to escalate.

These parcels do not have any significant water rights. It is estimated that the water rights to meet the 100-gpm demand that is anticipated for an SMR will cost between \$300,000 and \$ 800,000. Staff and our water rights consultant met with Washington Department of Ecology (DOE) on October 8, 2024 and it is their belief that if we can purchase an existing water right in the Odessa Aquifer it could be transferred to this property and converted from a seasonal agricultural use to a year-round industrial use. New water rights are not available in this area and the canals are being extended to provide water to farms that currently have water rights to the Odessa Aquifer. The goal is to reduce the withdrawal from this aquifer to stop the drop in the water table.

A concern of DOE, and ours, is whether the static water level in the Odessa Aquifer has declined 300 or more feet in the vicinity since 1967. While DOE has said that they have not shut anyone off due to passing this threshold identified in WAC 173-130A-070, they would and/or could deny a water right change into an area that has surpassed this threshold based on the impairment test. The Hydrogeologist from DOE is going to review water level data in their hard copy files for nearby wells and provide that to us so that we can review and determine where the water level currently is in relation to the maximum 300 foot drop threshold. This information will be conveyed once it is acquired.

Once the irrigators to the north and south of the Road W properties are connected to surface water through the Odessa Groundwater Replacement Program, which is currently being worked on, it is believed that the rate of groundwater decline at the project location could slow, but would likely not stabilize or reverse. The District will need to plan on drilling a deep well (2000'+) or wells to tap the water, if authorized. If a suitable, available water right is identified, it is recommended that water right change application processing occur through the Grant County Water Conservancy Board, as that would be the most expedient, but may still take up to a year to accomplish. Also the DOE permitting Supervisor indicated that our application would most likely qualify for priority processing due to our project being a carbon-free/CETA energy resource.

The Project ID is 103778 and the Cost Center is KA5000. This project will draw money out of the Climate Commitment Act (CCA) Funds and will not draw from the capital budget. This was approved by the internal CCA fund evaluation committee. Attached is the CCA funds memo and approval email.

Contract Specifics:

The land is being purchased under a standard real estate agreement. The seller will provide title insurance as part of the agreement. There is an existing lease that comes with the property for dryland wheat farming. The lease runs through August of 2025. Staff recommends that the

lease be honored since the District will not be performing any construction on the site for a few years.

Recommendation: Commission approval to purchase 4 parcels at Rd. W NE and Rd. 16 NE totaling approximately 960 Acres at a cost of \$1,056,000, plus closing costs of \$2,000, and including honoring the existing farming lease through August of 2025.

Legal Review: See attached e-mail(s).

MEMORANDUM

Date: August 26, 2024

To: John Mertlich, Chief Commercial Officer
Bonnie Overfield, Chief Finance Officer
Jennifer Sager, Senior Manager of Accounting
Angelina Johnson, Senior Manager of Treasury/Financial Planning
Amy Thompson, Senior Financial Analyst
Cesar Castro-Leon, Financial Analyst

From: Andrew Munro, Senior Manager of ESM Industry & Market Research
Kevin Marshall, Project Specialist

Subject: CCA Credits – For Land Acquisition in Grant County near Marlin, WA

Summary:

We recommend allocating approximately \$1.5 million from the Climate Commitment Act (CCA) funds to purchase 960 acres of land near Marlin, WA, in Grant County. This investment will support the exploration of carbon-free energy projects in alignment with the state’s carbon reduction goals, address growing energy demands, and provide benefits to our low-income customers and ratepayers

Background:

Grant County is uniquely positioned to be a key player in Washington State's shift to a carbon-free energy future. With its rich natural resources and potential for new energy generation projects, Grant PUD is well-placed to create innovative solutions that align with the ambitious carbon goals set by the Climate Commitment Act (CCA) and the Clean Energy Transformation Act (CETA). Furthermore, the region’s rising energy demand underscores the need for strategic investments in infrastructure and land to support these goals.

Analysis:

This memo outlines the drivers and recommendation to utilize approximately \$1.5 million of CCA funds to purchase 960 acres near Marlin, Washington in Grant County, aimed at facilitating the exploration of carbon-free energy solutions and related utility services to address both current and future energy demands in the region.

This investment will serve the following purposes:

1. **Advancing De-Carbonization Initiatives:** The acquired land can be utilized for the testing and development of carbon-free energy technologies such as solar, battery storage, small modular reactors (SMRs), and other supply-side energy resource options. In addition to energy generation, the land acquisition can facilitate the expansion of utility services to meet the growing energy demands in Grant County and the surrounding region. This includes the development of infrastructure for transmission, distribution, and storage of renewable energy, ensuring reliable and sustainable power supply for our customers. These initiatives will enable us to leverage the county's natural resources effectively while reducing carbon emissions in alignment with state carbon goals.
2. **Enabling Low-Income Customer Benefit:** Beyond energy generation and delivery, the land acquisition could pave the way for expanding utility services, particularly benefiting low-income customers in Grant

County and adjacent areas. Investments in energy efficiency and demand response programs, alongside initiatives like net metering and community solar projects will enhance affordability and accessibility to clean energy solutions, thus alleviating financial burdens on vulnerable populations.

3. **Ensuring Ratepayer Benefit:** Investing in this land acquisition aligns with the broader objective of optimizing ratepayer benefits. By strategically allocating resources towards retirement of allowances for carbon-emitting generation and offsetting purchase power expenses, we ensure a cost-effective transition towards carbon-free energy. This enhances the economic viability of our initiatives and fosters long-term sustainability in utility operations, which ultimately benefits our ratepayers.

Investing in land acquisition for carbon-free energy development and utility service expansion demonstrates our commitment to advancing de-carbonization initiatives, enabling low-income customer and ratepayer benefit, and fulfilling the objectives outlined in the CCA and CETA. This proactive approach will help us to achieve the state's carbon goals, and position Grant PUD and Washington State as a leader in clean energy innovation and sustainability.

The land can potentially be used for energy generation projects such as a solar farm, battery storage, an SMR project, or other technologies.

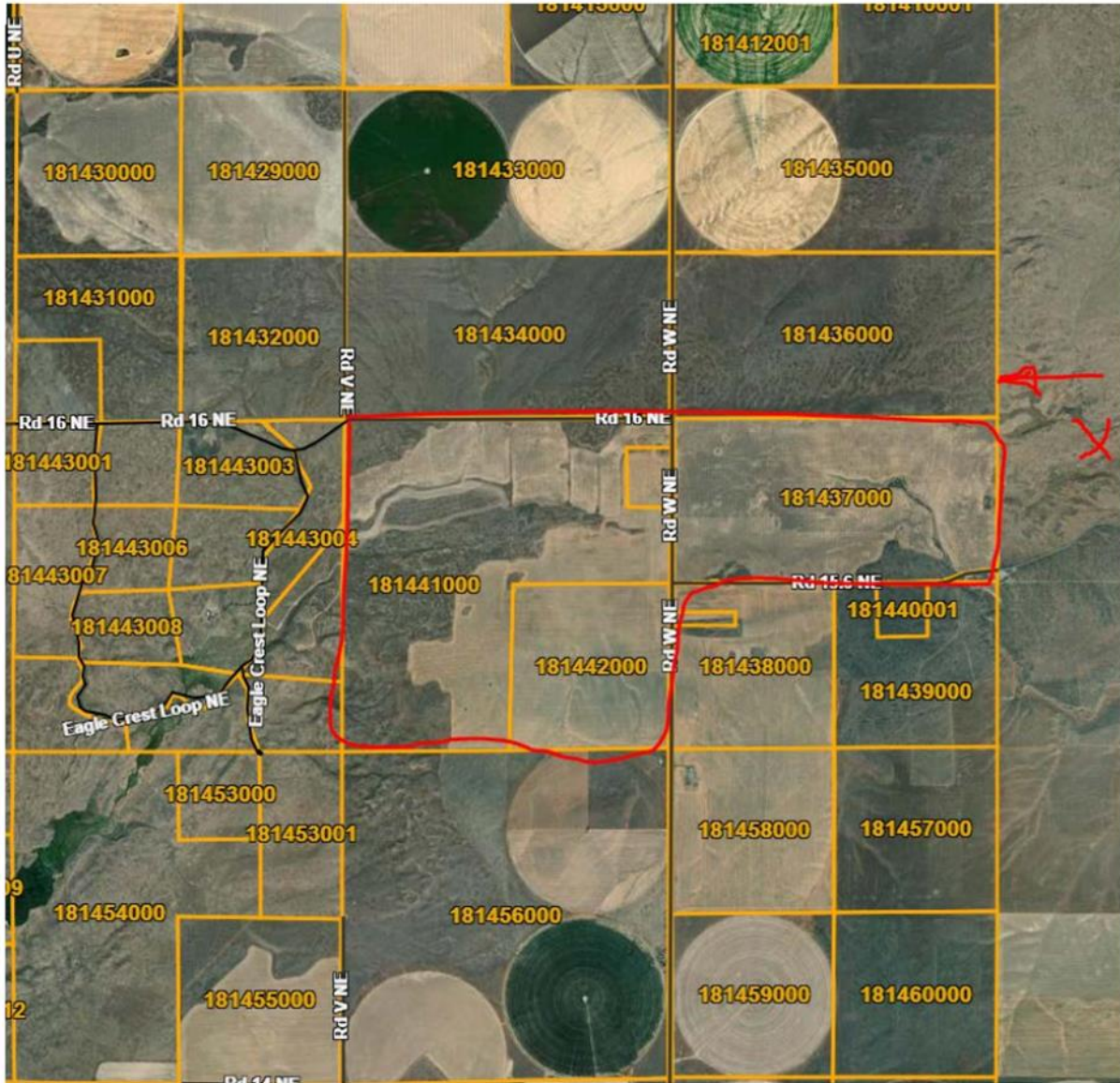
The following evaluations are in process and will be completed before the purchase of the properties are finalized:

- Land Appraisals
- Title report
- Land use review
- Meet and bounds survey
- Cultural evaluation
- Fish and Wildlife evaluation
- Access evaluation
- General soils evaluation
- Water availability and water rights evaluation (water rights will be purchased separately)

Recommendation:

We recommend the allocation of approximately \$1.5M from the CCA funds for the purchase of 960 acres of land near Marlin, WA in Grant County. Acquiring this land in Grant County represents a strategic investment towards advancing carbon-free energy solutions, meeting state carbon goals, and accommodating future energy needs of our customers.

(Attachment)



Marlin properties all owned by: Johnson Family Farms, LLC

15904 Road W NE, Marlin, WA 98832

81441000, 181442000, 181442001 (640 acres) (\$875,000)

0 Rd 15.6 & Road W NE, Marlin, WA 98832

181437000 (320 acres) (\$375,000)

From: Jennifer Sager <Jsager@gcpud.org>
Sent: Friday, September 20, 2024 1:50 PM
To: Andrew Munro <Amunro@gcpud.org>
Cc: John Mertlich <jmertlich@gcpud.org>; Kevin Marshall <Kmarsha@gcpud.org>; CCA Credits <ccacredits@gcpud.org>
Subject: RE: CCA Credits - Land Acquisition Memos

Andrew,
I have review the memos and approve. Please supply the Initiative and associated Project ID(s) if applicable.

Thank you

Jennifer Sager
Senior Manager Accounting
OFFICE 509.793.1456
EMAIL jsager@gcpud.org



From: Andrew Munro <Amunro@gcpud.org>
Sent: Monday, August 26, 2024 2:49 PM
To: John Mertlich <jmertlich@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; Angelina Johnson <Ajohnso@gcpud.org>; Amy Thompson <athompson@gcpud.org>; Cesar Castro-Leon <ccastroleon@gcpud.org>
Cc: Kevin Marshall <Kmarsha@gcpud.org>
Subject: CCA Credits - Land Acquisition Memos

Hello,

For your review and action, please see the attached:

1. CCA Credits Land Memo that recommends utilizing an initial \$200,000 of Climate Commitment Act (CCA) funds to investigate and acquire land in Grant County.
2. CCA Credits Marlin Land Memo that recommends allocating approximately \$1.5 million from the Climate Commitment Act (CCA) funds to purchase 960 acres of land near Marlin, WA, in Grant County.

Thank you,

Andrew Munro
Senior Manager – Industry & Market Research
Energy Supply Management

OFFICE 509.793-1552
CELL 509.668.0430
EMAIL amunro@gcpud.org



grantpud.org

Andrew Munro

From: Mitchell Delabarre
Sent: Wednesday, October 9, 2024 8:45 AM
To: Kevin Marshall; Leah Mauceri; David Dempsey
Cc: John Mertlich; Andrew Munro
Subject: Re: Rd W Commission Memo.docx

Kevin,
The memo looks good and ready for Commission review.
Mitch

From: Kevin Marshall <Kmarsha@gcpud.org>
Sent: Wednesday, October 9, 2024 3:55 AM
To: Mitchell Delabarre <Mdelaba@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>; David Dempsey <Ddempsey@gcpud.org>
Cc: John Mertlich <jmertlich@gcpud.org>; Andrew Munro <Amunro@gcpud.org>
Subject: Rd W Commission Memo.docx

Mitch- can I get a legal review on this? I'm trying to make the Commission packet today.

Thanks,
KJM

For Commission Review – 11/12/2024

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD'S CODE OF ETHICS POLICY AND SUPERSEDING RESOLUTION 9015 RELATING TO GRANT PUD'S CODE OF ETHICS

Recitals

1. Grant PUD has a Code of Ethics policy that was last amended on May 9, 2023 via Resolution 9015;
2. Grant PUD desires to update its Code of Ethics policy to provide guidance to Grant PUD personnel in their conduct, to enhance public confidence in Grant PUD and its employees, and to assure that Grant PUD resources and services are applied for the benefit of the public; and
3. Grant PUD's Executive Management has reviewed the updated Code of Ethics policy attached hereto and recommends that it be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that:

Section 1. The attached Code of Ethics policy is hereby approved and adopted and shall be effective January 1, 2025.

Section 2. As of January 1, 2025, Resolution 9015 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 26th day of November, 2024.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

October 24, 2024

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Ethics Committee

FROM: Tod Ayers, Chief HR Officer/Ethics Officer

DS
tl

SUBJECT: Revised Code of Ethics Policy, EX-SOC-POL-540

Purpose: To request Commission approval of the attached revised Code of Ethics Policy, effective January 1, 2025.

Discussion: This policy update revises Section 4.I, Entertainment and Hospitality, to allow employees to attend social events or accept lodging provided as part of the fees associated with a conference or professional event under certain conditions.

The 2023 revision of the Code of Ethics was updated with a section prohibiting employees from receiving gifts, lodging, or hospitality at any time from current or prospective vendors. The Ethics Committee recommends clarifying language that addresses the costs of lodging or after-hours social events that are included in the conference fees. The proposed revised language in Section I, Subsection 2 provides clear language that employees must be attending on official business and any extra activities are incidental to that purpose.


The documentation in this packet includes:

- Resolution
- Commission memo
- Clean copy of the current policy
- Red-lined version of the policy to identify edits
- Clean copy of the revised policy

All employees will be notified of this policy revision.

Recommendation: Commission approval of the attached Code of Ethics Policy, effective January 1, 2025.

Legal Review: See attached email.

Effective Date: 6/1/2023	Version: 10 Supersedes: 9	Related Documents: Code of Ethics Committee, Outside Employment Attestation Form, Conflict of Interest Disclosure Form
		DISTRICTWIDE POLICY
Approved by: Commission	Regulation: RCW Chapter 42, RCW 9.46.0237, RCW 9.73.030, Resolution 9015	
Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

EX-SOC-POL-540 – CODE OF ETHICS

1. Scope

This policy provides guidance to all employees including Officers and Commissioners regarding conduct. Hereinafter this group shall be referred to as “employees”.

2. Employees are expected to exhibit high ethical standards when conducting Grant PUD business.

All employees are expected to comply with the ethics provisions contained in this policy. Employees are responsible for disclosures of possible conflicts of interest, both in fact and appearance, and are responsible for asking for guidance from their supervisor or the Ethics Officer if a question of ethics exists.

RCW Chapter 42.23, Code of Ethics for Municipal Officers, may restrict activities more than this policy. “Municipal officer” and “officer” shall each include all elected and appointed officers of a municipality, together with all deputies and assistants of such an officer, and all persons exercising or undertaking to exercise any of the powers or functions of a municipal officer. The absence of specific situation discussed herein does not relieve an employee from the responsibility to exercise high ethical standards involving utility business.


3. The General Manager will appoint Grant PUD’s Ethics Officer.

The Ethics Officer will be responsible for ensuring that employees have adequate training and communication on the Code of Ethics, and assembling the Ethics Committee to review ethics issues that require interpretation. The Ethics Officer is responsible for leading the investigation process of reports of violations of the Code of Ethics.

The Ethics Committee will review questions related to this policy and make recommendations as appropriate. The Ethics Committee membership is defined in EX-SOC-REF-541, Code of Ethics Committee.

4. All employees, officers, and Commissioners are responsible for being in compliance with the following items:

- A. **Use of Position:** Whether specifically prohibited elsewhere in this policy or not, employees shall also not create the appearance of impropriety by:
- Using public employment for private gains, privilege, favor, or advantage;
 - Giving preferential treatment to any person;
 - Knowingly impeding utility efficiency or productivity; or,
 - Affecting adversely the confidence of the public in the integrity of Grant PUD.

Effective Date: 6/1/2023	Version: 10 Supersedes: 9	Related Documents: Code of Ethics Committee, Outside Employment Attestation Form, Conflict of Interest Disclosure Form
		DISTRICTWIDE POLICY
Approved by: Commission	Regulation: RCW Chapter 42, RCW 9.46.0237, RCW 9.73.030, Resolution 9015	
Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

B. Use of Grant PUD Resources: Grant PUD resources will not be used for private benefit or gain unless within an allowable exception as determined by the Ethics Officer or the Ethics Committee. Grant PUD resources include but are not limited to Grant PUD facilities, vehicles, information systems, materials, financial resources, equipment, and staff time. The de minimis standard will be used to determine what an allowable exception use of resources is. To be considered de minimis, all of the following must be true:


- There is little or no cost to Grant PUD;
- There is no interference with the performance of official duties;
- The use is brief in duration and frequency;
- The use does not compromise the security or integrity of Grant PUD information systems or software;
- The use is not for the purpose of conducting an outside business, in furtherance of private employment, or to realize a private financial gain; and
- The use is not for supporting, promoting the interests of, or soliciting for an outside organization or group.

C. Records: All Grant PUD records including time sheets must be prepared accurately. Preparing a false or misleading report or record is a serious offense and violation of this policy. A record or report includes, but is not limited to, any "public record" as defined by RCW 42.56.010. "Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.

D. Confidentiality: Employees must maintain the confidentiality of confidential information entrusted to them, except when disclosure is required by Washington State public records request laws or authorized by Grant PUD's General Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the PUD or its customers if disclosed. It also includes information that suppliers and customers have entrusted to Grant PUD. It is expected employees apply the same level of integrity to both documents intentionally sent to the employee and those indirectly or that are encountered by accident. The obligation to preserve confidential information continues even after employment ends.

Records containing personal or confidential information will be disclosed only to authorized personnel having a "need to know" or as may be required by law.

E. Funds/Monetary Assets: Employees who have control over utility funds (e.g., credit cards, accounts payable, payroll, special fund/petty cash drawers) are strictly accountable for such funds. Every expenditure of funds shall be reasonable, necessary and within policy. Anyone approving or certifying the correctness of any voucher or bill is required to have knowledge that the expense and amounts involved are justifiable and proper.

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Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

F. **Protection and Proper Use of Grant PUD Assets:** Grant PUD property shall not be sold, used for personal benefit, loaned, given away, intentionally damaged, destroyed, or otherwise disposed of, regardless of condition or value.


The obligation of employees to protect Grant PUD’s assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, certain payroll data information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Grant PUD policy and result in discipline including up to termination. It could also be illegal and result in civil or criminal penalties.

All dispositions of property shall be in accordance with the surplus property policy and procedures. Employees who have input into the decision and approval process pertaining to the declaration of property as surplus to the needs of the utility shall not participate directly or indirectly in the purchase of such surplus property, nor shall they have any direct or indirect financial interest with any person or entity which purchases such property. Executive level management staff (Senior Manager and above), shall not, in any event, participate in the purchase of surplus property.

G. **Procurement Ethics:** It is the policy of the utility to award business solely on merit, at the lowest reasonable price, and when required, on a competitive basis.

Employees with procurement responsibilities or control over or access to project specifications shall not benefit, directly or indirectly, in any contractual agreement which may be made by, through or under the employee, in whole or in part, or which may be made for the benefit of the employee. Employees shall not accept, directly or indirectly, any compensation, gratuity, or reward in connection with such contractual agreement.

H. **Gifts, Gratuities, and Favors:** Individuals covered by this policy shall not solicit or accept, directly or indirectly, gifts, gratuities, or favors from a supplier, prospective supplier, customer or their employees or agents; provided however, that gifts of cookies, candies or other food items received and shared with other employees in the recipient’s work area are not prohibited. The intent of this exception is to sensibly accommodate receipt of such items that arrive unsolicited from vendors during holidays or as an occasional thank you such that no one individual employee benefits. All employees who conduct negotiations with current or prospective suppliers, contractors or customers will make certain that their representatives are fully informed of the utility’s policy. For the purpose of this policy, advertising items of a nominal value are not considered gifts (calendars, water bottles, bags, shirts, notepads, hats, etc.). Items of nominal value may be accepted so long as they do not have an aggregate value in excess of \$50 from a single source in a calendar year. The value of the item given to an employee’s family will be attributed to the employee for the purpose of determining whether the limit has been

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exceeded. Accepting gifts of cash or cash equivalents (i.e., gift cards) is prohibited regardless of the amount.


- I. **Entertainment and Hospitality:** Offers of entertainment, hospitality, business courtesies, tickets, hotel accommodations, passes or other favors from customers, current or prospective suppliers or other persons or entities whose interests may be substantially affected by the performance of the employee’s official duty, no matter how innocent in appearance, may not be accepted. An employee may accept food or refreshments of nominal value on infrequent occasions in the ordinary course of a meeting, conference, or during an inspection tour where an employee may properly be in attendance.
- J. **Outside Employment:** Grant PUD employees will only be prohibited from engaging in outside employment while employed by Grant PUD if the Ethics Committee determines there is a conflict of interest. Outside employment includes working as an employee or associate with an outside entity, intellectual property rights (such as creating a marketable item or owning an idea for/with the individual or business where there is a potential for profit), owning or operating a partnership, corporation or other private or public business, a home-based business and instances where the work or services are not actually conducted or performed by the employee but in which the employee has a beneficial interest such as work performed by family members. As used in this policy, the term “outside employment” should be understood to mean outside employment, outside business activity and/or an outside business relationship.

Grant PUD employees that have employment outside of Grant PUD must report the employment using the Outside Employment Attestation Form.

Grant PUD employees that are performing work for their outside employment during their scheduled work shift must be on approved leave.

Grant PUD may prohibit employees from engaging in outside employment while employed by Grant PUD if the Ethics Committee determines there is a conflict of interest. When reviewing outside employment requests, the Ethics Committee will consider:

- Does the outside employment relate to an employee’s official duties, or involve transactions with Grant PUD that relate to the employee’s official duties?
- Does the employee’s outside employment involve an employer that has a contractual or other business relationship with Grant PUD, or have an interest that may be affected by the employee’s performance or nonperformance of their official duties?
- Will the employee’s official position with Grant PUD be used to obtain compensation or other benefits for the employee or the outside employer?
- Will the demand of outside employment detract from the employee’s ability to satisfactorily meet their position’s performance objectives?

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Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

K. **Off Duty Conduct:** Grant PUD employees must notify their CXO when legal consequences of their off-duty conduct affects their ability to perform their assigned job duties. The employee will report:

- Within 24 hours after receiving court-imposed sanction or conditions, or before their next scheduled work shift (whichever occurs first). Court imposed sanctions is a penalty or other means of enforcement used to provide incentives to obey the law, rules and regulations (such as an arrest or restraining order). Parking tickets and traffic tickets do not need to be reported so long as there are no restrictions placed on the employee’s driver’s license.
- Within 48 hours after an arrest, or before returning to work (whichever occurs first).


If the court-imposed sanction or conditions creates a conflict of interest with an employee’s Grant PUD job duties, Grant PUD may reassign the employee to another role or terminate the employee from Grant PUD. If the employee is convicted of a crime that is incompatible with employment at Grant PUD, Grant PUD reserves the right to terminate the employee’s employment. Crimes that include dishonesty or fraud are examples of crimes that are incompatible with employment at Grant PUD. Human Resources, the Chief Legal Officer, and the CXO will decide if an employee’s legal issues are incompatible with employment with Grant PUD. Grant PUD will not make a final determination until any charges have resulted in a conviction.

L. **Post-Employment Representation:** Without prior approval from their CXO and the Manager of Human Resources, no Grant PUD employee shall accept employment or engage in any business or activity which might require the employee to disclose confidential Grant PUD information. Violation of this provision may cause any contract in existence to be invalidated. Employees and consultants may be required to sign a confidentiality, non-disclosure, and post-employment agreement.

M. **Gambling:** Gambling is prohibited on Grant PUD property and/or during an employee’s compensated work time. Gambling means staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome (RCW 9.46.0237).

Examples include, but are not limited to raffles, sports pools, check pools, or any activity defined as “gambling” by the Washington State Gambling Commission.

N. **Recording Private Communications:** Recording conversations with cell phones or any other recording device, whether these conversations are by telephone, radio, in person, or by any other means, is prohibited and may violate state criminal law, unless done with the consent of all parties involved (see RCW 9.73.030).

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Approved by: Commission	Regulation: RCW Chapter 42, RCW 9.46.0237, RCW 9.73.030, Resolution 9015	
Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

O. **Employment of Relatives:** Grant PUD may hire relatives of current employees except when there is a conflict of interest such as:

- The employment of the individual would violate the Code of Ethics for Municipal Officers (see RCW Chapter 42.23);
- A spouse or relative would have the authority or practical power to supervise, appoint, remove, or discipline the other spouse or relative;
- A spouse or relative would be responsible for auditing the work of the other spouse or relative;
- A spouse or relative would be in the supervisory chain of command;
- Other circumstances exist, which would place the spouse or relative in a situation of actual or reasonably foreseeable conflict between Grant PUD’s interests and those of the spouse or relative;
- Necessary in the case of Grant PUD Officers to avoid the reality or appearance of improper influence or favor; or,
- Necessary in the case of Grant PUD Officers to protect Grant PUD confidentiality.

If employees become relatives or spouses during their course of employment with Grant PUD, Grant PUD reserves the right to reassign an employee to eliminate a conflict of interest. Reassignments will be made based on the needs of Grant PUD. For the purpose of this policy, a relative is defined as a person related to another person by blood, marriage, domestic partner, or legal adoption (spouse, son, daughter, grandchild, parent, sibling, niece, nephew, aunt, uncle, in-law, stepchild, grandparent, foster child, first cousin).


If an employee is transferred, promoted, or otherwise moved to a position where it would conflict with this policy, it is the responsibility of the employee to notify their supervisor, manager, CXO, or the Ethics Officer of the conflict.

P. **Contacts with Members of Congress and Federal Employees:** Federal officials and their staff are subject to a rule that prohibits a gift or entertainment and defines those terms as anything having a value. For this reason, no Grant PUD employee should offer anything of value, including a meal, to a federal government official. Any questions about the compliance requirements applicable to members of Congress and federal employees should be referred to the Ethics Officer.

5. Conflict of Interest

A conflict of interest exists when there is evidence of or the appearance that an employee’s personal interests have influenced or may influence Grant PUD transactions or operations, or that these interests take precedence over the interests, goals, and/or mission of Grant PUD.

A conflict of interest may relate to you, your spouse/partner, family member, business interests, and/or associates. Employees are required to immediately and proactively disclose

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to their supervisor any actual or possible conflict(s) of interest that arise at any time during their employment, including when an employee transfers positions at Grant PUD. Employees shall disclose all material facts pertaining to the potential conflict according to Grant PUD procedure as noted below.

A Conflict of Interest Disclosure Form is required for every employee within 90 days of approval by this policy. In the event there are changes to any disclosures previously made, the changes shall be noted in an updated Conflict of Interest Disclosure Form. If there are no changes, every employee will acknowledge the accuracy of the disclosure form previously submitted on an annual basis and perform any required training. If a new conflict or potential conflict arises, the employee shall submit a new Conflict of Interest Disclosure Form within 10 days of the new conflict or potential conflict. Conflict of Interest Disclosure Forms should be sent to the employee’s direct supervisor.


Examples of potential conflicts that should be disclosed (not exclusively limited to this list) include:

- A business relationship/ownership that the employee personally receives real or perceived benefit with an entity conducting business with Grant PUD directly or indirectly that could present a conflict in the role the employee is engaged in for Grant PUD;
- A legal matter involving the employee which could impact or question the ability to perform their role;
- Outside employment by another party which may directly or indirectly have a connection to Grant PUD activity (and/or general office hour conflicts);
- Personal affiliations with individuals or civic/professional organizations whereby confidential/privileged information is divulged;
- A compensation arrangement with a corporation or with any entity or individual with which Grant PUD has a transaction or arrangement; or,
- A potential or existing ownership, direct or indirect interest, or compensation arrangement with any entity or individual with which Grant PUD is negotiating a transaction or arrangement.

Upon receipt of the conflict form, the supervisor will evaluate to determine additional facts that may need to be gathered and then submit the form to the Ethics Committee (email to ethicscommittee@gcpud.org).

The Ethics Committee will review, track, and respond to all conflict notifications. If a report of a conflict is determined to not be an actual conflict the employee will be notified; if the report results in a deemed actual conflict, the Ethics Committee will recommend a mitigation path.

6. Employees are required to report violations or suspected violations of this policy.

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Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

Employees are required to report unethical behavior or acts to their supervisor or the Ethics Officer. All reports will be taken seriously and investigated. Grant PUD will protect the confidentiality of those involved to the extent it can, consistent with the need to investigate and resolve the problem. No employee will be retaliated against for good faith efforts to comply with this policy.

7. Unethical behavior may lead to disciplinary action.

Every employee should understand that any violation of these basic standards of business conduct may subject the employee to disciplinary action, up to and including termination from the utility in addition to civil fines, penalties, and criminal prosecution where appropriate.

Concerns or complaints not filed in a “good faith” manner could lead to disciplinary action as defined by Grant PUD’s Discipline policy.


8. Risk/Risk Owners

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

- Reputation Risk
- Regulatory Risk
- Litigation Risk
- Performance Risk
- Governance Risk
- Leadership Risk
- Authority Risk
- Integrity Risk


B. Risk Owners:

- Ethics Committee/Ethics Officer
- All Grant PUD employees

Effective Date: 6/1/2023	Version: 10 Supersedes: 9	Related Documents: Code of Ethics Committee, Outside Employment Attestation Form, Conflict of Interest Disclosure Form
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Approved by: Commission	Regulation: RCW Chapter 42, RCW 9.46.0237, RCW 9.73.030, Resolution 9015	
Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

9. Review/Revision History

Effective Date	Description
8/14/1978	Resolution 3696 establishing a Code of Ethics.
3/23/1987	Resolution 5434.
8/28/2001	Resolution 7461. Updated to reflect current practices and revisions to RCW Chapter 42.
12/11/2006	Resolution 8061. Revised to address potential conflicts of interest during surplus auctions of Grant PUD equipment.
8/2/2010	Resolution 8495. Revised to address potential conflicts of interest related to Grant PUD work put out to bid.
1/31/2011	Resolution 8533. Revised to clarify guidelines around gifts from suppliers, prospective suppliers, customers, or their employees or agents.
5/31/2011	Resolution 8554. Revised to provide clarification on definition of "gambling" and clarified gambling is prohibited during an employee's compensated work time.
8/1/2014	Resolution 8732. Assigned policy number HR150040-POL. Revised composition of Ethics Committee and added new section titled "Recording Private Communications."
12/9/2019	Updated policy number to EX-SOC-POL-540 and reformatted only.
3/1/2022	Resolution 8981. Policy updated throughout. Added new Conflict of Interest section with disclosure requirement.
6/1/2023	Resolution 9015. Revised to address Ethics Officer appointment and responsibilities, revised Use of Grant PUD Resources, updated Gifts, Gratuities, and Favors, Outside Employment, Off Duty Conduct, Post-Employment Representation, and Employment of Relatives. New language regarding contacts with federal employees, updated routing process for conflict disclosure forms, corrected policy revision history. Incorporate new forms - Outside Employment Attestation Form and Conflict of Interest Disclosure Form.

Effective Date: 1/1/2025	Version: 11 Supersedes: 10	Related Documents: Code of Ethics Committee, Outside Employment Attestation Form, Conflict of Interest Disclosure Form
 DISTRICTWIDE POLICY		
Approved by: Commission	Regulation: RCW Chapter 42, RCW 9.46.0237, RCW 9.73.030, Resolution XXXX	
Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

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EX-SOC-POL-540 – CODE OF ETHICS

1. Scope

This policy provides guidance to all employees including Officers and Commissioners regarding conduct. Hereinafter this group shall be referred to as “employees”.

2. Employees are expected to exhibit high ethical standards when conducting Grant PUD business.

All employees are expected to comply with the ethics provisions contained in this policy. Employees are responsible for disclosures of possible conflicts of interest, both in fact and appearance, and are responsible for asking for guidance from their supervisor or the Ethics Officer if a question of ethics exists.

RCW Chapter 42.23, *Code of Ethics for Municipal Officers*, may restrict activities more than this policy. “Municipal officer” and “officer” shall each include all elected and appointed officers of a municipality, together with all deputies and assistants of such an officer, and all persons exercising or undertaking to exercise any of the powers or functions of a municipal officer. The absence of specific situation discussed herein does not relieve an employee from the responsibility to exercise high ethical standards involving utility business.


3. The General Manager will appoint Grant PUD’s Ethics Officer.

The Ethics Officer will be responsible for ensuring that employees have adequate training and communication on the Code of Ethics, and assembling the Ethics Committee to review ethics issues that require interpretation. The Ethics Officer is responsible for leading the investigation process of reports of violations of the Code of Ethics.

The Ethics Committee will review questions related to this policy and make recommendations as appropriate. The Ethics Committee membership is defined in EX-SOC-REF-541, Code of Ethics Committee.

4. All employees, officers, and Commissioners are responsible for being in compliance with the following items:

- A. **Use of Position:** Whether specifically prohibited elsewhere in this policy or not, employees shall also not create the appearance of impropriety by:
- Using public employment for private gains, privilege, favor, or advantage;
 - Giving preferential treatment to any person;
 - Knowingly impeding utility efficiency or productivity; or,
 - Affecting adversely the confidence of the public in the integrity of Grant PUD.

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 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
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B. Use of Grant PUD Resources: Grant PUD resources will not be used for private benefit or gain unless within an allowable exception as determined by the Ethics Officer or the Ethics Committee. Grant PUD resources include but are not limited to Grant PUD facilities, vehicles, information systems, materials, financial resources, equipment, and staff time. The de minimis standard will be used to determine what an allowable exception use of resources is. To be considered de minimis, all of the following must be true:


- There is little or no cost to Grant PUD;
- There is no interference with the performance of official duties;
- The use is brief in duration and frequency;
- The use does not compromise the security or integrity of Grant PUD information systems or software;
- The use is not for the purpose of conducting an outside business, in furtherance of private employment, or to realize a private financial gain; and
- The use is not for supporting, promoting the interests of, or soliciting for an outside organization or group.

C. Records: All Grant PUD records including time sheets must be prepared accurately. Preparing a false or misleading report or record is a serious offense and violation of this policy. A record or report includes, but is not limited to, any "public record" as defined by RCW 42.56.010. "Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.

D. Confidentiality: Employees must maintain the confidentiality of confidential information entrusted to them, except when disclosure is required by Washington State public records request laws or authorized by Grant PUD's General Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the PUD or its customers if disclosed. It also includes information that suppliers and customers have entrusted to Grant PUD. It is expected employees apply the same level of integrity to both documents intentionally sent to the employee and those indirectly or that are encountered by accident. The obligation to preserve confidential information continues even after employment ends.

Records containing personal or confidential information will be disclosed only to authorized personnel having a "need to know" or as may be required by law.

E. Funds/Monetary Assets: Employees who have control over utility funds (e.g., credit cards, accounts payable, payroll, special fund/petty cash drawers) are strictly accountable for such funds. Every expenditure of funds shall be reasonable, necessary and within policy. Anyone approving or certifying the correctness of any voucher or bill is required to have knowledge that the expense and amounts involved are justifiable and proper.

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F. Protection and Proper Use of Grant PUD Assets: Grant PUD property shall not be sold, used for personal benefit, loaned, given away, intentionally damaged, destroyed, or otherwise disposed of, regardless of condition or value.


The obligation of employees to protect Grant PUD’s assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, certain payroll data information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Grant PUD policy and result in discipline including up to termination. It could also be illegal and result in civil or criminal penalties.

All dispositions of property shall be in accordance with the surplus property policy and procedures. Employees who have input into the decision and approval process pertaining to the declaration of property as surplus to the needs of the utility shall not participate directly or indirectly in the purchase of such surplus property, nor shall they have any direct or indirect financial interest with any person or entity which purchases such property. Executive level management staff (Senior Manager and above), shall not, in any event, participate in the purchase of surplus property.

G. Procurement Ethics: It is the policy of the utility to award business solely on merit, at the lowest reasonable price, and when required, on a competitive basis.

Employees with procurement responsibilities or control over or access to project specifications shall not benefit, directly or indirectly, in any contractual agreement which may be made by, through or under the employee, in whole or in part, or which may be made for the benefit of the employee. Employees shall not accept, directly or indirectly, any compensation, gratuity, or reward in connection with such contractual agreement.

H. Gifts, Gratuities, and Favors: Individuals covered by this policy shall not solicit or accept, directly or indirectly, gifts, gratuities, or favors from a supplier, prospective supplier, customer or their employees or agents; provided however, that gifts of cookies, candies or other food items received and shared with other employees in the recipient’s work area are not prohibited. The intent of this exception is to sensibly accommodate receipt of such items that arrive unsolicited from vendors during holidays or as an occasional thank you such that no one individual employee benefits. All employees who conduct negotiations with current or prospective suppliers, contractors or customers will make certain that their representatives are fully informed of the utility’s policy. For the purpose of this policy, advertising items of a nominal value are not considered gifts (calendars, water bottles, bags, shirts, notepads, hats, etc.). Items of nominal value may be accepted so long as they do not have an aggregate value in excess of \$50 from a single source in a calendar year. The value of the item given to an employee’s family will be attributed to the employee for the purpose of determining whether the limit has been

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exceeded. Accepting gifts of cash or cash equivalents (i.e., gift cards) is prohibited regardless of the amount.


I. Entertainment and Hospitality:

1) Offers of entertainment, hospitality, business courtesies, tickets, hotel accommodations, passes or other favors from customers, current or prospective suppliers or other persons or entities whose interests may be substantially affected by the performance of the employee's official duty, no matter how innocent in appearance, may not be accepted. An employee may accept food or refreshments of nominal value on infrequent occasions in the ordinary course of a meeting, conference, or during an inspection tour where an employee may properly be in attendance.

2) Grant PUD employees may attend social events and/or accept lodging provided as part of the conference fees under the following conditions:

- The social events or lodging must be available to all attendees as part of the conference or event package and not exclusively offered to Grant PUD employees.
- The primary purpose of attending the conference or event must be professional development, networking with industry peers, knowledge sharing, or exercise of Grant PUD official duties, and the social event or lodging is incidental to that purpose.
- The social events or lodging are not designed to provide undue influence or preferential treatment to any attendee or organization.
- Employees must decline any offers of social events, entertainment, or lodging that are extended selectively to Grant PUD employees and are not made available to all event participants.
- Employees are expected to exercise sound judgment and ensure that their participation in social events or acceptance of lodging does not create any actual or perceived conflict of interest or undermine the reputation of Grant PUD.
- Employees are encouraged to disclose any conference-related benefits that may be perceived as preferential or exclusive to the Ethics Committee.

J. **Outside Employment:** Grant PUD employees will only be prohibited from engaging in outside employment while employed by Grant PUD if the Ethics Committee determines there is a conflict of interest. Outside employment includes working as an employee or associate with an outside entity, intellectual property rights (such as creating a marketable item or owning an idea for/with the individual or business where there is a potential for profit), owning or operating a partnership, corporation or other private or public business, a home-based business and instances where the work or services are not actually conducted or performed by the employee but in which the employee has a beneficial interest such as work performed by family members. As used in this policy, the term

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“outside employment” should be understood to mean outside employment, outside business activity and/or an outside business relationship.

Grant PUD employees that have employment outside of Grant PUD must report the employment using the Outside Employment Attestation Form.

Grant PUD employees that are performing work for their outside employment during their scheduled work shift must be on approved leave.


Grant PUD may prohibit employees from engaging in outside employment while employed by Grant PUD if the Ethics Committee determines there is a conflict of interest. When reviewing outside employment requests, the Ethics Committee will consider:

- Does the outside employment relate to an employee’s official duties, or involve transactions with Grant PUD that relate to the employee’s official duties?
- Does the employee’s outside employment involve an employer that has a contractual or other business relationship with Grant PUD, or have an interest that may be affected by the employee’s performance or nonperformance of their official duties?
- Will the employee’s official position with Grant PUD be used to obtain compensation or other benefits for the employee or the outside employer?
- Will the demand of outside employment detract from the employee’s ability to satisfactorily meet their position’s performance objectives?

K. **Off Duty Conduct:** Grant PUD employees must notify their CXO when legal consequences of their off-duty conduct affects their ability to perform their assigned job duties. The employee will report:

- Within 24 hours after receiving court-imposed sanction or conditions, or before their next scheduled work shift (whichever occurs first). Court imposed sanctions is a penalty or other means of enforcement used to provide incentives to obey the law, rules and regulations (such as an arrest or restraining order). Parking tickets and traffic tickets do not need to be reported so long as there are no restrictions placed on the employee’s driver’s license.
- Within 48 hours after an arrest, or before returning to work (whichever occurs first).

If the court-imposed sanction or conditions creates a conflict of interest with an employee’s Grant PUD job duties, Grant PUD may reassign the employee to another role or terminate the employee from Grant PUD. If the employee is convicted of a crime that is incompatible with employment at Grant PUD, Grant PUD reserves the right to terminate the employee’s employment. Crimes that include dishonesty or fraud are examples of crimes that are incompatible with employment at Grant PUD. Human Resources, the Chief Legal Officer, and the CXO will decide if an employee’s legal issues are incompatible with

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employment with Grant PUD. Grant PUD will not make a final determination until any charges have resulted in a conviction.

- L. **Post-Employment Representation:** Without prior approval from their CXO and the Manager of Human Resources, no Grant PUD employee shall accept employment or engage in any business or activity which might require the employee to disclose confidential Grant PUD information. Violation of this provision may cause any contract in existence to be invalidated. Employees and consultants may be required to sign a confidentiality, non-disclosure, and post-employment agreement.
- M. **Gambling:** Gambling is prohibited on Grant PUD property and/or during an employee's compensated work time. Gambling means staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome (RCW 9.46.0237).

Examples include, but are not limited to raffles, sports pools, check pools, or any activity defined as "gambling" by the Washington State Gambling Commission.

- N. **Recording Private Communications:** Recording conversations with cell phones or any other recording device, whether these conversations are by telephone, radio, in person, or by any other means, is prohibited and may violate state criminal law, unless done with the consent of all parties involved (see RCW 9.73.030).
- O. **Employment of Relatives:** Grant PUD may hire relatives of current employees except when there is a conflict of interest such as:
- The employment of the individual would violate the Code of Ethics for Municipal Officers (see RCW Chapter 42.23);
 - A spouse or relative would have the authority or practical power to supervise, appoint, remove, or discipline the other spouse or relative;
 - A spouse or relative would be responsible for auditing the work of the other spouse or relative;
 - A spouse or relative would be in the supervisory chain of command;
 - Other circumstances exist, which would place the spouse or relative in a situation of actual or reasonably foreseeable conflict between Grant PUD's interests and those of the spouse or relative;
 - Necessary in the case of Grant PUD Officers to avoid the reality or appearance of improper influence or favor; or,
 - Necessary in the case of Grant PUD Officers to protect Grant PUD confidentiality.

If employees become relatives or spouses during their course of employment with Grant PUD, Grant PUD reserves the right to reassign an employee to eliminate a conflict of interest. Reassignments will be made based on the needs of Grant PUD. For the purpose

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of this policy, a relative is defined as a person related to another person by blood, marriage, domestic partner, or legal adoption (spouse, son, daughter, grandchild, parent, sibling, niece, nephew, aunt, uncle, in-law, stepchild, grandparent, foster child, first cousin).

If an employee is transferred, promoted, or otherwise moved to a position where it would conflict with this policy, it is the responsibility of the employee to notify their supervisor, manager, CXO, or the Ethics Officer of the conflict.

P. Contacts with Members of Congress and Federal Employees: Federal officials and their staff are subject to a rule that prohibits a gift or entertainment and defines those terms as anything having a value. For this reason, no Grant PUD employee should offer anything of value, including a meal, to a federal government official. Any questions about the compliance requirements applicable to members of Congress and federal employees should be referred to the Ethics Officer.

5. Conflict of Interest

A conflict of interest exists when there is evidence of or the appearance that an employee's personal interests have influenced or may influence Grant PUD transactions or operations, or that these interests take precedence over the interests, goals, and/or mission of Grant PUD.


A conflict of interest may relate to you, your spouse/partner, family member, business interests, and/or associates. Employees are required to immediately and proactively disclose to their supervisor any actual or possible conflict(s) of interest that arise at any time during their employment, including when an employee transfers positions at Grant PUD. Employees shall disclose all material facts pertaining to the potential conflict according to Grant PUD procedure as noted below.

A Conflict of Interest Disclosure Form is required for every employee within 90 days of approval by this policy. In the event there are changes to any disclosures previously made, the changes shall be noted in an updated Conflict of Interest Disclosure Form. If there are no changes, every employee will acknowledge the accuracy of the disclosure form previously submitted on an annual basis and perform any required training. If a new conflict or potential conflict arises, the employee shall submit a new Conflict of Interest Disclosure Form within 10 days of the new conflict or potential conflict. Conflict of Interest Disclosure Forms should be sent to the employee's direct supervisor.

Examples of potential conflicts that should be disclosed (not exclusively limited to this list) include:

- A business relationship/ownership that the employee personally receives real or perceived benefit with an entity conducting business with Grant PUD directly or indirectly that could present a conflict in the role the employee is engaged in for Grant PUD;

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- A legal matter involving the employee which could impact or question the ability to perform their role;
- Outside employment by another party which may directly or indirectly have a connection to Grant PUD activity (and/or general office hour conflicts);
- Personal affiliations with individuals or civic/professional organizations whereby confidential/privileged information is divulged;
- A compensation arrangement with a corporation or with any entity or individual with which Grant PUD has a transaction or arrangement; or,
- A potential or existing ownership, direct or indirect interest, or compensation arrangement with any entity or individual with which Grant PUD is negotiating a transaction or arrangement.

Upon receipt of the conflict form, the supervisor will evaluate to determine additional facts that may need to be gathered and then submit the form to the Ethics Committee (email to ethicscommittee@gcpud.org).

The Ethics Committee will review, track, and respond to all conflict notifications. If a report of a conflict is determined to not be an actual conflict the employee will be notified; if the report results in a deemed actual conflict, the Ethics Committee will recommend a mitigation path.

6. Employees are required to report violations or suspected violations of this policy.

Employees are required to report unethical behavior or acts to their supervisor or the Ethics Officer. All reports will be taken seriously and investigated. Grant PUD will protect the confidentiality of those involved to the extent it can, consistent with the need to investigate and resolve the problem. No employee will be retaliated against for good faith efforts to comply with this policy.


7. Unethical behavior may lead to disciplinary action.

Every employee should understand that any violation of these basic standards of business conduct may subject the employee to disciplinary action, up to and including termination from the utility in addition to civil fines, penalties, and criminal prosecution where appropriate.

Concerns or complaints not filed in a "good faith" manner could lead to disciplinary action as defined by Grant PUD's Discipline policy.

8. Risk/Risk Owners

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

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- Reputation Risk
- Governance Risk
- Regulatory Risk
- Leadership Risk
- Litigation Risk
- Authority Risk
- Performance Risk
- Integrity Risk


B. Risk Owners:

- Ethics Committee/Ethics Officer
- All Grant PUD employees

9. Review/Revision History

Effective Date	Description
8/14/1978	Resolution 3696 establishing a Code of Ethics.
3/23/1987	Resolution 5434.
8/28/2001	Resolution 7461. Updated to reflect current practices and revisions to RCW Chapter 42.
12/11/2006	Resolution 8061. Revised to address potential conflicts of interest during surplus auctions of Grant PUD equipment.
8/2/2010	Resolution 8495. Revised to address potential conflicts of interest related to Grant PUD work put out to bid.
1/31/2011	Resolution 8533. Revised to clarify guidelines around gifts from suppliers, prospective suppliers, customers, or their employees or agents.
5/31/2011	Resolution 8554. Revised to provide clarification on definition of "gambling" and clarified gambling is prohibited during an employee's compensated work time.
8/1/2014	Resolution 8732. Assigned policy number HR150040-POL. Revised composition of Ethics Committee and added new section titled "Recording Private Communications."
12/9/2019	Updated policy number to EX-SOC-POL-540 and reformatted only.
3/1/2022	Resolution 8981. Policy updated throughout. Added new Conflict of Interest section with disclosure requirement.
6/1/2023	Resolution 9015. Revised to address Ethics Officer appointment and responsibilities, revised Use of Grant PUD Resources, updated Gifts, Gratuities, and Favors, Outside Employment, Off Duty Conduct, Post-Employment Representation, and Employment of Relatives. New language regarding contacts with federal employees, updated routing process for conflict disclosure forms, corrected policy revision history. Incorporate new forms – Outside Employment Attestation Form and Conflict of Interest Disclosure Form.
1/1/2025	Resolution XXXX. <u>Revise Section 4.I, Entertainment and Hospitality.</u>

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Employees with procurement responsibilities or control over or access to project specifications shall not benefit, directly or indirectly, in any contractual agreement which may be made by, through or under the employee, in whole or in part, or which may be made for the benefit of the employee. Employees shall not accept, directly or indirectly, any compensation, gratuity, or reward in connection with such contractual agreement.

H. **Gifts, Gratuities, and Favors:** Individuals covered by this policy shall not solicit or accept, directly or indirectly, gifts, gratuities, or favors from a supplier, prospective supplier, customer or their employees or agents; provided however, that gifts of cookies, candies or other food items received and shared with other employees in the recipient’s work area are not prohibited. The intent of this exception is to sensibly accommodate receipt of such items that arrive unsolicited from vendors during holidays or as an occasional thank you such that no one individual employee benefits. All employees who conduct negotiations with current or prospective suppliers, contractors or customers will make certain that their representatives are fully informed of the utility’s policy. For the purpose of this policy, advertising items of a nominal value are not considered gifts (calendars, water bottles, bags, shirts, notepads, hats, etc.). Items of nominal value may be accepted so long as they do not have an aggregate value in excess of \$50 from a single source in a calendar year. The value of the item given to an employee’s family will be attributed to the employee for the purpose of determining whether the limit has been

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exceeded. Accepting gifts of cash or cash equivalents (i.e., gift cards) is prohibited regardless of the amount.

I. Entertainment and Hospitality:

- 1) Offers of entertainment, hospitality, business courtesies, tickets, hotel accommodations, passes or other favors from customers, current or prospective suppliers or other persons or entities whose interests may be substantially affected by the performance of the employee’s official duty, no matter how innocent in appearance, may not be accepted. An employee may accept food or refreshments of nominal value on infrequent occasions in the ordinary course of a meeting, conference, or during an inspection tour where an employee may properly be in attendance.

- 2) Grant PUD employees may attend social events and/or accept lodging provided as part of the conference fees under the following conditions:
 - The social events or lodging must be available to all attendees as part of the conference or event package and not exclusively offered to Grant PUD employees.
 - The primary purpose of attending the conference or event must be professional development, networking with industry peers, knowledge sharing, or exercise of Grant PUD official duties, and the social event or lodging is incidental to that purpose.
 - The social events or lodging are not designed to provide undue influence or preferential treatment to any attendee or organization.
 - Employees must decline any offers of social events, entertainment, or lodging that are extended selectively to Grant PUD employees and are not made available to all event participants.
 - Employees are expected to exercise sound judgment and ensure that their participation in social events or acceptance of lodging does not create any actual or perceived conflict of interest or undermine the reputation of Grant PUD.
 - Employees are encouraged to disclose any conference-related benefits that may be perceived as preferential or exclusive to the Ethics Committee.

- J. Outside Employment:** Grant PUD employees will only be prohibited from engaging in outside employment while employed by Grant PUD if the Ethics Committee determines there is a conflict of interest. Outside employment includes working as an employee or associate with an outside entity, intellectual property rights (such as creating a marketable item or owning an idea for/with the individual or business where there is a potential for profit), owning or operating a partnership, corporation or other private or public business, a home-based business and instances where the work or services are not actually conducted or performed by the employee but in which the employee has a beneficial interest such as work performed by family members. As used in this policy, the term

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“outside employment” should be understood to mean outside employment, outside business activity and/or an outside business relationship.

Grant PUD employees that have employment outside of Grant PUD must report the employment using the Outside Employment Attestation Form.

Grant PUD employees that are performing work for their outside employment during their scheduled work shift must be on approved leave.


Grant PUD may prohibit employees from engaging in outside employment while employed by Grant PUD if the Ethics Committee determines there is a conflict of interest. When reviewing outside employment requests, the Ethics Committee will consider:

- Does the outside employment relate to an employee’s official duties, or involve transactions with Grant PUD that relate to the employee’s official duties?
- Does the employee’s outside employment involve an employer that has a contractual or other business relationship with Grant PUD, or have an interest that may be affected by the employee’s performance or nonperformance of their official duties?
- Will the employee’s official position with Grant PUD be used to obtain compensation or other benefits for the employee or the outside employer?
- Will the demand of outside employment detract from the employee’s ability to satisfactorily meet their position’s performance objectives?

K. **Off Duty Conduct:** Grant PUD employees must notify their CXO when legal consequences of their off-duty conduct affects their ability to perform their assigned job duties. The employee will report:

- Within 24 hours after receiving court-imposed sanction or conditions, or before their next scheduled work shift (whichever occurs first). Court imposed sanctions is a penalty or other means of enforcement used to provide incentives to obey the law, rules and regulations (such as an arrest or restraining order). Parking tickets and traffic tickets do not need to be reported so long as there are no restrictions placed on the employee’s driver’s license.
- Within 48 hours after an arrest, or before returning to work (whichever occurs first).

If the court-imposed sanction or conditions creates a conflict of interest with an employee’s Grant PUD job duties, Grant PUD may reassign the employee to another role or terminate the employee from Grant PUD. If the employee is convicted of a crime that is incompatible with employment at Grant PUD, Grant PUD reserves the right to terminate the employee’s employment. Crimes that include dishonesty or fraud are examples of crimes that are incompatible with employment at Grant PUD. Human Resources, the Chief Legal Officer, and the CXO will decide if an employee’s legal issues are incompatible with

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employment with Grant PUD. Grant PUD will not make a final determination until any charges have resulted in a conviction.

- L. **Post-Employment Representation:** Without prior approval from their CXO and the Manager of Human Resources, no Grant PUD employee shall accept employment or engage in any business or activity which might require the employee to disclose confidential Grant PUD information. Violation of this provision may cause any contract in existence to be invalidated. Employees and consultants may be required to sign a confidentiality, non-disclosure, and post-employment agreement.
- M. **Gambling:** Gambling is prohibited on Grant PUD property and/or during an employee’s compensated work time. Gambling means staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person’s control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome (RCW 9.46.0237).

Examples include, but are not limited to raffles, sports pools, check pools, or any activity defined as “gambling” by the Washington State Gambling Commission.

- N. **Recording Private Communications:** Recording conversations with cell phones or any other recording device, whether these conversations are by telephone, radio, in person, or by any other means, is prohibited and may violate state criminal law, unless done with the consent of all parties involved (see RCW 9.73.030).
- O. **Employment of Relatives:** Grant PUD may hire relatives of current employees except when there is a conflict of interest such as:
 - The employment of the individual would violate the Code of Ethics for Municipal Officers (see RCW Chapter 42.23);
 - A spouse or relative would have the authority or practical power to supervise, appoint, remove, or discipline the other spouse or relative;
 - A spouse or relative would be responsible for auditing the work of the other spouse or relative;
 - A spouse or relative would be in the supervisory chain of command;
 - Other circumstances exist, which would place the spouse or relative in a situation of actual or reasonably foreseeable conflict between Grant PUD’s interests and those of the spouse or relative;
 - Necessary in the case of Grant PUD Officers to avoid the reality or appearance of improper influence or favor; or,
 - Necessary in the case of Grant PUD Officers to protect Grant PUD confidentiality.

If employees become relatives or spouses during their course of employment with Grant PUD, Grant PUD reserves the right to reassign an employee to eliminate a conflict of interest. Reassignments will be made based on the needs of Grant PUD. For the purpose

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of this policy, a relative is defined as a person related to another person by blood, marriage, domestic partner, or legal adoption (spouse, son, daughter, grandchild, parent, sibling, niece, nephew, aunt, uncle, in-law, stepchild, grandparent, foster child, first cousin).

If an employee is transferred, promoted, or otherwise moved to a position where it would conflict with this policy, it is the responsibility of the employee to notify their supervisor, manager, CXO, or the Ethics Officer of the conflict.

- P. **Contacts with Members of Congress and Federal Employees:** Federal officials and their staff are subject to a rule that prohibits a gift or entertainment and defines those terms as anything having a value. For this reason, no Grant PUD employee should offer anything of value, including a meal, to a federal government official. Any questions about the compliance requirements applicable to members of Congress and federal employees should be referred to the Ethics Officer.

5. Conflict of Interest


A conflict of interest exists when there is evidence of or the appearance that an employee’s personal interests have influenced or may influence Grant PUD transactions or operations, or that these interests take precedence over the interests, goals, and/or mission of Grant PUD.

A conflict of interest may relate to you, your spouse/partner, family member, business interests, and/or associates. Employees are required to immediately and proactively disclose to their supervisor any actual or possible conflict(s) of interest that arise at any time during their employment, including when an employee transfers positions at Grant PUD. Employees shall disclose all material facts pertaining to the potential conflict according to Grant PUD procedure as noted below.

A Conflict of Interest Disclosure Form is required for every employee within 90 days of approval by this policy. In the event there are changes to any disclosures previously made, the changes shall be noted in an updated Conflict of Interest Disclosure Form. If there are no changes, every employee will acknowledge the accuracy of the disclosure form previously submitted on an annual basis and perform any required training. If a new conflict or potential conflict arises, the employee shall submit a new Conflict of Interest Disclosure Form within 10 days of the new conflict or potential conflict. Conflict of Interest Disclosure Forms should be sent to the employee’s direct supervisor.

Examples of potential conflicts that should be disclosed (not exclusively limited to this list) include:

- A business relationship/ownership that the employee personally receives real or perceived benefit with an entity conducting business with Grant PUD directly or indirectly that could present a conflict in the role the employee is engaged in for Grant PUD;

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- A legal matter involving the employee which could impact or question the ability to perform their role;
- Outside employment by another party which may directly or indirectly have a connection to Grant PUD activity (and/or general office hour conflicts);
- Personal affiliations with individuals or civic/professional organizations whereby confidential/privileged information is divulged;
- A compensation arrangement with a corporation or with any entity or individual with which Grant PUD has a transaction or arrangement; or,
- A potential or existing ownership, direct or indirect interest, or compensation arrangement with any entity or individual with which Grant PUD is negotiating a transaction or arrangement.

Upon receipt of the conflict form, the supervisor will evaluate to determine additional facts that may need to be gathered and then submit the form to the Ethics Committee (email to ethicscommittee@gcpud.org).

The Ethics Committee will review, track, and respond to all conflict notifications. If a report of a conflict is determined to not be an actual conflict the employee will be notified; if the report results in a deemed actual conflict, the Ethics Committee will recommend a mitigation path.

6. Employees are required to report violations or suspected violations of this policy.

Employees are required to report unethical behavior or acts to their supervisor or the Ethics Officer. All reports will be taken seriously and investigated. Grant PUD will protect the confidentiality of those involved to the extent it can, consistent with the need to investigate and resolve the problem. No employee will be retaliated against for good faith efforts to comply with this policy.

7. Unethical behavior may lead to disciplinary action.

Every employee should understand that any violation of these basic standards of business conduct may subject the employee to disciplinary action, up to and including termination from the utility in addition to civil fines, penalties, and criminal prosecution where appropriate.

Concerns or complaints not filed in a “good faith” manner could lead to disciplinary action as defined by Grant PUD’s Discipline policy.

8. Risk/Risk Owners

- A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

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DISTRICTWIDE POLICY

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Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance

- | | |
|---|--|
| <ul style="list-style-type: none"> • Reputation Risk • Regulatory Risk • Litigation Risk • Performance Risk | <ul style="list-style-type: none"> • Governance Risk • Leadership Risk • Authority Risk • Integrity Risk |
|---|--|

B. Risk Owners:

- Ethics Committee/Ethics Officer
- All Grant PUD employees

9. Review/Revision History

Effective Date	Description
8/14/1978	Resolution 3696 establishing a Code of Ethics.
3/23/1987	Resolution 5434.
8/28/2001	Resolution 7461. Updated to reflect current practices and revisions to RCW Chapter 42.
12/11/2006	Resolution 8061. Revised to address potential conflicts of interest during surplus auctions of Grant PUD equipment.
8/2/2010	Resolution 8495. Revised to address potential conflicts of interest related to Grant PUD work put out to bid.
1/31/2011	Resolution 8533. Revised to clarify guidelines around gifts from suppliers, prospective suppliers, customers, or their employees or agents.
5/31/2011	Resolution 8554. Revised to provide clarification on definition of "gambling" and clarified gambling is prohibited during an employee's compensated work time.
8/1/2014	Resolution 8732. Assigned policy number HR150040-POL. Revised composition of Ethics Committee and added new section titled "Recording Private Communications."
12/9/2019	Updated policy number to EX-SOC-POL-540 and reformatted only.
3/1/2022	Resolution 8981. Policy updated throughout. Added new Conflict of Interest section with disclosure requirement.
6/1/2023	Resolution 9015. Revised to address Ethics Officer appointment and responsibilities, revised Use of Grant PUD Resources, updated Gifts, Gratuities, and Favors, Outside Employment, Off Duty Conduct, Post-Employment Representation, and Employment of Relatives. New language regarding contacts with federal employees, updated routing process for conflict disclosure forms, corrected policy revision history. Incorporate new forms – Outside Employment Attestation Form and Conflict of Interest Disclosure Form.
1/1/2025	Resolution XXXX. Revise Section 4.I, Entertainment and Hospitality.

For Commission Review – 11/12/2024

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 and related Fee and Deposit Schedules 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, and 9, as set forth in the attached Exhibit A are hereby approved and adopted and shall be effective December 1, 2024.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 26th day of November, 2024.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

October 30, 2024

TO: Rich Wallen, General Manager
VIA: Ty Ehrman, Chief Customer Officer
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 June 13, 2023 (Resolution 9018).

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 and Power Delivery business operations and compliance with the Clean Energy Transformation Act (CETA) for expanded low-income assistance programs.

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

Exhibit A

Section #	Section Description	Change Description	Change Rationale
2.2	Rate Schedules	Added RS18 and RS19 per tariffs.	Needed to add RS as previously omitted.
2.15	Informal Conference / Hearings	Removal of Hearing Officer designee and process	The Hearing Officer is no longer in place.
4.2	Underground Line Extensions	Provide specifications for Customer responsibilities for underground line extensions.	Was previously not stated in the Customer Service Policy. Provides clarity to customers.
4.3.3	Construction Temporary Service	Updates temporary metered service from 1 year to 18 months and clarity on when a temporary metered service would be removed.	Provides clarity that service will either be permanent at the 18 month mark or the temporary service will be removed.
4.4	Service Requirements by Rate Class	Provide exception for Irrigation services that are within 20' from transformer which the PUD would cover.	Was previously not stated in the Customer Service Policy. Provides clarity to customers.

4.5.1	Line Extension Fees	Added Residential and Commercial to Customers who are subject to the Simple Service Fees.	Previously stated as "Customers" and no call out for Residential and Commercial customers explicitly.
4.11.1	Approved Subdivisions	Added fiber vaults, fiber handholds to description and new sentence for Customer needed to obtain Grant PUD approval for any excavation/installation of the backbone conduit and vault system.	Provides requirement for Grant PUD to approve plat development design drawings before excavation/installation.
4.12	Manufactured Home / Mobile Home Parks	Added differentiation between newly developed and existing mobile home parks on where the Connection Point resides.	Newly developed mobile home parks will own/maintain underground conduit and service wire from the Connection Point to the meter whereas Grant PUD owns/maintains for existing mobile home parks.
5.6.1	Application, Fees And Agreement	Merged language for modification of existing and new net metering services.	Previously, these sections were separated but redundant.
5.6.2	Certification Of Completion	Added sentence for a False Call Fee for customer requests for a Grant PUD inspection but customer isn't ready.	Allows for Grant PUD to charge a customer a False Call Fee if a truck roll is ordered but Customer isn't ready.
5.6.5	Future Modification Or Expansion	Removed from Policy as redundant.	Merged with Section 5.6.1
6.9	BudgetPay	Specifies that BudgetPay is for Residential Customers only. Also, provides other eligibility criteria and pertinent program details.	BudgetPay is for Residential customers (Rate Schedule 1) only who meet other program requirements which were previously not mentioned in the Customer Service Policy.

6.12	After-Hours Fee	Removal of hours of operations from the Customer Service Policy and directs Customers to visit website.	If/when days of service or hours change, then it's an easier update to make on the website and not requiring a Customer Service Policy update with Commission Resolution.
6.13	Deposits	Added that account arrearages are also due upon disconnection for nonpayment along with the deposit and fee unless a Payment Arrangement is established between Customer and Grant PUD.	Was previously not stated in the Customer Service Policy. Provides clarity to customers.
6.19	Eligibility for Special Low Income Rate Discounts	Renames "Low Income" to "Income-Qualified".	Removes negative connotation.
6.19	Eligibility for Special Low Income Rate Discounts	Removes qualifications for discount program for Seniors and Disabled Customers and allows for all low-income customers to qualify. Also, defines low-income limits for households per RCW.	Expanding the discount program for all low-income customers is necessary for CETA compliance. This expansion follows recent SAO Audit Findings earlier in 2024 that Grant PUD doesn't have sufficient programs for all low-income Customers.
6.21	Renewable Energy System Cost Recovery	Updated language for incentive programs for net metering services, when available by either Grant PUD or the State.	To provide clarity to Customers on related incentive programs when they exist.
9.11	Informal Conference / Hearings	Removal of Hearing Officer designee and process	The Hearing Officer is no longer in place.

Justification: Updating the Customer Service Policy and related Fees and Deposit Schedules 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: Grant PUD must comply with the Clean Energy Transformation Act (CETA) for Low-Income Assistance programs.

Policy Change History (last updated): June 13, 2023 (Resolution 9018).

Legal Review: See attached email.

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

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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.
Identified Uses	The industry, functions, applications or uses included in Rate Schedule 17 as determined by the Rate Schedule 17 review process.
Income-Qualified	Household incomes that do not exceed the higher of eighty percent of area median income or two hundred percent of federal poverty level, adjusted for household size.
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. 18	Estimated Unmet District Load Cost Recovery Adjustment Clause "EUDL CRAC" Rider
Schedule No. 19	Fast Charging Electric Vehicle 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 6.17 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

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.

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). All conduit installed by the Customer shall contain a continuous length of knot-free ¼ inch polypropylene pull rope or Herculine P1250W ½" polyester pull tape with a two-foot tail at each end, regardless of the length of the run of conduit.

Grant PUD will own and maintain all underground Secondary Services providing power to any single family home or any single unit manufactured/mobile home, and any single structure duplex. Grant PUD will own and maintain any secondary irrigation service that is fed directly from a pole with a transformer bank on it if the meter is within twenty feet of the pole. Grant PUD will also own and maintain any secondary irrigation service that is fed from a padmount transformer if the meter is within twenty feet of the padmount transformer. 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 with the transformer bank on it. For underground irrigation services – Grant PUD owns the secondary wire from the padmount transformer to the metering equipment as long as the metering equipment is within twenty feet of the padmount transformer.

- 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 eighteen months. At the end of eighteen months, Grant PUD will remove the 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 except for those irrigation services that are within twenty feet of Grant PUD's transformer pole.
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:

All Residential and Commercial Customers shall pay a non-refundable Simple Service Electric fee for each electrical service to be connected, refer to fee schedule.

All Residential and Commercial Customers shall also pay a non-refundable Simple Service Fiber fee for each electrical service to be connected, refer to fee schedule. 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)

C. Construction Temporary Service:

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

D. 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, fiber vaults, fiber handholes, sand bedding and backfill shall be provided and installed by the Customer in accordance with Grant PUD Construction Standards. The Customer shall not excavate or install any part of the backbone conduit and vault system prior to Grant PUD providing an approved plat development design drawing.
- 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 newly developed 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. For manufactured/mobile homes within an existing (previously developed) mobile home park, Grant PUD will own and maintain the underground conduit and secondary service wire up to the meter 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 New Installation/Modification of Existing Facilities Application, Fees and Agreement

Customer shall submit a Net Metering Application, a signed Net Metering Interconnection Agreement, and pay applicable fees to Grant PUD prior to installing a new or modification of an existing generating facility, refer to fee schedule. 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. 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.

5.6.2 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 the Washington State Labor and Industry's electrical 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.

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

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.

5.6.7 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.

5.6.8 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).

5.6.9 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

Residential accounts (Rate Schedule 1) may request to have BudgetPay. Eligibility for BudgetPay requires account service for one year with an account credit score of above 825. Monthly payments are due even if the account reflects a credit balance. BudgetPay is reviewed annually and is subject to change based on changes in average monthly usage. The BudgetPay payoff balance must be reconciled prior to closing of the account. BudgetPay accounts are subject to all other applicable articles of these policies.

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 (refer to grantpud.org for normal work hours), an after-hours fee will be applied. 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 and account arrearages, will be required prior to turning the service back on unless an approved payment arrangement is established with Grant PUD.

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 to 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.

A 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 6.12.

6.17.2 Moratorium

Grant PUD's disconnect for non-payment policy is set forth in Section 6.16 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 INCOME-QUALIFIED RATE DISCOUNTS

Grant PUD offers an income-qualified rate discount for qualifying residential Customers as defined in Rate Schedule 1.

To be eligible for this discount the total household income including the customer's spouse, or co-tenants must be equal to or less than 200% Federal Poverty Level (FPL) or equal to or less than 80% Area Medium Income (AMI), whichever is greater.

The income-qualified discount 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 customer's income or location will require reverification of the eligibility

requirements. The income-qualified discount 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 45 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 or fails to schedule the home energy assessment, the customer discount will be removed after 45 days of the application date 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

When available by the state pursuant to RCW 82.16.120, Customer's 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 the Customer complies with the requirements therein.

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

Customers who have a dispute regarding the application of this Customer Service Policy may request an informal conference as described in Section 2.15 herein.

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	09/01/23	9018
2.1.2	Determination of Applicability	09/26/11	8575
2.2	RATE SCHEDULES	[pending]	[pending]
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	09/01/23	9018
2.9	LIFE SUPPORT SYSTEMS	04/16/85	
2.9.1	Customer Obligations	09/01/23	9018
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	09/01/23	9018
2.15	INFORMAL CONFERENCE	[pending]	[pending]
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	09/01/23	9018
4.1	OVERHEAD LINE EXTENSIONS	09/29/97	7145
4.2	UNDERGROUND LINE EXTENSIONS	[pending]	[pending]
4.3	TYPES OF SERVICE	11/28/05	7896
4.3.1	Permanent Service	09/01/23	9018
4.3.2	Non-Permanent Service	05/23/05	7821
4.3.3	Construction Temporary Service	[pending]	[pending]
4.4	SERVICE REQUIREMENTS BY RATE CLASS	[pending]	[pending]
4.5	CALCULATION OF CHARGES	09/29/97	7145
4.5.1	Line Extension Fees	[pending]	[pending]
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
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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.
Income-Qualified	Household incomes that do not exceed the higher of eighty percent of area median income or two hundred percent of federal poverty level, adjusted for household size.

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Term	Definition
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.
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.

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".
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.

Term	Definition
VARh kVARh MVARh	<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>
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. 18	Estimated Unmet District Load Cost Recovery Adjustment Clause "EUDL CRAC" Rider
Schedule No. 19	Fast Charging Electric Vehicle 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 6.18Z 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

Effective ~~9/1/2023~~ 9/1/2024

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). ~~All conduit installed by the Customer shall contain a continuous length of knot-free ¼ inch polypropylene pull rope or Herculine P1250W ½" polyester pull tape with a two-foot tail at each end, regardless of the length of the run of conduit.~~

Grant PUD will own and maintain all underground Secondary Services providing power to any single family home ~~or~~ any single unit manufactured/mobile home, ~~and any single structure duplex.~~ Grant PUD will own and maintain any secondary irrigation service ~~that is fed directly from a pole with a transformer bank on it if the meter to the meter (if meter is within twenty feet of the pole), and any single structure duplex.~~ Grant PUD will also own and maintain any secondary irrigation service that is fed from a padmount transformer if the meter is within twenty feet of the padmount transformer. ~~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 ~~with the transformer bank on it.~~ ~~For underground irrigation services – Grant PUD owns the secondary wire from the padmount transformer to the metering equipment as long as~~

the metering equipment is within twenty feet of the padmount transformer.

- 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 eighteen monthsone year. At the end of eighteen monthsone 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 ~~except for those irrigation services that are within twenty feet of Grant PUD's transformer pole.~~
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:

~~All Residential and Commercial~~The Customers shall pay a non-refundable Simple Service Electric fee for each electrical service to be connected, refer to fee schedule.

~~All Residential and Commercial~~The Customers shall also pay a non-refundable Simple Service Fiber fee for each electrical service to be connected, refer to fee schedule. ~~Certain exceptions may apply.~~

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)

C. Construction Temporary Service:

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

D. 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.

Commented [CW4]: Keeping at 25 days as this is consistent to billing system. Bob had changed to 30 days but that doesn't sync up with our billing system.

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, fiber vaults, fiber handholes, sand bedding and backfill shall be provided and installed by the Customer in accordance with Grant PUD Construction Standards. - The Customer shall not excavate or install any part of the backbone conduit and vault system prior to Grant PUD providing an approved plat development design drawing.
- 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

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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 newly developed 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. For manufactured/mobile homes within an existing (previously developed) mobile home park, Grant PUD will own and maintain the underground conduit and secondary service wire up to the meter 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 Customer's 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 ~~New Installation/Modification of Existing Facilities~~ Application, Fees and Agreement

Customer shall submit a Net Metering Application, ~~and a signed Net Metering Interconnection Agreement, and pay applicable fees~~ to Grant PUD prior to installing ~~a new or modification of an existing~~ the generating facility ~~along with the New Installation 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. 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.

5.6.2 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 the Washington State Labor and Industry's electrical 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.

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

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 ~~Modification of Existing Facilities~~Future Modification or Expansion

~~Prior to any future modification or expansion of the Customer-owned generating facility, the Customer will obtain Grant PUD approval by submitting a Net Metering Application, a signed Net Metering Interconnection Agreement, and pay the Modification of Existing Facilities application fee, refer to fee schedule. 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. A False Call Fee may apply when a customer requests Grant PUD inspection and is not prepared when Grant PUD arrives on site at the requested timeframe, refer to fee schedule.~~

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5.6.76 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.

Commented [CB5]: @Cary West Should the numbering system be changed from 5.6.7 to 5.6.5 and so on?

5.6.87 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).

5.6.98 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

Residential accounts (Rate Schedule 1-and-2-Customers) may request to have BudgetPay. Eligibility for BudgetPay requires account service for one year with an account credit score of above 825. Monthly payments are due even if the account reflects a credit balance. BudgetPay is reviewed annually and is subject to change based on changes in average monthly usage. The BudgetPay payoff balance must be reconciled prior to closing of the account. 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~~ refer to grantpud.org for normal work hours), 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 and account arrearages, will be required prior to turning the service back on unless an approved payment arrangement is established with Grant PUD.

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 to 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 ~~A~~ 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 6.1~~23~~.

6.17.2 Moratorium

Grant PUD's disconnect for non-payment policy is set forth in Section 6.1~~86~~ 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 ~~INCOME-QUALIFIED~~ ~~LOW-INCOME~~ RATE DISCOUNTS

Grant PUD offers ~~a a~~ ~~Low-income-qualified~~ ~~low-income~~ ~~Senior Citizen~~ rate discounts and ~~a Low-income Disabled rate discount~~ for qualifying residential Customers as defined in Rate Schedule 1.

~~To be eligible for this discount the total household income including the customer's spouse, or co-tenants must be equal to or less than 200% Federal Poverty Level (FPL) or equal to or less than 80% Area Medium Income (AMI), whichever is greater (and/or additional state or federal qualification requirements). To be eligible for the 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. The income-qualified low-income 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~~customer's income or location will require reverification of the eligibility requirements. The income-qualified 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 4530 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 or fails to schedule the home energy assessment, the customer discount will be removed after within 4530 days of the application date 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

~~When available by the state pursuant to RCW 82.16.120, Customer's 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 the Customer complies with the requirements therein. 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

Effective ~~10/13/2023~~

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

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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 2.165 herein. ~~If the Customer wishes to pursue the matter further, Section 2.165 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	09/01/23	9018
2.1.2	Determination of Applicability	09/26/11	8575
2.2	RATE SCHEDULES	[pending]	[pending]
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	09/01/23	9018
2.9	LIFE SUPPORT SYSTEMS	04/16/85	
2.9.1	Customer Obligations	09/01/23	9018
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	09/01/23	9018
2.15	INFORMAL CONFERENCE / HEARINGS	[pending]	[pending]
3.0	CONSERVATION	06/23/98	7223

Effective ~~09/01/2023~~ 09/01/2024

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	09/01/23	9018
4.1	OVERHEAD LINE EXTENSIONS	09/29/97	7145
4.2	UNDERGROUND LINE EXTENSIONS	[pending]	[pending]
4.3	TYPES OF SERVICE	11/28/05	7896
4.3.1	Permanent Service	09/01/23	9018
4.3.2	Non-Permanent Service	05/23/05	7821
4.3.3	Construction Temporary Service	[pending]	[pending]
4.4	SERVICE REQUIREMENTS BY RATE CLASS	[pending]	[pending]
4.5	CALCULATION OF CHARGES	09/29/97	7145
4.5.1	Line Extension Fees	[pending]	[pending]
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	[pending]	[pending]
4.11.2	Services within a Subdivision		
4.12	MANUFACTURED HOME / MOBILE HOME PARKS	[pending]	[pending]
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		

Effective ~~09/01/2023~~ 09/01/2024

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	09/01/23	9018
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	09/01/23	9018
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	[pending]	[pending]
5.6.2	Certification of Completion	[pending]	[pending]
5.6.3	Unauthorized Connections	02/26/07	8098
5.6.4	Metering	02/26/07	8098

Effective ~~09/01/2023~~ 09/01/2024

Section	Description	Revised	Resolution
5.6.5	Future Modification or Expansion	[pending]	[pending]
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	09/01/23	9018
6.2	ADJUSTMENT OF BILLING ERRORS	09/01/23	9018
6.3	BILLING PERIODS	09/01/23	9018
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	[pending]	[pending]
6.10	LATE PAYMENT CHARGES	10/24/17	8859
6.11	ACCOUNT SERVICE CHARGE	01/04/10	8446
6.12	AFTER-HOURS FEE	[pending]	[pending]
6.13	DEPOSITS	[pending]	[pending]
6.13.1	Current Credit Rating	04/08/14	8720
6.13.2	Interest on Deposits	09/01/23	9018
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	09/01/23	9018
6.17.2	Moratorium	02/11/08	8203
6.18	LANDLORD/TENANT ARRANGEMENTS	02/26/07	8098

Effective ~~09/01/2023~~ 09/01/2024

Section	Description	Revised	Resolution
6.19	ELIGIBILITY FOR SPECIAL INCOME-QUALIFIED LOW-INCOME RATE DISCOUNTS	[pending]	[pending]
6.20	NET METERING BILLING	09/01/23	9018
6.21	RENEWABLE ENERGY SYSTEM COST RECOVERY	[pending]	[pending]
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	09/01/23	9018
9.1.2	Business Risk	09/01/23	9018
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	09/01/23	9018
9.4	RATE 17 DESIGN	09/01/23	9018
9.5	COMMISSION REPORTING	09/01/23	9018
9.6	APPLICATION AND QUEUE	03/26/19	8915

Effective ~~#9/#1~~/20234

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	[pending]	[pending]
10.0	REVISIONS	09/01/23	9018

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>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>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>Underground Simple Service Fee (if moped and fiber handhole are already installed)</p> <hr/> <p>Overhead Simple Service Extension Fee (if transformer is already on pole and pole is within 100' of new meter base/mast)</p>	<p>Electric - \$850.00 Fiber - \$400.00</p> <hr/> <p>Electric - \$450.00 Fiber - \$430.00</p>
4.5.1 D	<p>Overhead Temporary Service</p> <p>Underground Temporary Service</p>	<p>\$380.00</p> <p>\$340.00</p>
5.3.5	False Call Fee	\$215.00
5.4.7	Meter Obstruction Fee	Basic Charge

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
5.6.1	Net Metering Application Fee for New Installation	\$700.00
	Net Metering Application Fee for Modification of Facilities	\$300.00
6.1	Manual Meter Read	Installation Cost - \$250.00 Meter Read - \$65.00 per month
6.8	Return Check Fee	\$25.00
6.10	Late Payment Charge	Refer to CS110042-POL
6.11	Account Service Charge	\$15.00
6.12	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>	
6.17.1	Disconnect Fee	\$50.00
6.18	Door Tag Fee	\$50.00

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
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 (*requires different process) \$21,000
8.5	Redundant Capacity Charge	Monthly charge of \$0.85 per kW



Resolution #####

Exhibit C

Effective ~~129~~/1/20~~24~~²³

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	Line Extension Fee If the Design cost is \$20,000 or greater, a true-up provision applies pursuant to a 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.	Actual Fee per Design A 25% discount, up to a maximum \$2,500 discount, is available to Residential Customers on Rate Schedule 1, <i>excluding plat developers.</i> A 25% discount, up to a maximum \$10,000 discount, is available to Irrigation Customers on Rate Schedule 3.
4.5.1 B	Underground Simple Service Fee (if moped and fiber handhole are already installed) Overhead Simple Service Extension Fee (if transformer is already on pole and pole is within 100' of new meter base/mast)	Electric - \$850.00 Fiber - \$400.00 Electric - \$450.00 Fiber - \$430.00
4.5.1 D	Overhead Temporary Service Underground Temporary Service	\$380.00 \$340.00
5.3.5	False Call Fee	\$215.00
5.4.7	Meter Obstruction Fee	Basic Charge



Resolution #####

Exhibit C

Effective ~~12/9/1/2024~~ ~~23~~

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.

<u>Customer Service Policy Section</u>	<u>Item</u>	<u>Fee</u>
5.6.1	Net Metering Application Fee for New Installation	\$7300.00
	Net Metering Application Fee for New Installation Modification of Facilities	\$300.00
<u>Customer Service Policy Section</u>	<u>Item</u>	<u>Fee</u>
6.1	Manual Meter Read	Installation Cost - \$250.00 Meter Read - \$65.00 per month
6.8	Return Check Fee	\$25.00
6.10	Late Payment Charge	Refer to CS110042-POL
6.11	Account Service Charge	\$15.00
6.12	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

Commented [CB1]: Update Net Metering Application Fees. \$700 for New Installation and \$300 for Modification of Existing Facilities.

Commented [CB2]: Update Net Metering Application Fees. \$700 for New Installation and \$300 for Modification of Existing Facilities.



Resolution #####

Exhibit C


Effective ~~12/9/2023~~ 1/2024

CUSTOMER SERVICE POLICIES
TEE 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.

<u>Customer Service Policy Section</u>	<u>Item</u>	<u>Fee</u>
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

DRAFT

Effective Date: 12/1/2024	Version: 4 Supersedes: 3/1/21	Related Documents: Customer Service Policy, Section 6
		<h1>DEPOSIT SCHEDULE</h1>
Approved by: Resolution #####		

CSS-CBC-PRO-122 – DETERMINING, WAIVING, OPTIONS OR REFUNDING DEPOSITS


Deposits may be required for all Customers.

1. Existing Service Agreements prior to the effective date of this document, will comply with Grant PUD’s deposit requirements in effect prior to this updated version.
2. New Service Agreements effective as of the date of this document will comply with Grant PUD’s deposit requirements based on the Rate Schedules herein.
3. 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 and account arrearages will be required prior to turning the service back on.

4. Grant PUD may require a new or additional deposit for Customers whose service(s) experience significant electrical load changes.
5. Grant PUD retains the right to perform credit checks to determine credit worthiness.
6. Management may determine credit worthiness based on additional pertinent information provided by the Customer.


Based upon the same, Grant PUD may impose deposit requirements different from those set forth above as deemed necessary to protect Grant PUD’s interest. In such cases the Customer will be given notice and an opportunity for a hearing.

Effective Date: 12/1/2024	Version: 4 Supersedes: 3/1/21	Related Documents: Customer Service Policy, Section 6
 <h1 style="margin: 0;">DEPOSIT SCHEDULE</h1>		
Approved by: Resolution #####		


Rate	Deposit Amounts	Deposit Waivers	Deposit Options
Rate 1 / Personal Name or Business Name	\$200 per meter	Has no outstanding delinquencies and has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the previous twelve (12) month period of service. Receives a satisfactory Online Utility Exchange Risk Score.	Cash
Landlords	Number of rental units x \$200.	Has no outstanding delinquencies and has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the previous twenty-four (24) month period of service.	Cash
Rate 2 / Personal Name or Business Name	200% of the actual or estimated average monthly bill for the last twelve (12) months, but in no event less than \$200.	Has no outstanding delinquencies and has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the previous twenty-four (24) month period of service.	Cash <u>or</u> Personal Guarantee using Grant PUD's form

Effective Date: 12/1/2024	Version: 4 Supersedes: 3/1/21	Related Documents: Customer Service Policy, Section 6
 <h1 style="margin: 0;">DEPOSIT SCHEDULE</h1>		
Approved by: Resolution #####		

Rate	Deposit Amounts	Deposit Waivers	Deposit Options
Rate 3 / Personal Name or Business Name	Deposit equal to the total actual or estimated billings for the service during the previous year as calculated by Grant PUD.	Has entered into an Irrigation Power Agreement (IPA) with the District and has no outstanding delinquencies <u>and</u> has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the last five (5) years <u>or</u> Receives a satisfactory Online Utility Exchange Risk Score	Cash or Pre-Pay <u>or</u> Deposits \$1,000 or more, Grant PUD may accept in lieu of cash, a combination of one or more of the following: <ul style="list-style-type: none"> • Utility (Surety) Bond, RM000002B-FRM • Letter of Credit from an institution determined by Grant PUD to be credit worthy • Personal Guarantee using the District's form
Rate 3 / Leased Parcels	Deposit equal to the total actual or estimated billings for the service during the previous year as calculated by Grant PUD.	Has entered into an Irrigation Power Agreement (IPA) with the District on another parcel of land and has no outstanding delinquencies <u>and</u> has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the last five (5) years and the irrigation account is in a personal name.	<ul style="list-style-type: none"> • Personal Guarantee if the account is in a business name

Effective Date: 12/1/2024	Version: 4 Supersedes: 3/1/21	Related Documents: Customer Service Policy, Section 6
 <h1 style="margin: 0;">DEPOSIT SCHEDULE</h1>		
Approved by: Resolution #####		

Rate	Deposit Amounts	Deposit Waivers	Deposit Options
Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	250% of the actual or estimated average monthly bill for the last twelve (12) months, or two times the highest monthly bill, whichever is greater.	Deposit held for life of service, no waivers	Cash or Deposits \$1,000 or more, Grant PUD may accept in lieu of cash, a combination of one or more of the following: <ul style="list-style-type: none"> • Deposit Reduction Calculation, RM000002- REF • Utility (Surety) Bond, RM000002B-FRM • Letter of Credit from an institution determined by Grant PUD to be credit worthy.
Government Agencies	City, State or Federal Agency	No Deposit Required for Governmental Agencies	


Effective Date: 12/1/2024	Version: 4 Supersedes: 3/1/21	Related Documents: Customer Service Policy, Section 6
 <h1 style="margin: 0;">DEPOSIT SCHEDULE</h1>		
Approved by: Resolution #####		

7. Conditions under which a Customer may be required to pay a new or an additional deposit.

Rate	Condition	Amount
Rate 1	<ul style="list-style-type: none"> • Service is disconnected for non-payment, • Provides two (2) NSF payments within twelve (12) month period, • Meter Tampering 	\$200
Rate 2	<ul style="list-style-type: none"> • Service is disconnected for non-payment, • Provides two (2) NSF payments within twelve (12) month period, • Meter Tampering 	200% of the actual or estimated average monthly bill for the last twelve (12) month period, but in no event less than \$200. Personal Guarantee will not be allowed.
Rate 3	<ul style="list-style-type: none"> • Service is disconnected for non-payment, • Provides two (2) NSF payments within twelve (12) month period. • Meter Tampering, an IPA shall not preclude Grant PUD requiring a deposit. 	200% of the actual or estimated average monthly bill for the last twelve (12) month period. Personal Guarantee will not be allowed.


Effective Date: 12/1/2024	Version: 4 Supersedes: 3/1/21	Related Documents: Customer Service Policy, Section 6
 <h1 style="margin: 0;">DEPOSIT SCHEDULE</h1>		
Approved by: Resolution #####		

Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	<ul style="list-style-type: none"> • Service is disconnected for non-payment, • provides two (2) NSF payments Or two (2) late payments within a twelve (12) month period. • Meter Tampering 	350% of the actual or estimated average monthly bill for the last twelve (12) month period.
Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	For new or additional deposit for existing credit worthy customers that have added load, the deposit will be calculated per meter up to:	250% of the actual or estimated average monthly bill for the last twelve (12) months, but in no event less than \$500. <u>or</u> based on estimated load, this may be a negotiated amount and monitored annually.
Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	Will be monitored annually;	An increase of average load of fifteen (15) percent or greater over the prior twelve (12) months as measured by billing demand will require an additional deposit. Online Utility Industrial/Commercial review

Effective Date: 12/1/2024	Version: 4 Supersedes: 3/1/21	Related Documents: Customer Service Policy, Section 6
		<h1>DEPOSIT SCHEDULE</h1>
Approved by: Resolution ####		

8. Conditions where a customer may obtain a full or partial refund.

Rates	Deposit Refunds
Rate 1	Customer has established Satisfactory Credit History with Grant PUD as measured by their Current Credit Rating of 826 or greater during the most recent twelve (12) month period of service.
Rate 2	Customer has established Satisfactory Credit History with Grant PUD as measured by their Current Credit Rating of 826 or greater during the most recent twenty-four (24) month period of service.
Rate 3	Has entered into an IPA with Grant PUD <u>and</u> has no outstanding delinquencies and has established Satisfactory Credit History with Grant PUD of 826 or greater during the most recent twelve (12) month period <u>or</u> receives a satisfactory Online Utility Exchange Risk Score.
Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	The total deposit is held for the life of the account, upon annual review, decreases of 15% or greater.
Landlords	Customer has established Satisfactory Credit History with Grant PUD as measured by their Current Credit Rating of 826 or greater during the most recent twenty-four (24) month period of service.

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CSS-CBC-PRO-122 – DETERMINING, WAIVING, OPTIONS OR REFUNDING DEPOSITS

Deposits ~~may be~~ required for all Customers.

Commented [CW1]: Consistent to Customer Service Policy section 6.

~~1.~~ Existing Service Agreements ~~Customers as prior to the effective date of (Date)~~ of this document, will comply with Grant PUD’s deposit requirements in effect prior to this updated version.

~~1-2.~~ New Service Agreements effective as of the date of this document who do not have a deposit, adequate deposit or security in lieu of cash deposit will, comply with Grant PUD’s deposit initiative requirements based on the Rate Schedules herein.

~~2-3.~~ 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 and account arrearages, will be required prior to turning the service back on.

Commented [CW2]: Consistent to Customer Service Policy section 6.

~~3-4.~~ Grant PUD may require a new or additional deposit for Customers whose service(s) experience significant electrical load changes, ~~a partial deposit payment may be required and will be trued up with enough data.~~

~~4-5.~~ Grant PUD retains the right to perform credit checks to determine credit worthiness.

~~5-6.~~ Management may determine credit worthiness based on additional pertinent information provided by the Customer.

Based upon the same, Grant PUD may impose deposit requirements different from those set forth above as deemed necessary to protect Grant PUD’s interest. In such cases the Customer will be given notice and an opportunity for a hearing.

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DEPOSIT PROCEDURE SCHEDULE

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Rate	Deposit Amounts	Deposit Waivers	Deposit Options
Rate 1 / Personal Name or Business Name	\$ 200 150 per meter	Has no outstanding delinquencies and has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the most previous recent twelve (12) month period of service during the last five (5) years. Receives a satisfactory Online Utility Exchange Risk Score. Receives a satisfactory Online Utility Exchange Risk Score.	Cash

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Landlords	Number of rental units x 10% x \$200 150, but in no event less than \$150.	<u>Has no outstanding delinquencies and has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the previous twenty-four (24) month period of service.</u> No Waivers or	Cash
Rate 2 / Personal Name or Business Name	200% of the actual or estimated average monthly bill for the last twelve (12) months, but in no event less than \$200 150.	Has no outstanding delinquencies and has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the <u>previous</u> most recent twenty-four (24) month period of service <u>during the last five</u>	Cash Rate 2 can provide Grant PUD a or Personal Guarantee using Grant PUD's form
<u>Rate</u>	<u>Deposit Amounts</u>	<u>Deposit Waivers</u>	<u>Deposit Options</u>

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Rate 3 / Personal Name or Business Name	Deposit equal to the total actual or estimated billings for the service during the previous year as calculated by Grant PUD.	Has entered into an Irrigation Power Agreement (IPA) with the District and has no outstanding delinquencies -and has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the last five (5) years- <u>or</u> <u>Receives a satisfactory Online Utility Exchange Risk Score</u>	Cash or Pre-Pay <u>or</u> <u>Deposits \$1,000 or more, Grant PUD may accept in lieu of cash, a combination of one or more of the following:</u> <ul style="list-style-type: none"><u>Utility (Surety) Bond, RM000002B-FRM</u><u>Letter of Credit from an institution determined by Grant PUD to be credit worthy</u><u>Personal Guarantee using the District's form</u>
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<u>Rate</u>	<u>Deposit Amounts</u>	<u>Deposit Waivers</u>	<u>Deposit Options</u>
<u>Rate 3 / Leased Parcels</u> <u>Rate 3 / Personal Name or Business Name</u>	<u>Deposit equal to the total actual or estimated billings for the service during the previous year as calculated by Grant PUD.</u>	<u>Has entered into an Irrigation Power Agreement (IPA) with the District on another parcel of land and has no outstanding delinquencies and has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the last five (5) years and the irrigation account is in a personal name. Or receives an Online Utility Exchange Risk</u>	<u>Personal Guarantee if the account is in a business</u> <u>Deposits \$1,000 or more, Grant PUD may accept in lieu of cash, a combination of one or more of the following:</u> <ul style="list-style-type: none"><u>Utility (Surety) Bond, RM000002B-FRM</u><u>Letter of Credit from an institution determined by Grant PUD to be credit worthy</u><u>Personal Guarantee</u>
<u>Rate 7</u> <u>Rate 14</u> <u>Rate 15</u> <u>Rate 16</u> <u>Rate 17</u> <u>Rate 19</u> <u>Rate 85</u> <u>Rate 3 / Leased Parcels</u>	<u>250% of the actual or estimated average monthly bill for the last twelve (12) months, or two times the highest monthly bill, whichever is greater. Deposit equal to the total actual or estimated billings for the service during the previous year as calculated by</u>	<u>Deposit held for life of service, no waivers</u> <u>Has established Satisfactory Credit Rating with Grant PUD of 826 or greater during the last five (5) years and the irrigation account is in a personal name.</u>	<u>Cash or Deposits \$1,000 or more, Grant PUD may accept in lieu of cash, a combination of one or more of the following:</u> <ul style="list-style-type: none"><u>Deposit Reduction Calculation, RM000002- REF</u><u>Utility (Surety) Bond, RM000002B-FRM</u><u>Letter of Credit from an institution determined by Grant</u>

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	Grant PUD-		<u>PUD to be credit worthy. Personal Guarantee if the account is in a business name.</u>
Rate 7	250% of the actual or estimated average monthly bill for the last twelve (12) months, or two times the highest monthly bill, whichever is greater.	Deposit held for life of service, no waivers	Cash
Rate 7			Deposits \$1,000 or more, Grant PUD may accept in lieu of cash, a combination of one or more of the following: <ul style="list-style-type: none">• Deposit Reduction Calculation, RM000002-REF• Utility (Surety) Bond, RM000002B-FRM

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				Letter of Credit from an institution determined by Grant PUD to be credit worthy.
Government Agencies	City, State or Federal Agency	No Deposit Required for Governmental Agencies		

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6.7. Conditions under which a Ceustomer may be required to pay a new or an additional deposit.

Rate	Condition	Amounts
Rate 1	<ul style="list-style-type: none"> Service is disconnected for non-payment, Provides two (2) NSF payments within twelve (12) month period. <u>Meter Tampering</u> 	\$ 150 <u>200</u>
Rate 1	Second event within twelve (12) months. An event is a disconnect for non-payment, 2 NSF checks, assigned account and a write off.	350% of the actual or estimated average monthly bill for the last twelve (12) month period.
Rate 1	Meter Tampering	350% of the actual or estimated average monthly bill for the last twelve (12) month period.
Rate 2	<ul style="list-style-type: none"> Service is disconnected for non-payment, Provides two (2) NSF payments within twelve (12) month period. <u>Meter Tampering</u> 	200% theof the actual or estimated average monthly bill for the last twelve (12) month period, <u>but in no event less than \$200.</u> Personal Guarantee will not be allowed.

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Rate 2	• Second disconnect for non-payment occurs within twelve (12) months.	350% of the actual or estimated average monthly bill for the last twelve (12) month period.
Rate 2	• Meter Tampering	350% of the actual or estimated average monthly bill for the last twelve (12) month period.
Rate 2	• Third disconnect for non-payment occurs within twelve (12) months or any additional tampering occurs.	525% of the actual or estimated average monthly bill for the last twelve (12) month period.
Rate 3	<ul style="list-style-type: none">• Service is disconnected for non-payment,• Provides two (2) NSF payments within twelve• (12) month period.• Meter Tampering, an IPA shall not preclude Grant PUD requiring a deposit.	200% of the actual or estimated average monthly bill for the last twelve (12) month period. Personal Guarantee will not be allowed. Deposit for five (5) years equal to the total actual or estimated billings for the service during the previous year as calculated by Grant PUD. Personal Guarantee will not be allowed.
Rate 3	• Meter Tampering, an IPA shall not preclude Grant PUD requiring a deposit.	350% of the actual or estimated average monthly billings for the last twelve (12) month period.

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Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	<ul style="list-style-type: none">• Service is disconnected for non-payment,• provides two (2) NSF payments Or two (2) late payments within a twelve (12) month period.• Meter Tampering	3 times the highest bill or 350% of the actual or estimated average monthly bill for the last twelve (12) month period.
Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	For new or additional deposit for existing credit worthy customers that have added load, the deposit will be calculated per meter up to:-	250% of the actual or estimated average monthly bill for the last twelve (12) months, or two times the highest monthly bill, whichever is greater. but in no event less than \$500. Or-or
Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	Will be monitored annually;	An increase of average load of fifteen (15) percent or greater over the prior twelve (12) months as measured by billing demand will require an additional deposit. Online Utility Industrial/Commercial review

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Landlords	<ul style="list-style-type: none">Service is disconnected for non-payment;Provides two (2) NSF payments within twelve (12) month period	<ul style="list-style-type: none">\$150
Landlords	<ul style="list-style-type: none">Second disconnect for non-payment occurs within twelve (12) months.	<ul style="list-style-type: none">350% of the actual or estimated average monthly bill for the last twelve (12) month period.
Landlords	<ul style="list-style-type: none">Meter Tampering	<ul style="list-style-type: none">350% of the actual or estimated average monthly bill for the last twelve (12) month period.

Effective Date: 3/01/2021-12/1/2024	Version: 34 Supersedes: 10/5/163/1/21	Related Documents: Customer Service Policy, Section 6
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7-8. Conditions where a customer may obtain a full or partial refund.

Rates	Deposit Refunds
Rate 1	Customer has established Satisfactory Credit History with Grant PUD as measured by their Current Credit Rating of 826 or greater during the most recent twelve (12) month period of service.
Rate 2	Customer has established Satisfactory Credit History with Grant PUD as measured by their Current Credit Rating of 826 or greater during the most recent twenty-four (24) month period of service.
Rate 3	Has entered into an IPA with Grant PUD <u>and</u> has no outstanding delinquencies and has established Satisfactory Credit History with Grant PUD of 826 or greater during the most recent twelve (12) month period <u>or</u> receives a satisfactory Online Utility Exchange Risk Score.
Rate 7 Rate 14 Rate 15 Rate 16 Rate 17 Rate 19 Rate 85	The total deposit is held for the life of the account, upon annual review, decreases of 15% or greater.
Landlords	Customer has established Satisfactory Credit History with Grant PUD as measured by their Current Credit Rating of 826 or greater during the most recent twenty-four (24) month period of service.

For Commission Review – 11/12/2024


Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract No. 110-12625 for the proposed 5-year Purchase Power Agreement (PPA) with Goose Prairie Solar LLC.


xxxx

MEMORANDUM

Date 10/27/2024

TO: Rich Wallen, General Manager

VIA: John Mertlich, Chief Commercial Officer 

FROM: Rich Flanigan, Sr. Manager Power Portfolio Strategy 

SUBJECT: Proposed 5-Year Purchase Power Agreement with Goose Prairie

Purpose: To request Commission approval for the General Manger to execute Contract 110-12625 for the proposed 5-year Purchase Power Agreement (PPA) with Goose Prairie solar development, commencing no earlier than January 8, 2025.

Discussion: Grant PUD staff recommends entering into a PPA with Goose Prairie, LLC (Goose Prairie) for the output of their 80 MW solar development for a 5-year term beginning no earlier than January 8, 2025. Goose Prairie participated in Grant’s recent All Source Request For Proposal.

Slice sales such as this proposed transaction have proven to be a successful strategy to reduce risk while maximizing the value of Grant PUD’s hydro system. These sales have several benefits including:

- Elimination of year-to-year water risk
- Shared operational risk
- Stable and predictable revenue
- Increased value for non-carbon attributes and flexibility
- Viewed favorably by the rating agencies

The Product. Grant will receive 100% of the energy and capacity output from the Goose Prairie solar development. Goose Prairie is an 80 MW solar facility, located east of Moxee, Washington in Yakima County. The energy output from Goose Prairie will be contracted at the busbar, with 80 MW of point-to-point transmission on the Bonneville Power Administration’s (BPA) system providing delivery to Grant’s Balancing Area. BPA will also be providing ancillary services for hourly deliveries.

The Process. Last fall, Grant issued an All-Source Energy and Capacity Request For Proposal intended to help Grant meet three primary objectives; 1) get a better understanding of a very competitive market for power supply, 2) focus on finding long-term clean energy solutions to meet Grant’s growing retail load, and 3) let developers know that Grant was looking for capacity and energy to help meet its Integrated Resource Planning needs.

Grant received a strong response to the RFP with 82 proposals being submitted. The RFP team scored these proposals using the following evaluation criteria; 70% based on the economic value, 15% on the risk assessment, and 15% on the strategic fit. From this evaluation, the Goose Prairie solar project scored in the top quartile.

Contract Review: An extensive internal review process was again used to construct the final agreement. There was an internal review by subject matter experts from Finance, Accounting, Dispatch, Control Systems Engineering, Compliance, and Risk. In addition, internal and external legal have reviewed the final contract.

Justification: The proposed PPA helps meet two of Grant's Strategic Pillars; Strategic Pillar #2, Develop and Execute Strategies that help prepare the PUD for the changing electric power utility industry inclusive of the risk considerations and Strategic Pillar #4, Develop an Intentional Demand Strategy. In addition, the Goose Prairie PPA helps Grant in sourcing appropriate and sufficient power to provide reliable service and positions Grant PUD in meeting future clean energy standards outlined in Grant's 2024 Integrated Resource Plan (IRP).

Recommendation: Commission gives approval to the General Manger to execute Contract 110-12625 for the proposed 5-year Purchase Power Agreement (PPA) with Goose Prairie solar development.

Legal Review: See attached e-mail(s).

**CONFIRMATION AGREEMENT
UNDER THE WSPP AGREEMENT
dated as of [], 2024, by and between
GOOSE PRAIRIE SOLAR LLC and PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY**

By this Confirmation Agreement (the “Confirmation”), dated as of [], 2024 (“Effective Date”), Goose Prairie Solar LLC (“Seller”) and Public Utility District No. 2 of Grant County (“Buyer”) agree to amend specified sections of that version of the WSPP Agreement, including the Service Schedules and Exhibits attached thereto, effective September 11th, 2023, and (if agreed between the Parties after such amendment is approved by FERC) as such version of the WSPP Agreement may be amended from time to time in accordance with the guidelines and procedures of WSPP Inc. Capitalized terms used but not otherwise defined herein have the meanings set forth in the WSPP Agreement, except for references to “this Agreement” in the WSPP Agreement and herein shall be deemed to mean the WSPP Agreement as modified by this Confirmation. To the extent there is a conflict between a provision of the WSPP Agreement and this Confirmation, the terms of this Confirmation shall control. The term “Buyer” in this Confirmation and the term “Purchaser” in the WSPP Agreement shall be considered synonymous.

A. Terms: The terms of the transaction to which this Confirmation relates are as follows:

Seller	Goose Prairie Solar, LLC
Buyer	Public Utility District No. 2 of Grant County
Products	The Contract Quantity (on a Unit Contingent basis) of electric energy and capacity from the Project for each Settlement Interval during the Delivery Term, expressed in MWh, as measured at the Delivery Point.
Project	Goose Prairie Solar, the solar photovoltaic electrical generation facility on a site located in Yakima County, Washington, as more fully described in <u>Attachment A</u> .
Delivery Point	That physical point on the BPA transmission system represented by the [REDACTED] point of receipt in [REDACTED].
Expected Nameplate Capacity	[REDACTED] MWdc / [REDACTED] MWac, as may be modified by Seller
Contract Price	\$ [REDACTED] per MWh of Contract Quantity
Delivery Term	The period commencing on the earlier to occur of (i) January 8, 2025 if Commercial Operation has been achieved on or prior to such date and (ii) if Commercial Operation has not been achieved on or prior to January 8, 2025, the Commercial Operation Date, and ending on the earlier of (x) the fifth anniversary of the date on which the Delivery Term commenced and (y) February 27, 2030.
Term	The Term of this Transaction shall commence upon the Effective Date and shall continue until the later of (i) the expiration of the Delivery Term or (ii) termination of this Agreement in accordance with “Termination” below.
Commercial Operation Date	Seller will use commercially reasonable efforts to cause the Project to achieve Commercial Operation on or before the Expected Commercial Operation Date; <i>provided</i> , that Seller’s obligation to deliver, and Buyer’s obligation to purchase, the Products will commence on the first date of the Delivery Term,

	unless the Parties mutually agree to commence the purchase and sale of the Products on an earlier date.
Commercial Operation and Maintenance	Seller agrees to operate and maintain the Project according to Prudent Industry Practices, including maintaining and servicing all equipment, and cleaning solar panels according to Prudent Industry Practices. Such operation and maintenance will be done with the objective of maximizing generation from the Project.
Delay Damages	<p>“<u>Delay Damages</u>” means an amount equal to \$ [REDACTED] per day.</p> <p>If Commercial Operation has not been achieved on or before the Guaranteed Commercial Operation Date, Seller will continue to construct the Project and pay Delay Damages to Buyer. Delay Damages will accrue for each day after the Guaranteed Commercial Operation Date that Commercial Operation has not been achieved, until the earlier of (i) the Commercial Operation Date, and (ii) the date this Agreement is terminated pursuant to “Termination” below. Notwithstanding the foregoing, in no event will Seller be liable for Delay Damages in excess of the amount of Seller’s Security. Delay Damages are payable to Buyer no later than [REDACTED] Business Days following the calendar month in which such Delay Damages accrued. If Seller does not timely pay the Delay Damages, Buyer will have the right to draw on and retain from the Seller’s Security an amount equal to the Delay Damages that have accrued and not been paid.</p>
Expected Commercial Operation Date	[REDACTED]
Guaranteed Commercial Operation Date	[REDACTED]
COD Termination Deadline	[REDACTED]
Buy-Down Right	<p>If Commercial Operation is achieved with capacity of less than [REDACTED] of the Expected Nameplate Capacity, then Seller will use commercially reasonable efforts to install the remaining Expected Nameplate Capacity by no later than the COD Termination Deadline. If the final nameplate capacity (“<u>Final Nameplate Capacity</u>”) is less than the Expected Nameplate Capacity as of the COD Termination Deadline, then Seller will (i) notify Buyer in writing of the Final Nameplate Capacity to be used for the Delivery Term, and (ii) pay Buyer damages equal to (1) the Capacity Shortfall Damages amount, multiplied by (2) the Expected Nameplate Capacity minus the Final Nameplate Capacity as of the COD Termination Deadline. In the event Seller does not pay such damages within [REDACTED] Business Days after the COD Termination Deadline, Buyer has the right to draw on and retain for its sole benefit the Seller’s Security in an amount equal to the damages calculated pursuant to clause (ii) above in satisfaction of such payment. [REDACTED]</p>
Capacity Shortfall Damages	\$ [REDACTED] /MW.
Termination	Subject to the provisions of “Uncontrollable Force Pre-COD” below, if the Project has not achieved Commercial Operation by the COD Termination Deadline, then either Party will have the right in its sole discretion to

	<p>terminate this Agreement immediately upon written notice to the other Party; provided, that in the case of such termination by either Party, Seller will within █ Business Days after such termination pay to Buyer the Early Termination Fee (and Buyer will have the right to draw on and retain for Buyer's sole benefit the Seller's Security in an amount equal to the Early Termination Fee in satisfaction of such payment). Seller's payment of an amount equal to the Early Termination Fee, or Buyer's retention of Seller's Security in satisfaction of payment, shall be Seller's sole liability and Buyer's sole remedy associated with Seller's failure to achieve Commercial Operation by the COD Termination Deadline. Notwithstanding anything herein to the contrary, if the Project achieves Commercial Operation after the COD Termination Deadline and neither Party has exercised its right to terminate this Agreement, then such right of termination shall be deemed to be extinguished with respect to both Parties.</p>
<p>█</p>	<p>█</p> <p>█</p>
<p>Uncontrollable Force Pre-COD</p>	<p>The Guaranteed Commercial Operation Date and COD Termination Deadline will be extended on a day-for-day basis up to a maximum of █ days in the aggregate, equal to the total duration of any Uncontrollable Force.</p> <p>Seller will give written notice to Buyer describing any Uncontrollable Force. The number of days of such extension will be calculated from the date on which the Uncontrollable Force begins. If the Uncontrollable Force delays Commercial Operation for more than █ days in the aggregate, then either Party will have the right to terminate this Agreement upon █ Business Days'</p>

	written notice and neither Party will be liable to the other Party for damages as result of such termination.
Transmission Credits	Seller shall be entitled to any monetary transmission service credits (or cash reimbursement) refunded or paid by BPA in respect of the Project and which relate to amounts funded by Seller. Buyer shall be entitled to any monetary transmission service credits (or cash reimbursement) refunded or paid by BPA or third parties, in respect of the Project and which relate to amounts funded by Buyer. To the extent either Party receives payment of any amount owed to the other Party, the receiving Party will promptly reimburse the other Party the amount of such transmission service credits or other form of reimbursement. For the avoidance of doubt, Buyer shall be entitled to retain revenues generated if Buyer resells transmission to any other person (including BPA); provided that Buyer shall not resell transmission in a way that adversely affects Buyer’s ability to purchase the Products in accordance herewith.
Climate Commitment Act	Buyer will comply with all reporting and other obligations under the Washington State Climate Commitment Act that are applicable to the transaction contemplated by this Agreement, including any reporting or compliance obligations associated with balancing energy from the Project and consistent with further guidance and rules issued by the Washington State Department of Ecology. In the event Seller becomes responsible for reporting or compliance obligations under the Climate Commitment Act associated with balancing energy from the Project, Buyer will transfer allowances to Seller to cover such obligation and reimburse Seller for any related costs and expenses.
Variable Energy Resource Balancing Service	<p>Seller will be responsible for obtaining and maintaining, and Buyer will pay all costs, penalties or charges (except for any Intentional Deviation Penalty Charges or Failure to Comply Penalty Charge that is assessed because of Seller, which shall be paid by Seller) related to, Variable Energy Resource Balancing Service (“<u>VERBS</u>”), (the “<u>Buyer’s BPA Charges</u>”) as described in VERBS BPA Transmission Business Practice, Version 2, dated March 10th, 2022, as modified from time to time after the date hereof.</p> <p>If and to the extent BPA assesses to Seller, and Seller pays, any such costs, penalties or charges for VERBS, Buyer will reimburse Seller for such amounts.</p>
Scheduling	(a) Seller will provide Buyer with the applicable forecast provided by BPA (“ <u>Seller’s Generation Forecast</u> ”), for the Project including 14-day, 7-day, 72 hours prior, 24 hours prior, 85 minutes prior, 70 minutes prior and real-time forecasts. Seller will (A) act as Scheduling Entity for the Project and (B) schedule the forecasted Contract Quantity into the Grant Balancing Authority Area in accordance with Seller’s Generation Forecast. Seller will provide any other real-time forecasts or data reasonably required by Buyer or Buyer’s Agent for the purposes of minimizing Applicable Market Penalties and to facilitate scheduling. If Seller’s Generation Forecast is not provided by BPA, Seller will use the last BPA provided forecast value in substitution of the missing forecast. Buyer is not obligated to compensate Seller for any period of Directed Curtailment resulting from actions taken by BPA. Seller will cause the Project to deliver the Contract Quantity to the Delivery Point.

	<p>(b) Seller will be responsible for paying all costs, penalties and charges associated with delivering the Contract Quantity to the Delivery Point, including all Applicable Market Penalties, and any other costs (other than the Buyer's BPA Charges), penalties and charges, in each case, that are incurred due to a breach by Seller of its obligations under this Agreement; provided, that, if any costs, penalties or charges (including Applicable Market Penalties) are incurred due to Buyer's failure to comply with its obligations set forth in paragraphs (a) above and (c) below, such costs, penalties or charges will be the responsibility of Buyer.</p> <p>(c) Buyer will be responsible for paying all costs, penalties and charges (A) associated with delivering the Contract Quantity from the Delivery Point to its final destination, including all Applicable Market Penalties (including Buyer's BPA Charges), and (B) that are incurred due to a breach by Buyer of its obligations under this Agreement; provided, that, if any costs, penalties or charges (including Applicable Market Penalties and Buyer's BPA Charges) are incurred due to Seller's failure to cause the Project to follow dispatch signals from BPA, including any Failure to Comply Penalty Charge and deviation charges, penalties or charges will be the responsibility of Seller. In the event that Buyer's BPA Charges are billed to Seller and Seller pays such amount, Buyer will reimburse Seller for such amounts as itemized on Seller's invoice to Buyer, and per the routine billing cycle.</p>
Metering Protocol	<p>Readings of the Revenue Meter will be conclusive as to the amount of Products delivered to Buyer or made available to Buyer hereunder; <i>provided</i>, that in the event that, and for so long as, the Revenue Meter is out of service, or is reasonably determined by Seller to be registering inaccurately, then measurement of Products hereunder will be determined by the methodology specified by the Transmission Provider, and, only if such methodology cannot be applied, by reference to the Check Meter.</p>
Qualifying Contribution Capacity	<p>Seller shall assist Buyer with Buyer's reasonable efforts to receive, and provide Buyer with such files and materials as are in Seller's possession or control as are required for Buyer to be issued, a Qualifying Capacity Contribution from the Western Power Pool's Western Resource Adequacy Program ("<u>WRAP</u>") in respect of the Project. Buyer shall have the sole right to claim a Qualifying Capacity Contribution in respect of the Project during the Delivery Term.</p> <p>Seller will cooperate with Buyer in connection with Buyer's reasonable efforts to obtain and maintain such Qualifying Capacity Contribution in accordance with the procedures then prescribed by Western Power Pool.</p>
Transmission	<p>As of the Effective Date, Seller (or its Affiliate) has secured Long Term Firm Point to Point Transmission Service for █ MW with a Service Commencement Date of █ and a Termination Date of █. The original deferred █ started █. The BPA transmission queue position is specifically referred to as █ for █ MW of transmission rights with a point of receipt at █ and source of █, and a point of delivery at █ and a sink of █.</p> <p>Within █ days prior to the start of the Delivery Term, and within █ days prior to each anniversary of the first day of the Delivery Term, Seller will trans-assign for the applicable Contract Year, and Buyer will accept for the</p>

	<p>applicable Contract Year, an amount of long term firm transmission equal to the Contract Capacity (the amount of such long term firm transmission, the “<u>Long Term Firm Transmission</u>”) to Buyer. Buyer will cause such Long Term Firm Transmission to be trans-assigned to Seller, or an Affiliate or third-party designee thereof (upon Seller’s written request) as of the end of the Delivery Term (or, if earlier, upon the termination of this Agreement). The Parties agree that such trans-assignment is intended to effect a resale of the transmission rights for purposes of the PTP TSR User Guide, Version 2, published by BPA on August 10, 2022 (or any successor thereto) and not a transfer of such transmission rights to Buyer. Seller shall retain all “roll-over” rights in respect of the Long Term Firm Transmission. For so long as the Long-Term Firm Transmission has been trans-assigned to Buyer or Buyer’s Agent, but in no case before commencement of the Delivery Term, Buyer will be responsible for all transmission costs related to such Long Term Firm Transmission. To the extent such costs are invoiced to Seller, Buyer shall remain responsible for payment of same, or, to the extent paid by Seller, reimburse Seller.</p>
<p>Transmission Unavailable</p>	<p>In the event the Long Term Firm Transmission is curtailed by BPA (and not due to any action or inaction of Buyer or Seller), then Seller shall use commercially reasonable efforts to source alternate transmission to deliver Project energy to Buyer, and Buyer shall promptly and reasonably cooperate with the same. Seller will only secure such alternative transmission upon Buyer’s approval and at Buyer’s sole cost and expense. If Seller is not able to source alternative transmission after commercially reasonable efforts to do so or such alternative transmission is not approved by Buyer, then Seller shall not be obligated to deliver and sell, and Buyer shall not be obligated to receive and purchase, the Products during such period of curtailment and to the extent of such curtailment. In such case, Seller will be entitled to sell the Products that cannot be delivered to Buyer to any other person on such terms and conditions as Seller may determine in its sole discretion, and Seller shall be entitled to retain all associated revenues.</p>
<p>Availability Guaranty</p>	<p>Seller guarantees that the Project will be available to produce the Products in accordance with the Availability Guarantee in <u>Attachment E</u>.</p>
<p>Storage</p>	<p>In recognition of emerging technologies and opportunities that will continue to evolve during the Term, Seller will have the right to incorporate the use of storage technologies into the Project and retain the attributes and benefits associated with such storage technologies, other than the Products, on the condition that: (a) the installation and operation of storage technologies does not (i) diminish Buyer’s rights or benefits hereunder, (ii) increase Buyer’s obligations or liabilities hereunder, or (iii) reduce the Project’s Contract Quantity; (b) Seller is otherwise able to continue to comply with all other obligations of Seller under this Agreement; (c) the attributes and benefits associated with such storage technologies will be separately recorded and determined in accordance with a methodology to be mutually agreed by the Parties prior to the installation and operation of any such storage component of the Project; and (d) the Contract Quantity will be separately metered from the storage component of the Project.</p> <p>Buyer shall not be obligated to contribute in any way to the cost of any storage technologies that Seller may elect to incorporate into the Project. In the event Seller elects to incorporate storage technology into the Project (an “<u>Energy Storage Project</u>”) and, during the term, Seller proposes to enter into a tolling</p>

	<p>agreement in respect of such Energy Storage Project, then, prior to entering into a tolling agreement with a third party, Seller shall offer to Buyer the opportunity to enter into a tolling agreement on substantially similar terms. Buyer shall have █-days in which to accept or reject such offer.</p>
<p>Seller Credit Support</p>	<p>Within █ days after the Effective Date, Seller will issue, or cause to be issued in favor of Buyer, the Development Security. If (i) the Commercial Operation Date has occurred before the COD Termination Deadline (as may be extended in accordance with the terms hereof), and (ii) Seller has paid all damages, if any, owed pursuant to “Delay Damages” above, then the Development Security will be returned to Seller or the issuer thereof upon the later to occur of: (1) █ Business Days after the Commercial Operation Date, and (2) the date that Operational Security is posted pursuant to the next paragraph of this “Seller Credit Support.” For avoidance of doubt, if Buyer has drawn on the Development Security to satisfy any damages payable by Seller, the Development Security returned to Seller will be net of the amounts so drawn thereon. Seller has no obligation to replenish the Development Security after any draw on the Development Security by Buyer. In no event will Seller be liable for damages in excess of the then-applicable amount of Development Security outstanding for termination or this Agreement or breach of this Agreement, in each case, prior to achievement of Commercial Operation.</p> <p>As a condition of the Commercial Operation Date, Seller will post or issue, or cause to be posted or issued in favor of Buyer, Operational Security to secure Seller’s obligations under this Agreement. Seller may notify Buyer of Seller’s election to have Buyer retain any Development Security remaining on the Commercial Operation Date as a credit toward Operational Security; provided, that Seller provides additional security as necessary to ensure the full Operational Security is provided on or before the Commercial Operation Date. Seller has no obligation to replenish Operational Security after any draw on Operational Security by Buyer. █</p> <p>If an Event of Default has occurred and is continuing following the Commercial Operation Date, then Buyer will be entitled to draw upon Seller’s Operational Security for any damages arising from such Event of Default.</p> <p>In the case of Seller’s Security in the form of a Letter of Credit, upon █ Business Days advance notice, Buyer may draw the full amount of such Letter of Credit within █ Business Days before the expiration of such Letter of Credit if, as of the date of such drawing, Buyer does not receive replacement Seller’s Security meeting the requirements of this Agreement and the proceeds of any such draw will constitute collateral provided to Buyer in the form of cash and will satisfy Seller’s obligation to provide Seller’s Security. If Buyer draws on the Letter of Credit as provided in the preceding sentence, the cash will be maintained in a custodial account at a national bank reasonably acceptable to Buyer and Seller. Upon █ Business Days advance notice, Buyer may withdraw funds from such account to pay any amount due and owing to Buyer under this Agreement that has not been paid within the time provided under this Agreement.</p>

	<p>Seller may from time to time replace Seller’s Security with substitute Seller’s Security meeting the requirements of this Agreement. Buyer shall reasonably and promptly cooperate with such replacement of Seller’s Security.</p> <p>Buyer will return Seller’s Operational Security to Seller or the issuer thereof promptly (and in any case within [REDACTED]) after the end of the Term (or earlier termination of this Agreement) unless there are outstanding claims, in which case, Seller’s Security will be released promptly after such outstanding claims are resolved.</p>
Change in Market Design	<p>If a Change in Market Design occurs or is reasonably likely to occur, then either Party, on written notice by the affected Party, may request the other Party to enter into negotiations to make changes to this Agreement as necessary or appropriate to allow the continued sale of Products by Seller to Buyer pursuant to this Agreement, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Confirmation as of the Effective Date. Upon receipt of such notice requesting negotiations, the Parties will promptly (but in any event no later than [REDACTED] days after such request) meet and negotiate in good faith such changes, provided neither Party will be obligated to agree to any such changes. If the Parties cannot agree on such changes within [REDACTED] days after the request to enter into negotiations pursuant to this paragraph, the matter will be referred to senior executives of the Parties with decision making authority over such matter, and such senior executives shall meet and negotiate in good faith such changes, provided neither Party will be obligated to agree to any such changes. If such senior executives cannot agree on such changes within [REDACTED] days after the matter is referred to them for resolution, either Party may refer the matter to non-binding mediation. The place of mediation shall be in Seattle, Washington. Any mediation shall be conducted by an experienced mediator, agreed upon by both parties, having experience in complex commercial disputes in the energy industry.</p>
Change in Law	<p>(a) The Parties will use commercially reasonable efforts to comply with any Change in Law occurring after the Effective Date; provided neither Party will be considered in breach of its obligations under this Agreement which becomes impossible or illegal to perform as a result of a Change in Law.</p> <p>(b) If a Change in Law occurs that renders, or is anticipated to render, the performance of this Agreement (in whole or in part) illegal, unenforceable or otherwise impossible, then either Party may, by written notice, request the other Party to enter into negotiations to make changes to this Agreement as necessary or appropriate to resolve such illegality, unenforceability or impossibility, or to mitigate the effects of such Change in Law. Upon receipt of such notice requesting negotiations, the Parties will promptly (but in any event no later than [REDACTED] days after such request) meet and negotiate in good faith such changes, provided neither Party will be obligated to agree any such changes. If the Parties cannot agree such changes within [REDACTED] days of such notice requesting negotiations pursuant to this paragraph (b), the matter will be referred to senior executives of the Parties with decision making authority over such matter, and such senior executives shall meet and negotiate in good faith such changes, provided neither Party will be obligated to agree to any such changes. If such senior executives cannot agree on such changes within [REDACTED] days after the matter is referred to them for resolution, either Party may refer the matter to non-binding mediation. The place of mediation shall be in Seattle, Washington. Any mediation shall be conducted by an experienced</p>

mediator, agreed upon by both parties, having experience in complex commercial disputes in the energy industry.

(c) After the Effective Date, if:

(i) Seller reasonably expects a Change in Law to occur that would, or would reasonably be expected to, lead to increases in Seller's costs to comply with Seller's obligations under this Agreement related to such Change in Law, which costs, for the purposes of this Agreement, shall not include any amount attributable to (x) the willful breach by Seller or its Affiliates of any law or regulation, or (y) any tax in respect of Seller's revenue, income, or gain arising from the sale to Buyer of the Products (the "Increased Costs"); or

(ii) a Change in Law directly leads to Increased Costs,

then Seller will notify Buyer in writing of such Change in Law and Increased Costs (together with supporting details of such Increased Costs, in such form as is reasonably required by Buyer) and the Parties will meet to discuss in good faith how such Increased Costs could be mitigated.

(d) [REDACTED]

(e) [REDACTED]

(i) [REDACTED]

(ii) [REDACTED]

	<p>[REDACTED]</p>
<p>Confidentiality</p>	<p>Notwithstanding anything to the contrary in Section 30 of the WSPP Agreement:</p> <p>Each Party may disclose this Agreement and other information exchanged between the Parties and related to this Agreement to such Party's Confidentiality Representatives (who may then disclose that confidential information to other Confidentiality Representatives) if such Persons have a need to know the confidential information for purposes of the business relationship between the Parties and under nondisclosure obligations at least as protective as Section 30.</p> <p>Seller acknowledges that the Buyer is a public body subject to the Washington Public Records Act, RCW 42.56. In no case shall Buyer's compliance with its legal obligations under the Washington Public Records Act, as determined by Buyer in its sole but reasonable discretion, constitute an Event of Default of this Agreement.</p> <p>The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. The obligations of the Parties under this Confidentiality section shall survive expiration or termination of this Agreement for a period of [REDACTED] years. This Confidentiality section shall not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this Confidentiality section).</p>
<p>Environmental Attributes.</p>	<p>Seller will retain all Environmental Attributes and Future Environmental Attributes and Buyer shall have no right to or interest in Environmental Attributes or Future Environmental Attributes. Buyer shall not make any public statement, public announcement or press release regarding Environmental Attributes or Future Environmental Attributes, unless such statement, announcement or press release is in compliance with the preceding sentence. If Buyer makes any claim to Environmental Attributes or Future Environmental Attributes, Seller will have the right to require Buyer to cause such statement to be promptly retracted, removed, ceased, revised and/or corrected.</p> <p>Notwithstanding the above, nothing in this section will limit Buyer's ability to report as required by law or applicable compliance program, or to otherwise claim that Contract Quantity does not carry with it an obligation to offset, pay for, provide allowances for, or otherwise recognize any carbon content associated with Contract Quantity.</p>
<p>Assignment Generally</p>	<p>Notwithstanding anything to the contrary in Section 14 of the WSPP Agreement:</p> <p>Seller may assign this Agreement, without the prior written consent of Buyer but with written notice of such permissible assignment as soon as practical (and no later than [REDACTED] days thereafter), to any Person that: (1) takes ownership and control of the Project; (2) has agreed in writing to assume all of Seller's obligations under the Agreement; (3) has complied with all obligations to</p>

	provide Seller Security; and (4) is a Qualified Operator or retains, prior to the date of such transfer, a Qualified Operator to operate the Project.
Assignment to Financing Providers	<p>Notwithstanding anything to the contrary in Section 14 of the WSP Agreement:</p> <p>Seller may, without Buyer’s prior consent and without relieving itself from liability hereunder, transfer, pledge, encumber or assign the account, revenues or proceeds of this Agreement, or any part of its ownership interest in the Project, as collateral to a Project Lender in connection with debt (or, if applicable, tax equity) financing or refinancing of the Project.</p> <p>Buyer will consider consents to collateral assignment or other documents (including estoppel certificates related to the financing of the Project) reasonably, and in good faith, as may be reasonably requested by Seller in connection with the financing or refinancing of the Project and Seller will use commercially reasonable efforts to utilize the form of consent and agreement in <u>Attachment C</u> and form of estoppel in <u>Attachment D</u> with little to no deviation; provided, however, (i) that Seller will reimburse Buyer for any and all costs or expenses reasonably incurred by Buyer in connection with providing such documentation (including legal fees and expenses, or any third party costs) and (ii) no legal opinions will be required from or on behalf of Buyer. The consent to collateral assignment may provide that the Project Lender is entitled to receive notice of, and have an opportunity to cure, any default by Seller; provided, that the cure period available to Project Lender will not exceed the cure period available to Seller by more than ■ days for monetary defaults and ■ days for non-monetary defaults.</p>
Indemnification	<p>Seller and Buyer (the “<u>Indemnifying Party</u>”) will hold harmless and indemnify the other Party and its Affiliates, directors, officers, employees and agents (each, an “<u>Indemnified Party</u>” and collectively, the “<u>Indemnified Parties</u>”) from any and all costs, loss damage, claims and liability, including but not limited to all third party claims, demands, and legal proceedings and all resulting liabilities judgments, settlements, expenses and costs (including reasonable attorney’s fees incurred) (“<u>Claim(s)</u>”), to the extent arising out of the gross negligence or willful misconduct or intentional breach of this Agreement by Seller or Buyer, as applicable, or its directors, officers, members, shareholders, employees, servants, agents, contractors or subcontractors.</p>
Notices	<p>Any notice or other communication in respect of this Agreement must be sent via (i) certified or registered mail or (ii) e-mail as set forth below; provided that if sent by certified or registered mail, then a copy must also be sent via e-mail, to the address details provided below and will be deemed effective as follows (1) if in writing and delivered in person or by courier, on the date it is delivered, (2) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted, or (3) if sent by e-mail, on the date that it is received, unless, in each case, the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that communication will be deemed given and effective on the first following day that is a Business Day.</p>

	<p><u>To Seller:</u></p> <p>Melissa Lyons 200 Liberty Street, 14th Floor New York, NY 10281 Telephone: 1 509 293 1926 Email: melissa.lyons@brookfieldrenewable.com</p> <p>Copy to:</p> <p>Brookfield Renewable 200 Liberty Street, 14th Floor New York, NY 10281 Attention: General Counsel Telephone: 1 646.992.2400 Facsimile: 1 646.992.2470 Email: legal.department.na@brookfieldrenewable.com</p> <p>Invoices:</p> <p>Email: GrpBEMSettlement1@brookfieldrenewable.com</p> <p>Scheduling:</p> <p>Phone: 819.561.8645 Email: GrpBEMSettlement1@brookfieldrenewable.com</p> <p>Payments:</p> <p>Email: GrpBEMSettlement1@brookfieldrenewable.com</p> <p><u>To Buyer:</u></p> <p>[]¹ Attn: [] Email: [] With a copy (not constituting notice) to: [] Attn: [] Email: []</p>
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B. Definitions:

- a. The following definitions are added to Section 4 of the WSPP Agreement in the appropriate alphabetical order:

Affiliate: An Affiliate of a person means any other person that is, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with such person by means of possessing or being subject to, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through ownership of voting securities, the ability to exercise voting power, by contract, by virtue of being or controlling the general partner, managing

¹ Note to Grant: Please advise.

member, manager, board of managers or board of directors, by virtue of beneficial ownership of, or control over a majority of the economic interest or otherwise. Notwithstanding the forgoing, any entities that operate behind an “information wall,” including without limitation Brookfield Public Securities Group LLC, Oaktree Capital Group, LLC, Atlas OCM Holdings, LLC and their respective subsidiaries, shall not be considered “Affiliates” of Seller for the purposes of this Agreement and shall not be bound whatsoever by the terms of this Agreement. The word “affiliate” or “affiliates” as used throughout the Agreement shall be amended to capitalize the first letter so that it reads “Affiliate” or “Affiliates.”

Applicable Market: The grid, market, independent system operator, balancing authority, or regional transmission organization in which the Project is situated, or its successor, and which, as of the Effective Date, is BPA.

Applicable Market Operator: The Person responsible for operating the Applicable Market.

Applicable Market Penalties: Any scheduling penalties, balancing operating reserve charges, integration costs, imbalance penalties or other penalties, fees or charges as are now or at any time in the future assessed or imposed by any Person with authority over the Applicable Market (including the Applicable Market Operator, NERC, and the balancing authority) for failure to satisfy, or in accordance with, the Applicable Market Protocols.

Applicable Market Protocols: The documents adopted by the Applicable Market, including any exhibits or attachments referenced therein, that contain the scheduling, operating, planning, reliability and settlement policies, rules, guidelines, procedures, standards and criteria of the Applicable Market, in accordance with the Applicable Market Tariff.

Applicable Market Rules: The: (a) the Applicable Market Tariff; (b) the Applicable Market Protocols, and other binding documents of the Applicable Market in each case as amended or supplemented from time to time; and (c) any rules, regulations and orders issued by NERC and applicable to the Project, in each case as amended or supplemented from time to time. For avoidance of doubt, Applicable Market Rules includes: (i) all Applicable Market reliability requirements applicable to generator owners and generator operators; (ii) all applicable requirements regarding interconnection of the Project, including the requirements of the Applicable Market or the Transmission Provider; and (iii) BPA’s Transmission Business Practices manuals as may be amended from time to time.

Applicable Market Tariff: The BPA Tariff, including any Business Practices, General Rate Schedule Provisions, schedules, appendices or exhibits attached thereto, as amended from time to time thereafter.

Approvals: All material applications, approvals, authorizations, consents, filings, licenses, orders, permits or similar requirements imposed by any Governmental Authority, the Transmission Provider or the Applicable Market Operator necessary to develop, construct, own, operate, maintain, the Project or to forecast or deliver the Contract Quantity and the Products as contemplated by this Agreement.

Bankrupt: With respect to a person, that such person: (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails (or admits in writing its inability) generally to pay its debts as they become due; (c) makes a general assignment, arrangement, or composition with or for the benefit of its creditors; (d) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor’s rights, or a petition is presented for its winding-up or liquidation, which proceeding or proceeding is not dismissed, stayed or vacated within 45 days thereafter; (e) commences a voluntary proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights; (f) seeks or consents to the appointment of an administrator,

provisional liquidator, conservator; receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, (g) has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within forty-five (45) days thereafter; (h) causes or is subject to any event with respect to its which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) inclusive; or (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts (subject to any cure period applicable to such foregoing act).

BPA: The Bonneville Power Administration.

[REDACTED]

Change in Law: A change, adopted and implemented after the Effective Date, to any federal, state, local or other law (including any environmental law), resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or approval of a Governmental Authority, including the adoption of any new law, resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or approval.

Change in Market Design: Either: (a) the Applicable Market Rules, including the rules, protocols, procedures and standards in respect thereof (as the same may be amended or modified from time-to-time and approved by the Federal Energy Regulatory Commission) has been changed after the Effective Date and such change has a material adverse impact on either Party; (b) the Applicable Market Operator has been dissolved or replaced and any successor to the Applicable Market Operator operates under rules, protocols, procedures or standards that differ in a material respect from the Applicable Market Rules; or (c) the Transmission Provider or any other Governmental Authority with jurisdiction imposes an organized market or the Transmission Provider elects to join a regional transmission organization or participate in an organized market which changes the manner in which the Project is scheduled and dispatched, in all cases after the Effective Date.

Check Meter: One or more Meter(s) other than the Revenue Meter that Seller, at its sole cost and expense, will install and operate at the Project to measure the Contract Quantity.

[REDACTED]

Commercial Operation Date: The date on which Commercial Operation is achieved; provided, that Seller will provide written notice to Buyer certifying that the Commercial Operation Date has occurred no later than [REDACTED] Business Days after having met the requirements of the definition of Commercial Operation (the “COD Notice”). Commercial Operation will be deemed to be achieved as of the Commercial Operation Date identified in the COD Notice if Buyer, acting reasonably, has either (i) not objected to Seller’s COD Notice within [REDACTED] Business Days after receipt thereof or (ii)

Buyer has notified Seller in writing that Buyer agrees that Commercial Operation was achieved as of the Commercial Operation Date identified in the COD Notice.

Confidentiality Representative: An employee, director, officer, shareholder or unit holder (or other actual or prospective equity holder), contractor, advisor, Project Lender, or consultant of a Party or of such Party's Affiliates.

Contract Capacity: The nameplate capacity of all PV Modules installed, interconnected, operating and capable of producing the Contract Quantity at the Project as of the Commercial Operation Date. For avoidance of doubt, the Contract Capacity is one hundred percent (100%) of the installed capacity of the Project.

Contract Year: Shall mean: (a) for the first Contract Year, the period from the first day of the Delivery Term until either: (i) if the Delivery Term commences on the 1st day of a month, the day before the 1st anniversary of the first day of the Delivery Term; or (ii) if the Delivery Term does not commence on the 1st day of a month, the day that is the 1st anniversary of the last day of the month in which the Delivery Term commences; (b) for each succeeding Contract Year (other than the final Contract Year), a period of 1 year from the day following the last day of the preceding Contract Year (and for the avoidance of doubt, in each case commencing on the first day of a month and ending 1 year later on the last day of a month); and (c) for the final Contract Year, the day following the last day of the preceding Contract Year until the last day of the Delivery Term.

Contract Quantity: 100% of the electric energy from the Project, expressed in MWh, as measured by the Revenue Meter for each Settlement Interval during the Delivery Term.

COVID-19: The global pandemic associated with the outbreak of the disease designated as COVID-19 as declared by the World Health Organization on March 11th, 2020, and any mutations thereof, and the actions of any Governmental Authority directly related thereto.

Credit Rating: (a) With respect to any entity other than a financial institution, the current: (i) rating, if any, issued or maintained by S&P or Moody's with respect to such entity's long-term senior, unsecured, unsubordinated debt obligations (not supported by third party credit enhancements); or (ii) corporate credit rating or long-term issuer rating, if any, issued or maintained with respect to such entity by S&P or Moody's; or (b) if such entity is a financial institution, the ratings issued or maintained by S&P or Moody's with respect to such financial institution's long-term, unsecured, unsubordinated deposits.

Development Security: A Letter of Credit provided by Seller to Buyer in an amount equal to \$ [REDACTED] /MW of Expected Nameplate Capacity.

Directed Curtailment: A reduction of all or any part of the deliveries of the net electrical output of the Project required by Applicable Market Operator, Transmission Provider, or any Governmental Authority, in each case not due to actions or omissions of Seller or an Affiliate of Seller.

Environmental Attribute Credit or EAC: A tradable instrument that evidences the ownership of Environmental Attributes. One EAC represents one MWh of Contract Quantity from the Project.

Early Termination Fee: An amount equal to the full amount of Seller's Security less any Delay Damages already paid by Seller as of the time of termination. In no event will the Early Termination Fee exceed the then-outstanding amount of Seller's Security.

Emergency: (a) an actual or imminent condition or situation which jeopardizes the integrity of Transmission Provider's electric system or the integrity of any other systems to which the Transmission Provider's electric system is connected, as determined by the Transmission Provider in its reasonable discretion, or any condition so defined and declared by the Applicable Market

Operator; (b) an emergency condition as defined under the Interconnection Agreement and any abnormal interconnection or system condition that requires automatic or immediate manual action to prevent or limit loss of load or generation supply, that could adversely affect the reliability of the Transmission Provider's electric system or generation supply, that could adversely affect the reliability of any interconnected system, or that could otherwise pose a threat to public safety; or (c) a situation where Seller reasonably determines that health or safety are at risk, or damage to equipment may occur.

Environmental Attributes: (a) Any emissions, air quality or other environmental attribute, aspect, characteristic, claim, credit, benefit, reduction, offset or allowance, howsoever entitled or designated, resulting from, attributable to or associated with the Project's benefits to the environment and capable of being measured, verified or calculated; and (b) the reporting rights related to any such attributes, aspects, characteristics, claims, credits, benefits, reductions, offsets or allowances, including the right of a Person to report the ownership thereof in compliance with federal or state law, if applicable, or otherwise to a federal or state agency, or any other Person, including under any present or future federal, state or local law, regulation or bill or any international or foreign emissions trading program. Environmental Attributes include EACs, emissions rate credits, carbon credits, portfolio credits, emissions allowances, green tags, tradable renewable credits, Green-e® products credits, environmental air quality credits and emissions reduction credits, offsets and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical or other substance attributable to the Contract Quantity of the Project, including any of the same arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, particulate matter, soot or mercury or implementing the United Nations Framework Convention on Climate Change or the Kyoto Protocol to the United Nations Framework Convention on Climate Change or crediting "early actions" with a view thereto, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency or successor administrator. Notwithstanding the foregoing or anything to the contrary, Environmental Attributes do not include any Qualifying Capacity Attributes, or any federal, state and local tax credits, grants or other tax incentives or any other incentives, which are allocated to Seller.

Failure to Comply Penalty Charge: That BPA charge as referenced in the Variable Energy Resource Balancing Service (VERBS) BPA Transmission Business Practice, Version 2, dated March 10th, 2022, as modified from time to time after the date hereof.

Future Environmental Attributes: Any future Environmental Attributes, environmental products or benefits, generated by or attributable to the Project that become recognized and marketable during the Term.

Intentional Deviation Measurement Value: That BPA-provided scheduling value as described in the Variable Energy Resource Balancing Service (VERBS) BPA Transmission Business Practice, Version 2, dated March 10th, 2022, as modified from time to time after the date hereof.

Interconnection Agreement: The interconnection service agreement entered into by and among Seller and the Transmission Provider pursuant to which the Project will be interconnected with the Transmission Provider.

Letter of Credit Default: With respect to a Letter of Credit or the issuer thereof, the occurrence of any of the following events: (a) such issuer fails to meet the requirements for a Qualified Institution; (b) such issuer fails or refuses to honor the beneficiary Party's properly documented request to draw on such Letter of Credit or otherwise fails or refuses to comply with or perform its obligations under such Letter of Credit; (c) such issuer disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Letter of Credit; (d) such Letter of Credit is not renewed at least ■ Business Days before the expiration of such Letter of Credit in accordance with its terms, or such Letter of Credit expires or terminates, or fails or ceases to be in full force and effect, at any time during the Term; or (e) such issuer becomes Bankrupt; provided, however, that no Letter of Credit Default will occur or be continuing with respect to a Letter of Credit after the time such Letter of

Credit is required to be canceled or returned to a Party in accordance with the terms of this Agreement.

Meter: A utility-grade and revenue-grade instrument and associated measuring, recording and communication equipment meeting applicable electric industry standards as established by the National Electrical Manufacturer's Association (NEMA) and the American National Standards Institute (ANSI) and acceptable to the Transmission Provider for measuring and recording the Contract Quantity for all revenue-settlement purposes, in accordance with the Transmission Provider Requirements.

Moody's: Moody's Investor Services, Inc. and any successor thereto.

MW: A megawatt alternating current.

MWh: A megawatt-hour.

Operational Security: A Letter of Credit provided by Seller to Buyer in an amount equal to \$ [REDACTED] /MW of the Contract Capacity specified in Seller's COD Notice or, if greater, the Final Nameplate Capacity.

Photovoltaic Module or PV Module: Arrays of cells containing a solar photovoltaic material that converts solar radiation into direct current electricity.

Project Lenders: Any and all persons or successors in interest thereof, actually or prospectively: (a) lending money or extending credit (whether directly to Seller or to an Affiliate of Seller) as follows: (i) for the construction, interim or permanent financing or refinancing of the Project; (ii) for working capital or other ordinary business requirements of the Project (including the maintenance, repair, replacement or improvement of the Project); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the Project; (iv) for any capital improvement or replacement related to the Project; or (v) for the purchase of the Project and the related rights from Seller; (b) participating (directly or indirectly) as an equity investor (including but not limited to a tax equity investor) in the Project; or (c) any lessor under a lease finance arrangement relating to the Project.

Prudent Industry Practices: Those practices, methods and acts required by or consistent with applicable laws that would be implemented and followed by prudent owners and operators of electric energy generating facilities similar to the Project, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known or that should reasonably have been known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety. Prudent Industry Practices are not intended to be limited to the optimum practices, methods, or acts, to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the industry.

Qualified Institution: A commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, or a U.S. branch office of a foreign bank, with (a) a Credit Rating from one or both of S&P and Moody's, which Credit Rating is at least [REDACTED] from S&P (if such bank has a Credit Rating from S&P) or [REDACTED] from Moody's (if such bank has a Credit Rating from Moody's), and (b) has a combined capital surplus of \$ [REDACTED] at the time of issuance of the Letter of Credit.

Qualified Operator: An owner or operator (including such owner's or operator's affiliates) of solar generation facilities: (i) with a minimum of [REDACTED] years' experience operating at least [REDACTED] MW of renewable energy generation facilities; and (ii) that is not a Restricted Party.

Qualifying Capacity Contribution: That number, as determined by the Western Power Pool, that constitutes the Project's Qualifying Capacity Contribution under the Western Resource Adequacy Program.

Restricted Party: A person which is:

- (a) listed on any Sanctions List (whether designated by name or by reason of being included in a class of person); or
- (b) domiciled, registered as located or having its main place of business in, or is incorporated under the laws of, a country which is at that time subject to Sanctions Laws, including Cuba, Iran, Burma, North Korea, Sudan and Syria; or
- (c) that is directly or indirectly owned or controlled by a person referred to in paragraph (a) and/or (b) of this definition above.

Revenue Meter: A Meter located at or near the Delivery Point, with which the Transmission Provider determines the amount of Contract Quantity delivered to the Transmission Grid, and as further depicted in Attachment A.

Sanctions Authority: The United Nations, the European Union and/or any of its member states from time to time, the United Kingdom of Great Britain and Northern Ireland, Canada, the United States of America, and/or any other relevant multi-nation sanctions authority or body and/or any person, agency, department and/or office acting on behalf of any of them in connection with the administration, imposition, enactment and/or enforcement of any Sanctions Laws.

Sanctions Laws: Any economic, trade or financial sanctions laws and/or regulations, such as trade embargoes, prohibitions, decisions, executive orders and/or notices from regulators, in each case implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority.

Sanctions List: Any list of persons or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority, including the "Specially Designated Nationals and Blocked Persons" list issued by Office of Foreign Assets Control of the US Department of Treasury, the Consolidated List of Financial Sanctions Targets and Investment Ban List issued by Her Majesty's Treasury of the United Kingdom, or any equivalent list issued or maintained or made public by any of the Sanctions Authorities.

Scheduling Entity: A qualified scheduling entity that is certified by the Applicable Market Operator to submit schedules and bids in the Applicable Market on behalf of the Project.



Seller's Security: The Development Security or Operational Security, as applicable.

Settlement Interval: A clock hour.

S&P: The Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

Transmission Grid: The electrical transmission system providing energy transmission service from the Delivery Point.

Transmission Provider: The entity responsible for the interconnection of the Project with the Transmission Grid pursuant to the terms of the Interconnection Agreement.

Transmission Provider Requirements: The instructions, tariffs, policies, rules, guidelines, procedures, protocols, standards, criteria, business practices, and all other requirements of the Transmission Provider, as applicable, including as set forth in the Applicable Market Tariff, business practice manuals, and all agreements to which Seller or Buyer, on the one hand, and the Transmission Provider, on the other hand, are parties.

Unit Contingent: The Products will be sourced solely from the Project on an as-generated basis.

Western Power Pool: That entity formerly known as the Northwest Power Pool, and that, as of the Effective Date, had offices at 7525 NE Ambassador Place in Portland, Oregon and a website URL of westernpowerpool.org.

Western Resource Adequacy Program: That resource adequacy program administered by the Western Power Pool.

- b. The following definitions from Section 4 of the WSPP Agreement is hereby replaced in its entirety as follows:

Letter of Credit: An irrevocable, transferable, standby letter of credit, in substantially the form of Attachment B of the Agreement, issued by a Qualified Institution, which letter of credit is reasonably acceptable to the Party requiring the Letter of Credit. Costs for Letters of Credit will be borne by the applicant for the Letter of Credit. Any Letter of Credit provided will: (a) be for a minimum period of one year; (b) be renewed or replaced by the applicant not less than [REDACTED] Business Days before its expiration; (c) provide that the Letter of Credit may be drawn if it is not renewed or replaced; and (d) may (but is not required to) be issued by SWIFT message or other electronic platform at the election of Seller.

C. Payments

Section 9.1 of the WSPP Agreement is replaced in its entirety as follows:

“The accounting and billing period for transactions under this Agreement shall be [REDACTED]. Bills sent to any Party shall be sent to the appropriate billing address as specified by such Party in the “Notices” section of this Agreement.”

Section 9.4 of the WSPP Agreement is replaced in its entirety as follows:

“In order to dispute a bill in whole or in part, a Party must: (a) have a good faith belief that the bill is incorrect; and (b) provide written notice of the dispute to the other Party to the transaction. Such written notice shall specify the amount in dispute and state the basis for the dispute. In case any portion of any bill is in dispute, the undisputed amount shall be paid when due. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within [REDACTED] Business Days of such resolution along with interest accrued from and including the due date to but excluding the date paid with interest calculated in the manner set forth in Section 9.3. A Party shall have the right to dispute the accuracy of any bill or payment only for a period of [REDACTED] years from the date on which the bill was initially delivered.”

“Notwithstanding any provision of the WSPP Agreement to the contrary (including, without limitation, Section 22 thereof), the non-payment of any amount disputed in good faith shall not constitute an “Event of Default” under this Agreement with respect to either Party.”

Section 9.5 is amended to change two (2) years to [REDACTED].

D. Uncontrollable Forces.

The following provision shall be added to the end of Section 10 of the WSPP Agreement: “Neither Party shall be relieved of its liability for failure to perform if such failure is caused by loss of markets or supply, increases or decreases in the Contract Price, or a Party’s lack of funds. The definition of Uncontrollable Forces also includes pandemics.”

E. Notices.

Section 12.1 of the WSPP Agreement is amended to replace the words “prepaid telegram” with the word “email.”

F. Liability and Damages.

The first sentence of Section 21.3(a)(2) of the WSPP Agreement is replaced in its entirety as follows:

[REDACTED]

Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that (i) the Products are being provided on a Unit Contingent basis and that Seller shall have no liability under Section 21.3(a)(2) of the WSPP Agreement where Seller has scheduled the forecasted Contract Quantity into the Grant Balancing Authority Area in accordance with Seller’s generation forecast.

[REDACTED]

G. Events of Default.

Section 22.1(a) of the WSPP Agreement is amended by deleting the following phrase from the end thereof: “The Non-Defaulting Party shall provide the notice by facsimile to the designated contact person for the Defaulting Party and also shall send the notice by overnight delivery to such contact person.”

Section 22.1(b) of the WSPP Agreement is amended by inserting “, or to have performed any material covenant,” between the phrases “required by Section 37” and “and such failure is not cured.”

The following new Events of Default are added as 22.1(f) – (j):

“(f) the failure by a Party to be in compliance with any applicable anti-bribery, anti-corruption, or anti-terrorism laws or similar federal, state, provincial, or municipal legislation, including the Foreign Corrupt Practices Act (FCPA) of the United States, the Bank Secrecy Act, the United States Patriot Act, and the Office of Foreign Assets Control (OFAC) requirements of the United States, and with comparable legislation in all other countries as applicable.

(g) Seller fails to post and maintain the Development Security in accordance with “Seller Credit Support” in the Confirmation, and the failure is not cured within [REDACTED] Business Days after notice from Buyer.

(h) Seller fails to post and maintain Operational Security in accordance with “Seller Credit Support” in the Confirmation, and the failure is not cured within █ Business Days after notice from Buyer.

(i) The occurrence of a Letter of Credit Default with respect to any Letter of Credit issued in support of any obligations of such Party under this Agreement or any issuer of any such Letter of Credit, and such Party fails to deliver to the Non-Defaulting Party a replacement Letter of Credit issued by a Qualified Institution in the same face amount and on substantially the same terms as the outstanding Letter of Credit on or before the █ Business Day after notice from the Non-Defaulting Party; provided, that in the case of a default with respect to clause (a) of the definition of “Letter of Credit Default”, such █ Business Day period will be extended to █ Business Days.

(j) Seller does not cause the Project to achieve the Guaranteed Availability Factor (as defined in Attachment E) for reasons other than an Uncontrollable Force.”

Section 22.2(a) is amended by deleting the second sentence thereof in its entirety.

Section 22.2(b) is amended by deleting the second sentence thereof in its entirety.

Section 22.3(c) is amended by replacing the last sentence thereof in its entirety with the following sentence: “If the Non-Defaulting Party’s aggregate Gains exceed its aggregate Losses and Costs, then neither Party shall pay any amount under this Section 22.3(c).”

Section 22.3(e) is deleted in its entirety.

Section 22.3(f) is amended by removing the parenthetical that begins after the phrase “Business Day.”

H. Set-off.

The following is added as a new Section 22.4 immediately after the provisions in Section 22.3:

“22.4 SETOFF.

After calculation of a Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set-off against such Termination Payment any sum or obligation (whether matured or unmatured or whether or not contingent) (collectively, “Obligations”) owed to the Defaulting Party by the Non-Defaulting Party under this Agreement or under any other agreement(s), instrument(s) or undertaking(s) entered into between the Parties, and any Obligations owed by the Defaulting Party to the Non-Defaulting Party (irrespective of place of payment or booking office of the Obligation) under this Agreement or under any other agreement(s), instrument(s) or undertaking(s) entered into between the Parties. The obligations of the Non-Defaulting Party under this Agreement in respect of such amounts shall be deemed satisfied and discharged to the extent that any such set-off is exercised by the Non-Defaulting Party. The Non-Defaulting Party will give the Defaulting Party notice of any set-off effected under this Section 22.4 as soon as practicable after the set off is effected provided that failure to give such notice shall not affect the validity of the setoff.

If an Obligation is unascertained, the Non-Defaulting Party may in good faith estimate that Obligation and setoff in respect of the estimate, subject to the relevant Party accounting to the other when the Obligation is ascertained. To the extent that any transactions are not yet liquidated, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to withhold payment of a commercially reasonable portion of the aggregate amount, if any, determined under the first paragraph above to be payable by the Non-Defaulting Party to the Defaulting Party after any pertinent set-off(s), until such transactions are liquidated. Nothing in this Section 22.4 shall be effective to create a charge or other security interest except as may be provided under applicable law. This setoff provision shall be in addition to any right of setoff, netting, off-set,

combination of accounts, counterclaim, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).”

I. Governing Law.

Section 24 is amended by deleting the word “Utah” and replacing it with the word “Washington.”

J. Waiver of Jury Trial/FERC Waiver. Section 24 is further amended by adding the following new Sections 24A and 24B at the end thereof:

“24A. Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH A SUIT, ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 24A.

24B. Standard of Review; Proposed Changes

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any provision of this Agreement (including all transactions and/or Confirmations) specifying the rate(s) or other material economic terms and conditions agreed to by the Parties herein, whether proposed by a Party, a non-party or FERC acting *sua sponte*, shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish Cty.*, 554 U.S. 527 (2008) and consistent with *NRG Power Marketing, LLC v. Maine Public Util. Commission*, 558 U.S. 165 (2010) (the “*Mobile-Sierra*” doctrine).

(b) The Parties, for themselves and their successors and assigns: (i) agree that this “public interest” standard of review shall apply to any proposed changes in any other documents, instruments or other agreements executed or entered into by the Parties in connection with this Agreement; and (ii) hereby expressly and irrevocably waive any rights they can or may have to the application of any other standard of review, including the “just and reasonable” standard, provided that this standard of review and the other provisions of this Section 24B shall only apply to proceedings before the FERC or appeals thereof.”

K. Creditworthiness.

Section 27 is hereby deleted in its entirety. The Confirmation sets forth the entirety of the agreement of the Parties regarding credit, collateral, and adequate assurances to be provided by Seller. Except as expressly set forth in the Confirmation, (in particular, the Development Security and Operational Security); (a) Seller does not and will not have any obligation to post security, pay deposits, make any other prepayments or provide any other financial assurances in any form whatsoever; and (b) Buyer will have not have reasonable grounds for insecurity with respect to the creditworthiness of Seller so long as Seller is complying with its obligation to provide Seller’s Security. Buyer hereby waives all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines.

L. Payment Netting. Section 28.1 of the WSPP Agreement is deleted and replaced in its entirety with the following: “The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date pursuant to all transactions through netting, in which case all amounts owed by each Party to the other Party during the monthly billing period under this Agreement, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.”

Section 28.2 of the WSPP Agreement is deleted in its entirety. Furthermore, the Parties agree that Exhibit A of the WSPP Agreement shall not be applicable to any transaction under this Agreement.

Section 28.3 of the WSPP Agreement is deleted in its entirety.

M. Confirmations. Section 32 of the WSPP Agreement is deleted in its entirety. .

N. Title. Section 33.2 of the WSPP Agreement is amended to add the following sentence at the end thereof: “Purchaser hereby disclaims and waives any and all rights in, interests in and title to any RECs and Environmental Attributes associated with the Contract Quantity.” Such change is made notwithstanding the provisions detailed in the “Environmental Attributes” section above.

O. Representations

Section 37 of the WSPP Agreement is hereby expanded to include the following:

“Each Party will be deemed to represent as of the Effective Date:

- (a) **No Fiduciary Relationship.** It is not acting as a fiduciary for or an adviser to it in respect of such transaction and it is not relying upon any representations of the other Party other than those expressly set forth in the Agreement.
- (b) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether the Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into the Agreement; it being understood that information and explanations related to the terms and conditions of the Agreement shall not be considered investment advice or a recommendation to enter into the Agreement. No communication (written or oral) received from the other Party shall be deemed to be an assurance or guarantee as to the expected results of the Agreement.
- (c) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of the Agreement. It is also capable of assuming, and assumes, the risks of the Agreement.
- (d) **No Immunity Claim.** It warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from: (i) suit; (ii) jurisdiction of court (including a court located outside the jurisdiction of its organization); (iii) relief by way of injunction, order for specific performance or recovery of property; (iv) attachment of assets; or (iv) execution or enforcement of any judgment.”

P. Transmission and Scheduling

Seller shall arrange and pay for transmission service to the Delivery Point and shall be responsible for all taxes and environmental costs imposed on or in respect of the electric energy prior to the delivery to Buyer at the Delivery Point. Buyer shall arrange and pay for transmission service from the Delivery Point and shall be responsible for all taxes and environmental costs imposed upon and after delivery of the electric energy to the Delivery Point.

Q. Amendment

No amendment or modification to this Confirmation shall be enforceable unless reduced to writing and executed by both Parties.

IN WITNESS WHEREOF, the Parties have caused this Confirmation to be duly executed as of the date first written above.

GOOSE PRAIRIE SOLAR LLC
COUNTY

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

For Commission Review – 11/12/2024

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract No. 130-12624 for the proposed sale, from the Grant PUD's retained shared, of 10% of the Priest Rapids Project Output (PRPO) for a 3-year term, commencing on January 1, 2025.

xxxx

MEMORANDUM

Date 10/24/2024

TO: Rich Wallen, General Manager

VIA: John Mertlich, Chief Commercial Officer 

FROM: Rich Flanigan, Sr. Manager Power Portfolio Strategy 
Phil Law, Sr. Term Marketer PL

SUBJECT: Proposed Sale of a 3-Year 10% Slice Contract with Brookfield Renewable Trading and Marketing L.P.

Purpose: To request Commission approval for the General Manager to execute Contract 130-12624 for the proposed sale, from the Grant PUD's retained share, of 10% of the Priest Rapids Project Output (PRPO) for a 3-year term, commencing on January 1, 2025.

Discussion: Grant PUD staff recommends entering into a new transaction with Brookfield Renewable Trading and Marketing L.P. (Brookfield) for a 3-year slice of the Priest Rapids Project (PRP). This 10% slice would be from Grant PUD's 63.31% retained share of PRP. Brookfield won an indicative RFP process conducted by staff this Summer. Brookfield will be replacing Avangrid's 10%, 3-year contract for PRPO that will terminate on December 31, 2024.

Slice sales such as this proposed transaction have proven to be a successful strategy to reduce risk while maximizing the value of Grant PUD's hydro system. These sales have several benefits including:

- Elimination of year-to-year water risk
- Shared operational risk
- Stable and predictable revenue
- Increased value for non-carbon attributes and flexibility
- Viewed favorably by the rating agencies

The Product. The proposed sale is for a 10% slice of PRPO for a term of 3 years. The contract has terms that are similar to Avangrid's current 3-year contract. Brookfield will be entitled to the following attributes associated with their project capacity share: energy, capacity, pondage, ancillary services, and green attributes that Grant does not need for I-937 compliance. Along with these benefits, Brookfield will incur the risk of low water flows into PRP, their share of any capacity outages, project spill, project minimum generation requirements, and any operational limitations on project ponds.

The Process. To ensure the PUD received a fair market valuation for the slice product, Power Portfolio Strategy staff conducted an indicative Request for Proposal (RFP) process this Summer. The indicative RFP process was structured as a 10% slice of PRP with an anticipated volume of energy being sold, a fixed volume of returned energy (shaped to meet retail load) sold back to the PUD, and a premium for non-carbon attributes, capacity, and flexibility. This fixed energy buy-back of the 10% slice of PRP

represents the expected 80% volume of energy under average water conditions and is shaped to Grant PUD's retail load. This energy return structure is like the previous slice products sold in years past to Morgan Stanley, Avangrid, Shell, and PGE.

The final valuation for the proposed slice sale will be like past slice contracts with Grant PUD and Brookfield agreeing on forward market prices for the agreed to volume of forecasted generation and the returned energy on date of execution.

Contract Review: An extensive internal review process was again used to construct the final agreement. There was an internal review by subject matter experts from Finance, Accounting, Dispatch, Control Systems Engineering, Compliance, and Risk. In addition, internal and external legal have reviewed the final contract.

Justification: The proposed slice sale ties directly to the Strategic Plan Objectives 1) Maintain a Strong Financial Position and 2) Provide Long Term Low Rates by providing revenue certainty from a volume of MWh sales at average water. This sale insulates Grant PUD from hydro variability associated with this 10% slice for the term of the contract. In addition, staff believes the premium for ancillary products is above what Grant PUD could reasonably expect due to its limited ability to participate in markets where such values could be realized.

Recommendation: Commission approve the General Manger to execute Contract 130-12624for the proposed sale of 10% of the Priest Rapids Project Output (PRPO) for a 3-year term, commencing on January 1, 2025, with Brookfield Renewable Trading and Marketing L.P..

Legal Review: See attached e-mail(s).

Signature: *John Mertlich*

Email: jmertlich@gcpud.org

From: [Mitchell Delabarre](#)
To: [Phillip Law](#); [Angelina Johnson](#); [Bonnie Overfield](#); [Craig Kunz](#); [Dawn Van Diest](#); [Glen Pruitt](#); [Harris Turner](#); [Jennifer Sager](#); [John Mertlich](#); [Kevin Carley](#); [Lisa Stites](#); [Mark Willis](#); [Paul Dietz](#); [Renate Rectenwald](#); [Rich Flanigan](#); [Ron Alexander](#); [Susan Manville](#); [Ty Ehrman](#)
Subject: RE: Phillip Law shared "3-year 10% Slice Output Contract Brookfield 101524 for SME Edits" with you
Date: Thursday, October 24, 2024 2:21:23 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

I support proceeding with this agreement.

Mitch

Mitchell P. Delabarre

General Counsel/Chief Legal Officer

Grant PUD

mdelaba@gcpud.org

509 793-1565

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From: Phillip Law <Plaw@gcpud.org>
Sent: Tuesday, October 15, 2024 11:54 AM
To: Angelina Johnson <Ajohnso@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>; Craig Kunz <ckunz@gcpud.org>; Dawn Van Diest <dvandiest@gcpud.org>; Glen Pruitt <gpruitt@gcpud.org>; Harris Turner <hturner@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; John Mertlich <jmertlich@gcpud.org>; Kevin Carley <Kcarley@gcpud.org>; Lisa Stites <lstites@gcpud.org>; Mark Willis <mwillis@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Paul Dietz <Pdietz@gcpud.org>; Renate Rectenwald <Rrecten@gcpud.org>; Rich Flanigan <Rflanig@gcpud.org>; Ron Alexander <ralexander@gcpud.org>; Susan Manville <smanville@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Subject: Phillip Law shared "3-year 10% Slice Output Contract Brookfield 101524 for SME Edits" with you



Phillip Law invited you to edit a file

Please review and edit as necessary the attached 10% Slice Agreement with Brookfield. Exhibit G will be refreshed with current market prices prior to signing. Please acknowledge completion of your review by EOD October 24th. Thank you in advance for your review.



[3-year 10% Slice Output Contract Brookfield 101524 for SME Edits](#)



This invite will only work for you and people with existing access.

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**CONFIRMATION
FOR
PERCENTAGE SALE OF PRIEST RAPIDS PROJECT
POWER OUTPUT**

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**CONFIRMATION
FOR
PERCENTAGE SALE OF PRIEST RAPIDS PROJECT POWER**

Executed by
**PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON**
And
Brookfield Renewable Trading and Marketing LP

This Confirmation (this “Confirmation”) is entered into as of _____, 2024 and confirms the transaction (“Transaction”) between Public Utility District No. 2 of Grant County, Washington (“Grant” or the “District”), a municipal corporation of the State of Washington, and Brookfield Renewable Trading and Marketing L.P. (“Buyer”), a limited partnership formed and existing under the laws of the State of Delaware. This Transaction is governed by the WSPP Agreement effective September 11, 2023 (the “WSPP Agreement”). The District and Buyer are referred to as a “Party” and collectively as “Parties.” Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement. Any inconsistency between the provisions of this Confirmation and the WSPP Agreement, the provisions of this Confirmation will prevail for purposes of this Transaction.

The District agrees to sell to Buyer, and Buyer agrees to purchase from the District, a percentage share of the Priest Rapids Project Output upon the terms and subject to the conditions set forth in this Confirmation. The Parties, in consideration of the mutual promises and intending to be legally bound, agree as follows:

SECTION 1. TERM OF CONFIRMATION

Except as otherwise provided herein, this Confirmation shall be in full force and effect from the date of execution until the end of the Delivery Term (as defined in Section 3(c)), unless sooner terminated pursuant to the terms herein. Except as otherwise provided herein, all obligations accruing under this Confirmation are preserved until satisfied.

SECTION 2. DEFINITIONS

As used in this Confirmation, the following terms when initially capitalized shall have the following meanings:

“Agreed Generation” means the amount for the applicable period as provided in Exhibit K.

[REDACTED]

“Balancing Authority” or “BA” means the balancing authority registered with NERC.

“Balancing Authority Area” means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

“Bond Resolution” means each and all of the resolutions adopted by the District authorizing the issuance of outstanding debt for the Priest Rapids Project.

“Buyer Improvement Plan” as defined in Section 7(d)(6) of this Confirmation.

“Buyer’s Allocation of Pondage” as defined in Section 7(d)(3) of this Confirmation.

“Buyer’s Guarantor” means Brookfield Renewable Partners L.P.

“Buyer’s PRPO” as defined in Section 3(b) of this Confirmation.

“Buyer’s PRPO Percentage” is as defined in Section 3(c) of this Confirmation.

“CAISO” means the California Independent System Operator.

“Canadian Entitlement” means the downstream power benefits that the United States is required to deliver to Canada pursuant to the Columbia River Treaty.

“CCA” means the Climate Commitment Act, found in Chapter 70A.65 of the Revised Code of Washington and associated implementing regulations.

“CCA Adjustment” as defined in Exhibit I.

“CCA Allowance” or “Allowance” as defined in the CCA.

[REDACTED]

“Coal-fired Resource” as defined, and as may be amended, in the Washington Clean Energy Transformation Act, found in Chapter 19.405 of the Revised Code of Washington.

“Contingency Reserves” means, as more fully described in the NERC WECC reliability standards, a quantity of reserves, consisting of generation, load, interchange or other resources, that are deployable within ten minutes.

“District” means Public Utility District No. 2 of Grant County.

“Electric System” has the meaning specified in the District’s bond resolutions.

“Electric System Revenues” has the meaning specified in the District’s bond resolutions. The District’s bond resolutions include a priority of payment of Electric System revenues, which priority is first, operation and maintenance expenses of the Electric System including costs of the Priest Rapids Project, second, all payments required for the District’s Electric System bonds, and third, all other expenses.

“Emergency Tag” is as defined in Section 7(d)(4)(iii) of this Confirmation.

“FERC” means the Federal Energy Regulatory Commission.

“FERC License” means that license issued by the Federal Energy Regulatory Commission on April 17, 2008 for the operation of Priest Rapids Hydroelectric Project FERC No. 2114. As of the effective date of this Confirmation, the FERC License is available at:

<https://www.grantpud.org/templates/galaxy/images/images/Downloads/About/Environment/ShorelineManagement/PriestRapidsProjectLicenseh1.pdf>

“Firm Energy” means WSPP Schedule C Firm product with a G-F or G-FP energy product code referenced on the tag with the source BA carrying Contingency Reserves.

“HE” means hour ending.



“I-937” means the Energy Independence Act, found in Chapter 19.285 of the Revised Code of Washington.

“I-937 Energy” means energy bundled with RECs from an Eligible Renewable Resource as defined by I-937.

“ICE Index” means the Intercontinental Exchange (ICE) Daily Mid-Columbia Firm Power Index for On-Peak Hours and Off-Peak Hours.



“Incremental Hydropower” or “IHE” means energy bundled with Nonpower Attributes as defined by I-937 and approved by the Washington State Auditor’s office. IHE quantities that are deemed delivered under this Confirmation are set forth in Exhibit C. The District shall determine which methods it may propose to the Washington State Auditor’s office for determining Incremental Hydropower produced from the Priest Rapids Project. Buyer’s annual obligation to return I-937 qualified energy to the District shall be equal, in each year, to the production of IHE deemed produced by Buyer’s PRPO.

“Independent Operation Protocols” means any logic, policy, algorithm, strategy and/or implementing systems, programs and protocols used by the District for the operation of the Priest Rapids Project, including coordinated operation of the Priest Rapids and Wanapum Developments.

“JCAF” means a Joint Contract Accreditation Form that is developed by the WRAP.

[REDACTED]

“Moody’s” means Moody’s Ratings or its successor.

“Net Output” means Buyer’s PRPO on an hourly basis, net of losses, encroachment and Canadian Entitlement

“Nonpower Attributes” means all environmentally related characteristics, claims exclusive of energy, capacity, reliability, and other electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but not limited to the facility's fuel type, geographic location, vintage, qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases, and includes without limitation, all Green Attributes and Non-Power Attributes as those terms are now or hereafter defined by the Washington, Oregon, and/or California regulatory agencies with jurisdiction, pursuant to the Washington, Oregon, and/or California clean energy and renewable portfolio standards. Any legal complaints or liabilities arising out of claims on Nonpower Attributes will be borne by the Buyer.

“Off-Peak Hours”, “LLH”, or “Night” means HE 0100 through 0600, and 2300 through 2400 PPT Monday through Saturday, including NERC holidays, and all hours Sunday.

“On-Peak Hours” or “HLH” means HE 0700 PPT through HE 2200 PPT, Monday through Saturday, excluding NERC holidays.

“Operating Agreements” means any agreements to which the District is or may become a party, which provide for operation of the Priest Rapids Project, including but not limited to, the Pacific Northwest Coordination Agreement, the Western Electricity Coordinating Council Agreement, the WSPP Agreement, Western Power Pool, and Independent Operation Protocols, as such agreements currently exist or hereafter may be amended.

[REDACTED]

“Points of Delivery” is as defined in Section 10(c) of this Confirmation.

“Pre-Schedule Day” means days identified by the District pursuant to the Western Electricity Coordinating Council Interchange Scheduling and Accounting Subcommittee daily scheduling calendar.

“Priest Rapids Project” means the hydroelectric project on the Columbia River in the State of Washington designated by the Federal Power Commission as Project No. 2114. The Priest Rapids Project consists of the Priest Rapids Development and the Wanapum Development as defined in the FERC document.

“Priest Rapids Project Output” or “PRPO” shall mean the amount of capacity, energy, pondage, ancillary services, Nonpower Attributes, and any other attributes of the power produced by one hundred percent (100%) of the Priest Rapids Project [REDACTED]

“Prudent Utility Practice” means those practices, methods and acts which: (i) when engaged in are commonly used in prudent engineering and operations to operate electric equipment and associated mechanical and civil facilities lawfully and with safety, reliability, efficiency and expedition or (ii) in the exercise of reasonable judgment considering the facts known when engaged in, could have been reasonably expected to achieve the desired result consistent with applicable law, safety, reliability, efficiency and expedition. Prudent Utility Practice is not intended to be the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of commonly used practices, methods or acts.

[REDACTED]

“QCC” means Qualified Capacity Contribution as defined under the WRAP.

“RC West” means that CAISO entity performing the NERC Reliability Coordinator function in the WECC.

“RCW” means Revised Code of Washington.

“RECs” are as defined in Schedule R of the WSPP Agreement, and include WREGIS Certificates associated with energy from renewable energy facilities. As provided by the WREGIS Operating Rules, the WREGIS Certificate includes all the Nonpower Attributes associated with each one megawatt-hour of electricity.

“Return Energy” shall have the meaning as provided in Section 3(d).

“RSG” means the WPP Reserve Sharing Group.

“S&P” means S&P Global Ratings or its successor.

“Scheduling Agent” means any entity designated by Buyer to act on its behalf with regards to scheduling of Buyer’s PRPO.

“Specified Source” shall have the same meaning as defined in the CCA.

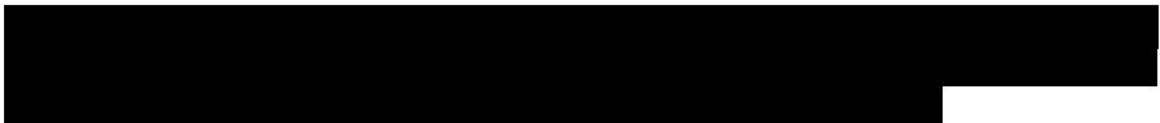
will be Incremental Hydropower as provided in Exhibit C or Buyer can elect to substitute and deliver alternative I-937 Energy in an amount up to the annual volume (per calendar year) of Incremental Hydropower in Exhibit C. If Buyer elects to deliver alternative I-937 Energy the energy can be delivered at any time within the year as part of the Return Energy.

(e)



(f)

Coal-fired Resource Records.



(g)



- (h) REC Transfer. RECs associated with Buyer's PRPO shall be transferred from the District to Buyer via WREGIS. Notwithstanding the forgoing, if the same RECs associated with Buyer's PRPO would be transferred back to the District by Buyer in satisfaction of Buyer's obligation under this Confirmation, the Parties agree that such off-setting REC transfer obligations may be "booked-out".

SECTION 4. PRPO AVAILABILITY

- (a) Buyer understands and acknowledges that PRPO availability will fluctuate and is subject to and contingent upon many factors including, but not limited to, the following: weather and precipitation levels, regulatory and environmental considerations and requirements, Operating Agreements, and Uncontrollable Forces.
- (b) Restriction of Deliveries of PRPO. The District, as operator of the Priest Rapids Project, may restrict deliveries of PRPO as follows:
 - (1) if the District determines that such action is necessary to avoid exceeding the capability of the Priest Rapids Project or subjecting it or its operation to undue hazard or violating the FERC License, any applicable law, regulation or Operating Agreements;
 - (2) in case of emergencies or in order to install equipment in, make repairs to, make betterments, renewals, replacements, and additions to, investigations and inspections of, or perform other maintenance work on the Priest Rapids Project; and
 - (3) as may be necessary to fulfill any non-power regulatory or other legal requirements, including without limitation the requirement to spill water at the Priest Rapids Project in an amount determined by the District in its sole discretion.

The District shall use commercially reasonable efforts to give advance notice to Buyer regarding any limit, restriction, interruption, curtailment or reduction of PRPO for which the District has knowledge in advance of the need for such action, giving the reason therefore and stating the probable duration thereof, and shall provide timely updates concerning the same should conditions change. In any instance where advance notice is not commercially reasonable, the District shall promptly notify Buyer after imposing such limit, restriction, interruption, curtailment or reduction of PRPO and give the reason and probably duration thereof (non-binding), and shall make commercially reasonable efforts to provide timely updates concerning the same should conditions change.

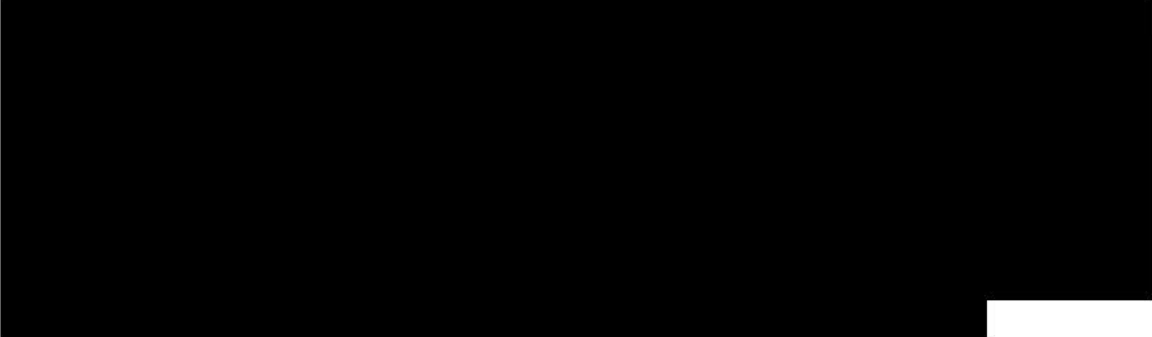
The District, as operator of the Priest Rapids Project, may restrict deliveries of PRPO subject to the requirements set forth in this section. To the extent restrictions of PRPO attributes or deliveries under this section are due to dispatch or pond management decisions by the District and/or other purchaser(s) of PRPO, the District will make best efforts to contain restrictions to those persons responsible for the resulting restrictions or the potential for restrictions, otherwise any restrictions in delivery of PRPO shall be made pro-rata with all purchasers of

PRPO and with the District's share of PRPO.

- (c) Notwithstanding any other provision of this Confirmation, the District shall at all times have the right to operate the Priest Rapids Project in such manner as it deems necessary to comply with the FERC License, applicable laws and regulations, Prudent Utility Practice and this Confirmation.
- (d) Notwithstanding any other provision of this Confirmation, the District shall have the unilateral right to restrict deliveries of PRPO as may be necessary to fulfill any non-power regulatory or other legal requirements and shall have the unilateral right to determine the amounts of spill required at the Priest Rapids Project. Any such restrictions in delivery shall be made pro-rata with all purchasers of PRPO and with the District's share of PRPO.
- (e) Buyer's PRPO Pond Management.
 - (1) The pondage available at the Priest Rapids Project shall be determined by the District, as operator of the Priest Rapids Project, from time to time on the basis of the volume of water that can be stored between the then current maximum forebay elevation and the then current minimum forebay elevation.
 - (2) The District will maintain for Buyer its pondage account that will reflect the use of pondage by Buyer under this Confirmation. Buyer may schedule more than its share of the Priest Rapids Project inflows if Buyer has sufficient energy in its pondage account. The amount of the energy scheduled from the pondage account shall not exceed Buyer's Allocation of Pondage determined in accordance with this Confirmation. Notwithstanding the forgoing, the Parties shall manage Buyer's use of the pondage such that, at the end of the last hour of the Delivery Term, Buyer's pondage account balance will be approximately the same as it was at the beginning of the first hour of the Delivery Term. The Parties will negotiate in good faith to financially settle any pondage account imbalances remaining at the end of the Delivery Term.
- (f) Spill Allocation. During any hour that spill is occurring at the Priest Rapids Project for any purpose determined necessary or desirable by the District, the spill shall be allocated by the District to reduce the pondage of Buyer and other PRPO purchasers in accordance with the implementation of the then-prevailing District Spill Allocation Policy and Procedures, the current version of which is set forth in Exhibit J.
- (g) Changes to the Independent Operations Protocols. If changes to the Independent Operation Protocols result in consequences to the PRPO that Buyer, in its reasonable estimation, considers material, the Parties shall convene a meeting with the respective senior leadership for the purpose of achieving the original relative value of this Confirmation to each Party. If the Parties' representatives are unable to reach agreement on the matter within thirty (30) days after such meeting, then either Party may immediately resort to any other right or remedy to which it may be entitled under this confirmation, the WSPP Agreement, at law, or in equity without need for additional meetings between senior executives.

SECTION 5. RESOURCE ADEQUACY

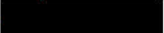

(a) Buyer is entitled to the QCC associated with Buyer's PRPO during the Delivery Term of this Confirmation except as specified in Section 5(b) below.

(b) 

SECTION 6. PURCHASE PRICE AND PAYMENTS BY BUYER

(a) On or before the tenth (10th) calendar day following the end of each month (or the next Business Day thereafter) during the Delivery Term, Seller shall prepare and deliver to Buyer a written statement of Buyer's payment obligation hereunder for the preceding calendar month. The Purchase Price for Buyer's PRPO shall be as shown in Exhibit G "Schedule of Payments".

(b) The monthly payments set forth above shall be due and payable on or before the 20th (twentieth) calendar day of each month (or, if such day is not a business day, the next business day thereafter) by electronic funds transfer to the account designated in writing by the District.

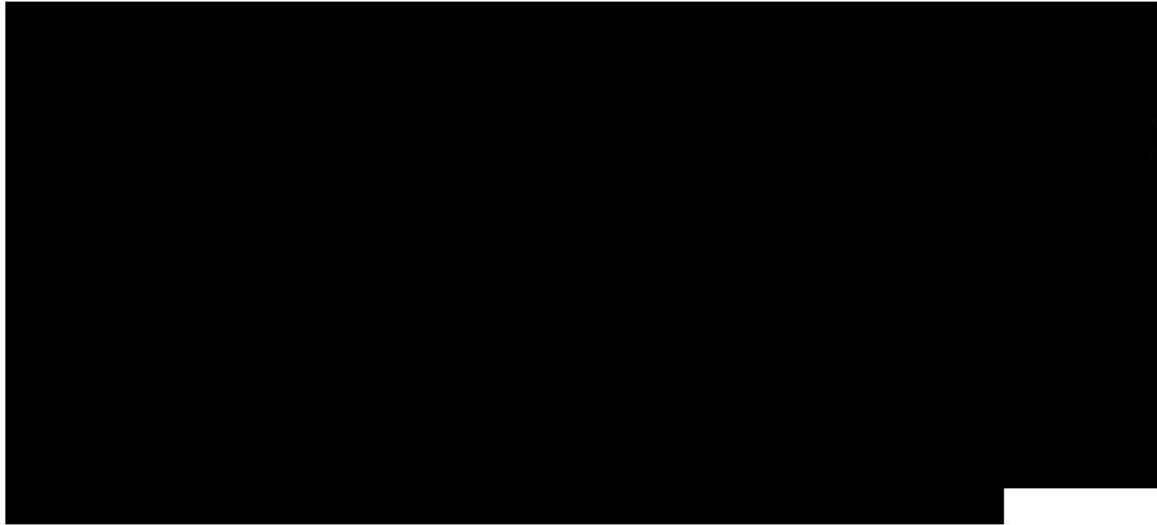
(c) If any monthly payment amount set forth on a statement or revised statement is not paid in full and received by the District by the close of business on the day when due, a delayed payment charge  unpaid amount will be due and owing. Any bill that remains unpaid for more than thirty (30) calendar days after the due date shall, in addition to the delayed payment charge, accrue interest at the lesser of 





(d) The payments required under this Section 6 shall be due and owing regardless of whether the amount of power from the PRPO Percentage made available to Buyer is less or more than that which was anticipated by either Party at the time of execution of this Confirmation. The District makes no warranties of any type as to the PRPO that will actually be produced and available, other than, that the percentage of PRPO made available

to Buyer will at all times be in accordance with Section 3(c), and Buyer assumes all risks associated therewith.

- (e) Except as otherwise provided in this Confirmation, Buyer shall not be obligated to pay any other amounts charged to or payable by the District as a result of this Confirmation, including without limitation, any water fees, license fees, penalties, taxes, operating, administration, maintenance or capital costs, damages or any other costs whatsoever, relating to ownership or operation of the Priest Rapids Project.



SECTION 7. SCHEDULING OF DELIVERIES OF PRIEST RAPIDS PROJECT OUTPUT

- (a) This Section 7 shall apply to the scheduling of Buyer's PRPO 

- (b) Scheduling of Buyer's PRPO shall be as requested by Buyer, or its designated Scheduling Agent, and shall be subject to the limitations set forth in this Confirmation.
- (c) Buyer, or its designated Scheduling Agent, shall provide the District each Pre-Schedule Day, in conformance with then prevailing scheduling procedures for scheduling Pacific Northwest generating resources, hourly schedules of desired Buyer's PRPO deliveries for the following day or days. The schedules will be completed in a time frame consistent with standard industry practices in the Pacific Northwest. Schedules shall be in compliance with all applicable reliability and reserves criteria as put forth by the North American Electric Reliability Council, Western Electricity Coordinating Council, RC West, or its successor and WPP (and NWPP), as such criteria are revised from time to time. To the extent failure to comply with reliability or reserve criteria results in costs or fees incurred by the District, as a direct and proximate result of Buyer's acts or omissions, Buyer shall reimburse the District for all such reasonably demonstrated costs or fees, provided however, that Buyer

is not responsible for any such costs or fees if the act or omission is the result of Buyer's reliance on data, instructions or other information provided by the District, including but not limited to those provided under this Section. Revisions in a schedule may be made at any time upon the request of Buyer in accordance with Section 7(d)(6)(iv). The District will use reasonable efforts to minimize deviations from the schedule and make corrections promptly as practicable on an hourly basis.

- (d) Buyer's schedules shall be in accordance with the following:
- (1) Subject to the provisions of this Confirmation, the District shall make available to Buyer, each hour, Buyer's PRPO.
 - (2) The District, as operator of the Priest Rapids Project, shall make all determinations concerning the Priest Rapids Project maximum output and minimum discharge using Prudent Utility Practices; and the District shall have the unilateral right to determine the maximum allowable amount of change in PRPO during any time period and the maximum number of unit starts and stops allowable during any time period. Buyer's daily and hourly schedules shall be based on Buyer's PRPO in accordance with the Priest Rapids Project operational parameters as established by the District from time to time. All rights and restrictions shall be pro-rata for all PRPO.
 - (3) Buyer shall be entitled to utilize a share of the pondage available at the Priest Rapids Project (the "Buyer's Allocation of Pondage"). The maximum available pondage is determined by multiplying the total pondage available in the Priest Rapids Project by the Buyer's PRPO Percentage. The pondage available at the Priest Rapids Project shall be determined by the District, as operator of the Priest Rapids Project, from time to time on the basis of the volume of water that can be stored between the then current maximum forebay elevation and the then current minimum forebay elevation.
 - (4) During any hour that spill is occurring at the Priest Rapids Project for any purpose determined necessary or desirable by the District, the spill shall be allocated to reduce the pondage of Buyer and other PRPO purchasers in proportion to their percentage shares of PRPO, including the District in accordance with the District's then prevailing spill allocation policy¹ and procedures.

For the Buyer share of the PRPO, the District will provide the following maximum number of schedules (e-tags) available to schedule Buyer's PRPO.

- (i) [REDACTED]

[REDACTED]

(ii)

[REDACTED]

■

[REDACTED]

(5) Hubbing, Parking and Lending.

[REDACTED]

■

[REDACTED]

■

[REDACTED]

■

[REDACTED]

(iv)

[REDACTED]

[REDACTED] and Selling Entity on any Hubbing, Parking, and Lending NERC e-tags.

(6)

[REDACTED]

(e)

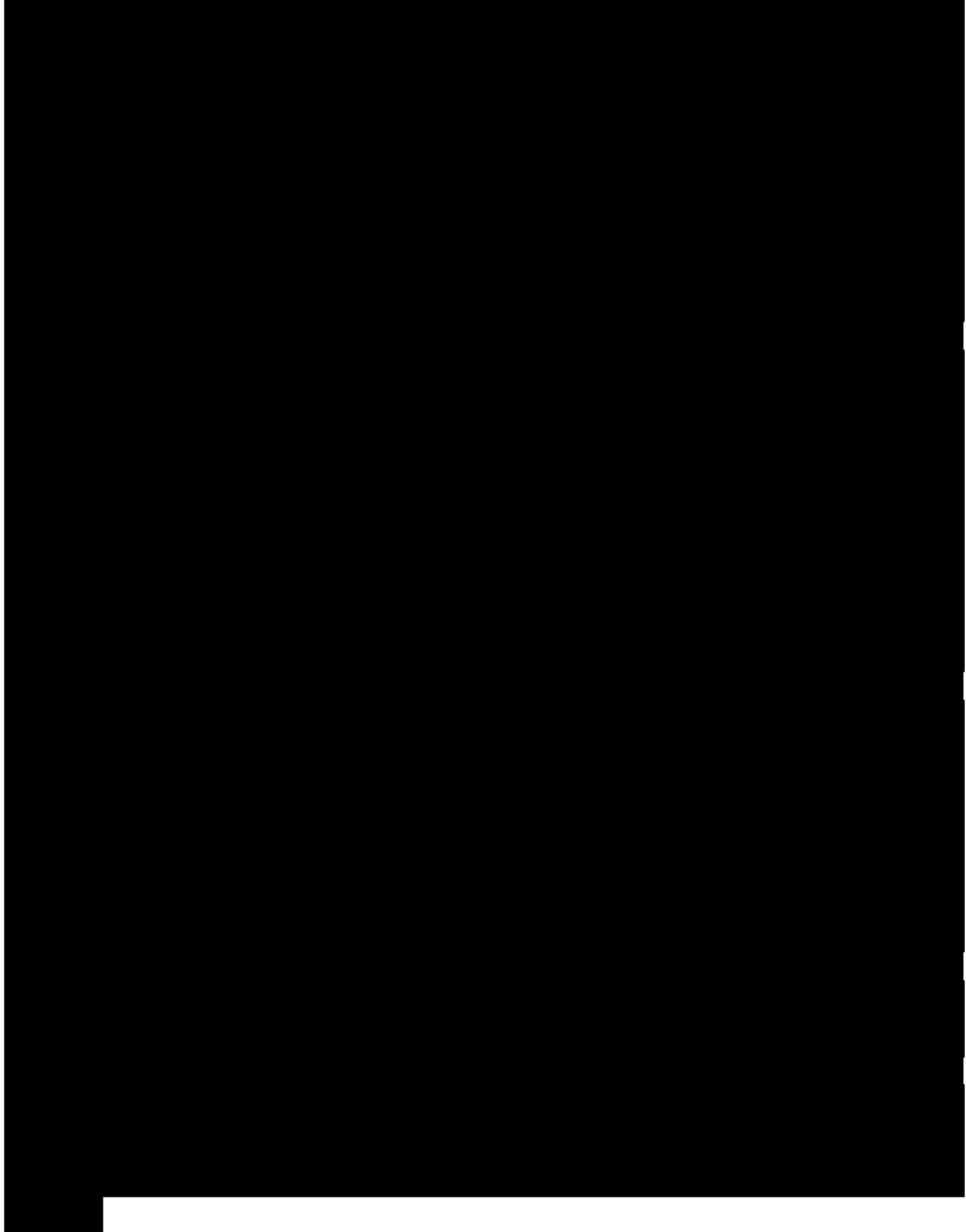
[REDACTED] Energy.

(1)

[REDACTED]

(2)

[REDACTED]



SECTION 8.

[REDACTED]

[REDACTED]

SECTION 9. POINTS OF DELIVERY

- (a) PRPO power supplied hereunder shall be approximately 230 kV, three-phase, alternating current, at approximately 60 hertz.
- (b) Without prior written approval from the District, only PRPO delivered under this Confirmation shall be transmitted on Priest Rapids Project transmission facilities to the Points of Delivery identified herein.
- (c) The PRPO power to be delivered hereunder shall be made available to Buyer, at its option, exercisable from time to time, at any one or more of the following points (the "Points of Delivery"):

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

SECTION 10. INFORMATION TO BE MADE AVAILABLE TO BUYER

- (a) The District shall provide Buyer source meter data and generation meter data as well as other information upon request as may be reasonably required to substantiate Buyer's PRPO. To the extent any governmental authority, including the California Air Resources Board, California Public Utilities Commission or the California Energy Commission changes its laws, regulations and/or its reporting requirements, the District shall make all commercially reasonable efforts to provide such requested information to Buyer. The District consents to Buyer of its disclosure of this information to third parties.
- (b) Buyer, upon at least thirty (30) days' advance written notice to the District, shall have the right at its sole cost and expense to examine operating records relating to Buyer's PRPO

during the District's normal business hours. All reasonable costs incurred by the District associated with such examination of operating records, including, but not limited to, District labor, materials and reproduction services shall be promptly reimbursed to the District by Buyer.

- (c) The District shall exercise commercially reasonable efforts to provide to Buyer estimates and information reasonably necessary for Buyer to exercise its rights under this Confirmation.

SECTION 11. LIABILITY OF PARTIES

- (a) Buyer is purchasing Buyer's PRPO. Buyer acquires no interest in or rights to any facilities forming part of the Priest Rapids Project.
- (b) The protections afforded and the provisions of this Section shall survive the termination, expiration or cancellation of this Confirmation, and shall apply to the fullest extent permitted by law.
- (c)
 - (i) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Confirmation, whether proposed by a Party (to the extent that any waiver in subsection (ii) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group Inc. v. Pub. Util. Dist. No. 1 of Snohomish County*, 128 S. Ct. 2733 (2008) and consistent with *NRG Power Marketing, LLC, et al., vs. Maine Public Util. Commission*, 668 U.S. 165 (2010) (the "Mobile-Sierra" doctrine).
 - (ii) In addition, and notwithstanding the foregoing subsection (i), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Confirmation specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Confirmation, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (ii) shall not apply, provided that, consistent with the foregoing subsection (i), neither Party shall seek any such changes except solely under the

"public interest" application of the "just and reasonable" standard of review and otherwise as set forth in the foregoing section (i).

(iii) EXCEPT AS SPECIFICALLY PROVIDED FOR HEREIN, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, BY STATUTE, IN TORT OR CONTRACT, CONNECTED WITH OR ARISING OR RESULTING FROM THE PERFORMANCE OR NON-PERFORMANCE OF THIS CONFIRMATION OR ANYTHING DONE IN CONNECTION THEREWITH. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATION OF DAMAGES CONTAINED HEREIN AND THE MEASURE OF DAMAGES DESCRIBED HEREIN ARE MATERIAL TERMS OF THIS CONFIRMATION.

SECTION 12. NOTICES AND COMPUTATION OF TIME

- (a) Any notice, demand or request provided for in this Confirmation shall be, unless otherwise specified herein, in writing and may be delivered by hand delivery, United States mail or overnight courier. Notice by courier or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective on the close of business on the next business day. All notices by United States mail shall be sent certified, return receipt requested and shall be effective on the date of actual receipt by the recipient.

All notice, demand or request made by mail shall be mailed postage prepaid and addressed to:

General Manager
Public Utility District No. 2 of Grant County, Washington
P.O. Box 878
30 C St S.W.
Ephrata, Washington 98823;

Office of the General Counsel

Brookfield Renewable Trading and Marketing L.P.
200 Liberty Street, 14th Floor
New York, NY 10281

- (b) In computing any period of time from such notice, such period shall commence at HE 2400 (midnight) PPT on the date of receipt. The designations of the name and address to which any such notice or demand is directed may be changed at any time by either Party giving notice as provided above.

SECTION 13. DISTRICT'S BOND RESOLUTIONS AND

LICENSE

It is recognized by the Parties that the District, in its operation of the Priest Rapids Project, must comply with the requirements of the Bond Resolution and with the FERC License together with amendments thereof from time to time made, and the District is hereby authorized to take such actions as the District determines are necessary and appropriate to comply with such Bond Resolutions and FERC License.

SECTION 14. GOVERNING LAW

The Parties agree that the laws of the State of Washington shall govern this Confirmation and the WSPP Agreement as applied to this Confirmation.

SECTION 15. ASSIGNMENT OF CONFIRMATION

Neither Buyer nor the District may by contract, operation of law or otherwise, assign this Confirmation or any right or interest in this Confirmation without the prior written consent of the other Party, which shall not be unreasonably withheld, conditioned, or delayed; provided, however, a Party may, without the consent of the other Party (and without relieving itself from liability hereunder) (i) transfer or assign this Confirmation to an affiliate of the Party provided that the affiliate's creditworthiness is equal or higher than that of the Party or (ii) transfer or assign this Confirmation to any person or entity succeeding to all or substantially all of the assets of the Party whose creditworthiness is equal or higher than that of the Party; provided however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions in this Confirmation and the transferring Party shall deliver such tax and enforceability assurance as the other Party may reasonably request.

SECTION 16. EVENTS OF DEFAULT

- (a) Section 22.1 of the WSPP Agreement, Events of Default, is amended as follows:

[REDACTED]

- (b) [REDACTED]

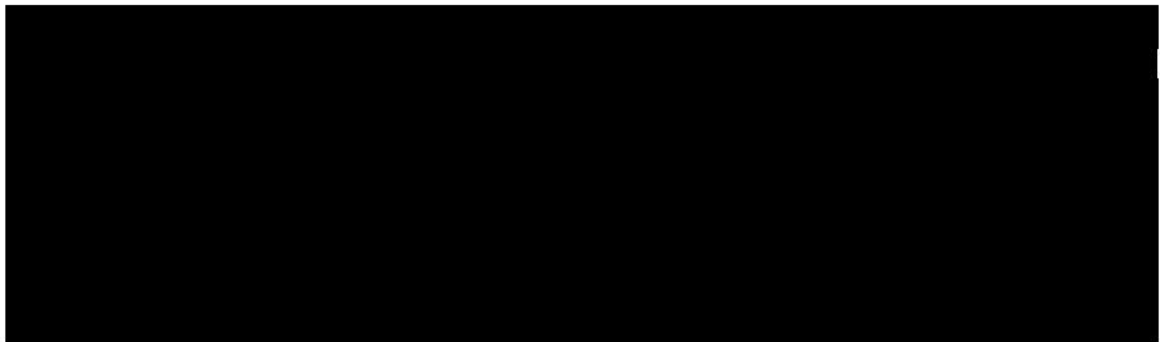


SECTION 17. INFORMATION REQUIRED FOR CREDIT DETERMINATION

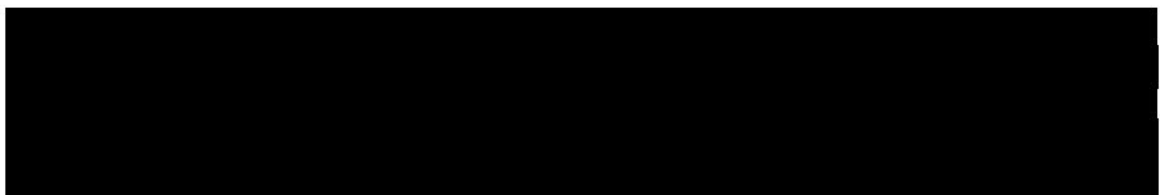
Buyer is required to provide the District with the following:

- (a) Buyer's Guarantor's most recent two years of audited financial statements including the balance sheet, income statement, statement of cash flows and notes to financial statements, or its most recently filed SEC Forms 10-Q and 10-K, if applicable. If the required financial statements can no longer be found on Buyer's Guarantor's website (<https://bep.brookfield.com/bep/reports-filings/annual-reports>), Buyer may provide the appropriate website internet link for retrieval of such information.

- (b)



SECTION 18. COLLATERAL (CREDITWORTHINESS)



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Both the District and the Buyer agree to maintain the netting agreement in accordance with Exhibit A of the WSPP Agreement throughout the Delivery Term.

SECTION 19. DATA PRIVACY

The Parties may provide each other with information related to an identified or identifiable individual (“Personal Data”), the processing and transfer of which will be done in accordance with applicable data protection law.

SECTION 20. ANTI CORRUPTION

Each Party represents, warrants and covenants to the other that: (i) it will comply with the Anti-Corruption Laws (as defined herein) with respect to this Confirmation; (ii) it has not made and will not make, offer, authorize, or accept any payment, gift, or other benefit, directly or indirectly (whether via its affiliates, agents, contractors or other third parties), to or from any government official or any other person for the purpose of facilitating or carrying out this Confirmation which would violate the Anti-Corruption Laws; (iii) it will promptly notify the other Party if it becomes aware of any violation of the Anti-Corruption Laws in connection with this Confirmation, subject to the preservation of legal privilege; and (iv) except as the other Party may agree in writing, all payments payable to a Party

pursuant to this Confirmation shall be made only to the account of such Party, and not to the account of any other person. "Anti-Corruption Laws" mean (a) the United States Foreign Corrupt Practices Act of 1977; (b) the United Kingdom Bribery Act 2010; and (c) all applicable laws that prohibit money laundering, or otherwise dealing in the proceeds of crime, or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to any government official or any other person, or tax evasion."

SECTION 21. VENUE

Venue of any action filed to enforce or interpret the provisions of this Confirmation shall be exclusively in the United States District Court for the Eastern District of Washington or the Superior Court of the State of Washington for Grant County and the Parties irrevocably submit to the jurisdiction of any such court.

SECTION 22. COMPLIANCE WITH LAW

- (a) The Parties understand and acknowledge that operation of the Priest Rapids Project must conform to and comply with all applicable laws, rules, regulations, license conditions or restrictions promulgated by the FERC, the State of Washington or any other governmental agency or entity having jurisdiction over the Priest Rapids Project. Buyer shall cooperate reasonably and take whatever reasonable action is necessary to cooperate fully with the District in meeting such requirements. Obligations of the District contained in this Confirmation are hereby expressly made subordinate and subject to such compliance.
- (b) RCW 54.16.040 contains provisions relating to the District's sale of electric energy. The Parties understand and acknowledge that the District must comply with RCW 54.16.040 to the extent applicable to this Confirmation. Accordingly, the District's obligations and performance under this Confirmation are hereby expressly made subordinate and subject to such compliance.
- (c) Buyer shall ensure that PRPO available to Buyer under this Confirmation is not sold, resold, distributed for use or used in contravention of any applicable state or federal law, order or regulation. Buyer shall reimburse the District for any penalties or fines imposed on the District as a consequence of such violation.
- (d) The Buyer shall ensure that PRPO available to Buyer under this Confirmation is not sold, resold, distributed for use or used outside the Pacific Northwest in violation of the Bonneville Project Act, Public Law 75-329, the Pacific Northwest Consumer Power Preference Act, Public Law 88-552, the Regional Act or in contravention of any applicable state or federal law, order, regulation, or policy. If as a result of a sale occurring in violation of the foregoing, the District incurs incremental costs, the Buyer shall reimburse the District for those incremental costs associated with replacement energy resulting from a reduction in firm power sales from Bonneville Power Administration under the Pacific Northwest Consumer Power Act, during the Delivery Term. Attached hereto as Exhibit D is a letter from

Bonneville Power Administration regarding this subject.

SECTION 23. HEADINGS

The headings of sections and paragraphs of this Confirmation are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections and paragraphs.

SECTION 24. REPRESENTATIONS AND WARRANTIES

Notwithstanding anything contained to the contrary in the laws of the State of Washington, the District irrevocably agrees that it will not claim immunity on the grounds of sovereignty in any proceeding. The District represents that it is subject to the filing of claims, service of process and suit for damages pursuant to and in accordance with the laws of the State of Washington.

Buyer hereby attests, represents, and warrants that it will not sell, contract for, or schedule, on an aggregate basis, capacity or energy that carries with it direct representation of the attributes of Wanapum and/or Priest Rapids generation, beyond Buyer's contractual entitlement to such capacity and energy from Wanapum and Priest Rapids.

SECTION 25. DODD-FRANK

- (a) The Parties acknowledge and intend that the transaction reflected in this Confirmation is a forward contract within the meaning of the Commodity Exchange Act (CEA), as amended, and the Rules of the Commodity Futures Trading Commission, and in reliance upon such agreement, as of the date of execution:
 - (1) each Party represents to the other that it is a commercial market participant with respect to the specified commodity;
 - (2) each Party represents to the other that it intends to make or take physical delivery of the specified nonfinancial commodity; and
 - (3) if this transaction includes any volumetric optionality, the holder of such optionality represents to the other Party (a) that such optionality is primarily intended to address physical factors (such as weather, environmental factors, customer demand, available production, transport, shipping, operational constraints, or other physical factors) or regulatory requirements that reasonably influence demand for, or the supply of, the specified nonfinancial commodity; and (b) that such optionality is not primarily intended to address price risk.
- (b) To the extent this transaction is a commodity option:
 - (1) the seller of the option represents to the buyer of the option that in connection with this transaction, the seller of the option is either (a) an eligible contract

participant (“ECP”) as defined in section 1a(18) of the Commodity Exchange Act (“Act”) and the regulations of the Commodity Futures Trading Commission (“CFTC”), or (b) a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this transaction, or the products or byproducts thereof, and is offering or entering into this transaction solely for purposes related to its business as such;

- (2) the buyer of the option represents to the seller of the option that in connection with this transaction the buyer of the option is a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this transaction or the products or byproducts thereof and is offering or entering into this transaction solely for purposes related to its business as such; and
- (3) each Party represents to the other that the option, if exercised, would result in the sale of an exempt commodity for immediate or deferred delivery.
- (4) Buyer agrees that it will be the reporting counterparty with respect to this Confirmation to the extent that it is a commodity trade option reportable by one of the Parties.

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

By: _____

Title: General Manager

Date: _____

By: _____

Title: Authorized Representative

Date: _____

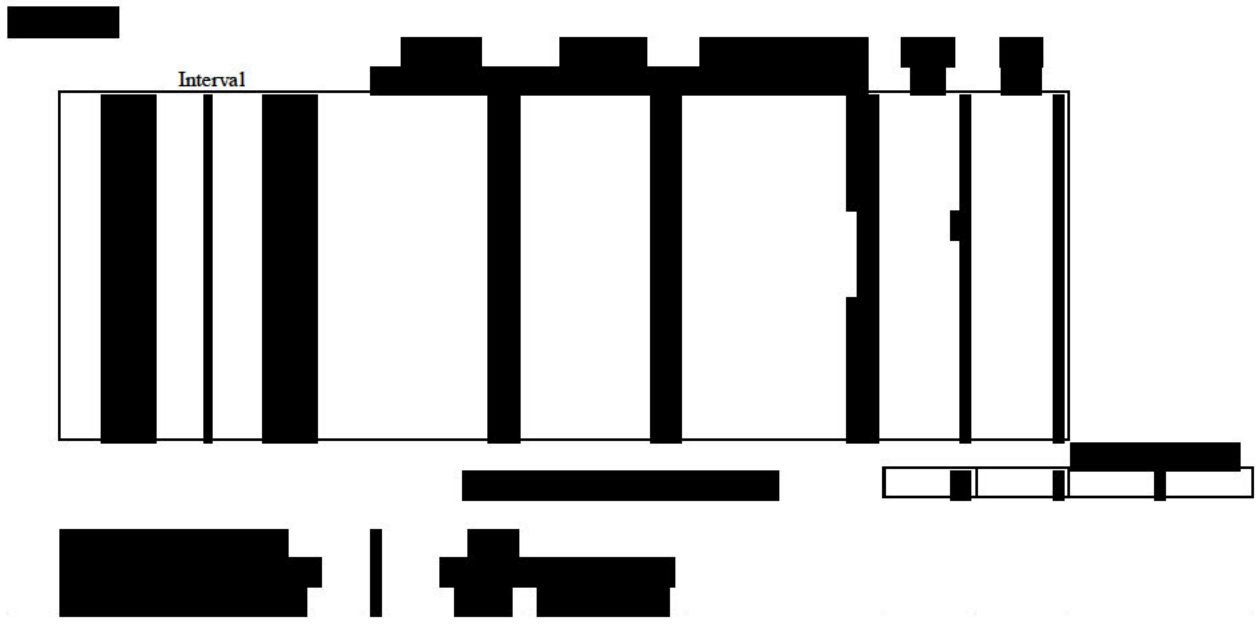
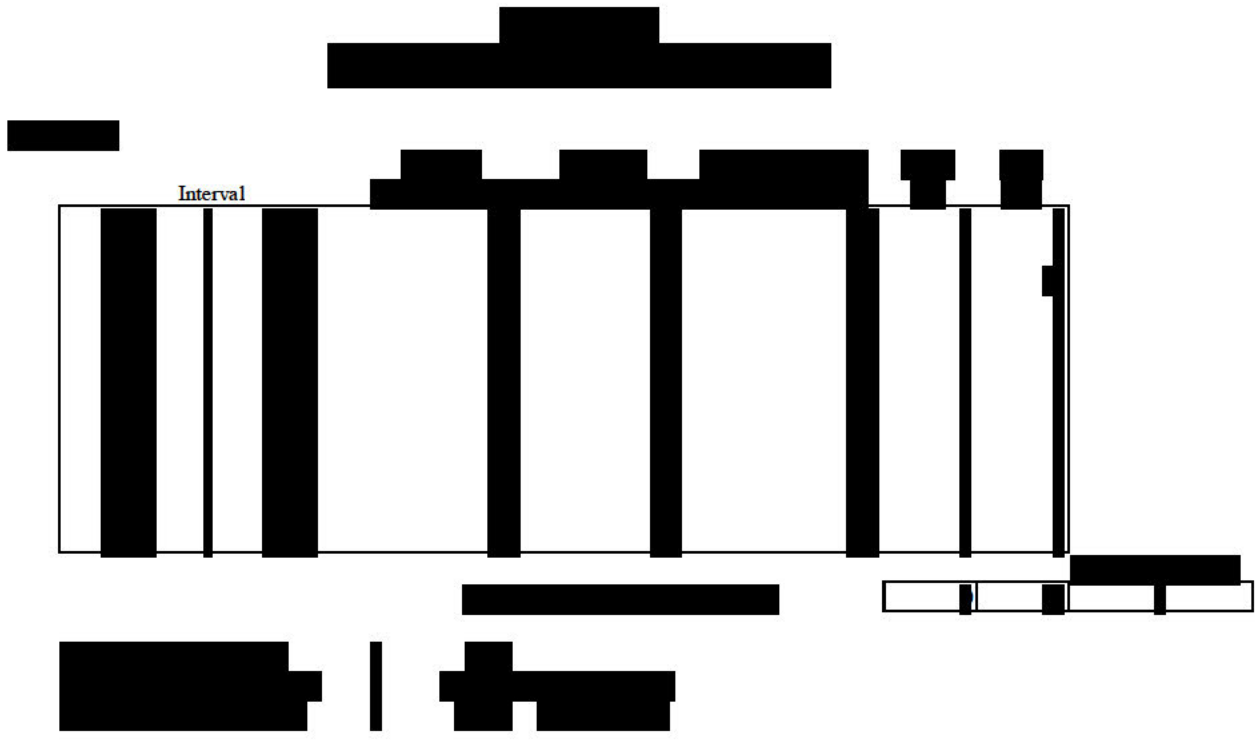


EXHIBIT B
Returned Energy

Month/Year	HLH (MWh)	LLH (MWh)	Total (MWh)	Return Energy On-Peak MW
[Redacted Data]				

EXHIBIT C
Incremental Hydro RECs Yearly Requirement

I-937 Priest Rapids Project	
Incremental Hydro	
Month/Year	(MWh)
[Redacted]	

EXHIBIT D

BPA's LETTER REGARDING 5(B)9(C)



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

POWER BUSINESS LINE

August 9, 2006

In reply refer to: PS-6

Mr. Tim Culbertson, General Manager
Public Utility District No. 2 of Grant County
P.O. Box 878
Ephrata, WA 98823

Dear Mr. Culbertson:

The Bonneville Power Administration (BPA) and Grant County Public Utility District No. 1 (Grant) met on July 26, 2006 to discuss Grant's pending Priest Rapids Development Project market based auction. Grant is preparing for its 2006 Power Auction of the Priest Rapids Project output as a pricing mechanism for the 30 percent Reasonable Portion product sold to Pub. L. 544 parties. The open market auction process is a fairly new mechanism for a utility to make power sales in the region and is Grant's choice for implementing the Federal Energy Regulatory Commission (FERC) order regarding the reasonable portion requirement of Pub. L. 544 in *Kootenai Electric Coop. Inc. et al v. Public Utility District No. 2*, 82 FERC ¶ 61,112, affirmed in *Kootenai Electric Cooperative Inc. v. Federal Energy Regulatory Commission*, 192 F.3d 144 (D.C. Cir. 1999). Grant conducted a prior auction which resulted in a sale of Project power to Constellation Energy, Inc. As we discussed at our July 26th meeting, we both would like to ensure compliance of Grant's auction sales with the application of BPA statutes and policy regarding the sale of customer-owned hydroelectric resources under Section 3(d) of Pub. L. 88-552, the Pacific Northwest Consumer Power Preference Act, and section 9(c) of Pub. L. 96-501, the Pacific Northwest Electric Power Planning and Conservation Act. Therefore, BPA wishes to address its understanding reached after our discussion on July 26th as to treatment of these sales and Grant's 2005 auction sale to Constellation.

BPA's Policy on Determining Net Requirements of the Pacific Northwest Utility Customers under Sections 5(b)(1) and 9(c) of the Northwest Power Act (May 2000) addresses the extra-regional sale of regional resources, including output from hydroelectric resources such as the Priest Rapids Project. It is understood by BPA that, based on the above mentioned FERC order, Grant has no right to the power from the Project that is represented by the 30 percent Reasonable Portion and is required to offer this power to participating parties. We also understand that the power offered is part of the Reasonable Portion and is used to set a price for the entire Reasonable Portion sale. As seller, and in order to comply with both the FERC order and BPA's policy and statutes, you have included in your contracts for the sale of this power a provision which states: "The purchaser shall ensure that Priest Rapids Development Output available to Purchaser under this contract is not sold, resold, distributed for use or used outside the Pacific Northwest in violation of the Bonneville Project Act, Public Law 75-329, the Pacific Northwest

Consumer Power Preference Act, Public Law 88-552, the Regional Act or in contravention of any applicable state or Federal law, order regulation or policy.” While that provision is a good first step, it does not address the practical consideration of reporting resale information by the purchaser and does not in all instances identify what actions BPA may be required to take under its statutes.

To clarify our mutual responsibilities regarding Grant’s auction sales we discussed and agreed upon the following compliance protocol:

1. Grant will continue to include in its open market auction contracts a provision that requires compliance by the purchaser with BPA’s policy and statutes governing the sale of non-Federal power, substantially in the form noted above. In the event of resale in violation of that provision, BPA would have recourse against Grant by reduction of BPA’s firm power sale (decrement) consistent with BPA’s statutes and policy.
2. As the seller, Grant remains responsible for the in-region use of the power when the sale at auction is made to a purchaser that is an entity that does not have a Northwest Power Act section 5(b) contract with BPA, or that does not directly serve retail consumer load in the Region. Grant is responsible for demonstrating the purchaser resold the power to a Northwest load serving investor-owned utility, public or cooperative utility, or direct service industry (DSI) customer with a section 5(b) or 5(d) contract that has a planned load in excess of its planned generation. Customers holding a 5(b) or 5(d) contract, other than those that receive all of their firm power supply from BPA, are assumed to have a planned load in excess of their planned generation.
3. As long as the purchaser’s monthly sales of power to the BPA customers identified in 2 above meets or exceeds the amount of firm power bought at auction and delivered for the month, then BPA will consider the resale as used in the Region. Grant will monitor such sales by the purchaser by keeping monthly records of tags, commercial arrangement documents, or FERC website hourly data files, whichever is appropriate. If requested by BPA, Grant will provide this information to BPA 15 days after the end of a month. In the event that such resale by the purchaser does not equal the amount of power purchased at auction in the month, BPA may impose a decrement on its firm power sales in subsequent months to Grant equal to the difference. Grant may have a contractual recourse against the purchaser.
4. If the sale at auction is to the BPA customers identified in 2 above, then BPA will consider the power sold at auction used for load in the Region.

Constellation Sale

BPA’s statutes and 9(c) policy require BPA to make certain determinations regarding the effect of potential sales of power outside the region of non-Federal power resources, or exports upon its firm power requirements obligations to provide service to its customers. BPA is only allowed to

replace such power exported with Federal power that is otherwise surplus to BPA's firm power obligations. These determinations are factually based and can result in BPA reducing or decrementing its firm power obligations to the seller. In response to BPA's April 27, 2006, letter to Grant, Grant has supplied BPA data files that show certain sales made at the Mid-Columbia Hub by Constellation, the 2005 purchaser of power auctioned by Grant as the 6 percent Priest Rapids Project output. These files demonstrate Constellation has sold the 2005 auction power to several Northwest load serving utilities, or cooperatives that have 5(b) or 5(d) contracts. Further, for the period of this 2005 auction, BPA's regional planning document, the Whitebook, as updated, showed both BPA and the region in a surplus power condition having firm resources that exceed firm loads for that planning year (2005). Therefore, BPA finds that Grant's sale to Constellation and Constellation's resale of power from the 2005 auction complies with BPA's 9(c) policy. BPA finds no need to decrement or reduce Grant's block purchase from BPA and Grant will not be decremented.

Thank you for taking the time to meet with us and establishing the compliance protocol we have both agreed to, as described above. I wish you success on your upcoming auction and appreciate your patience in resolving this issue.

Sincerely,

/s/ **Mark Gendron**

Mark Gendron
Vice President
Requirements Marketing

EXHIBIT E
Estimated Forecasted WRAP QCC

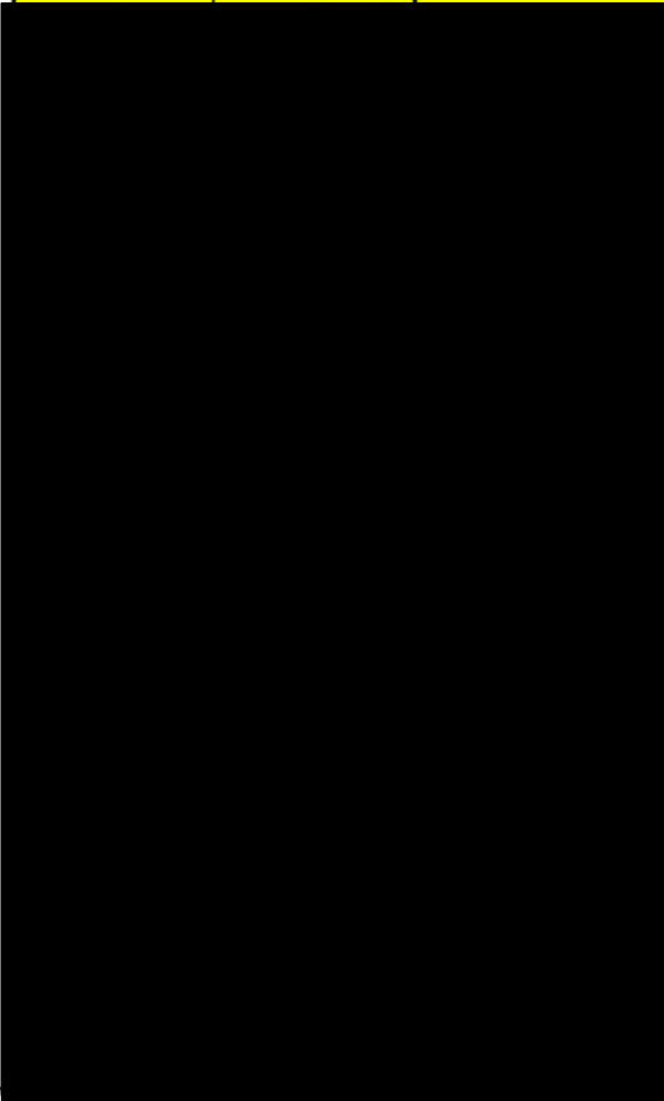
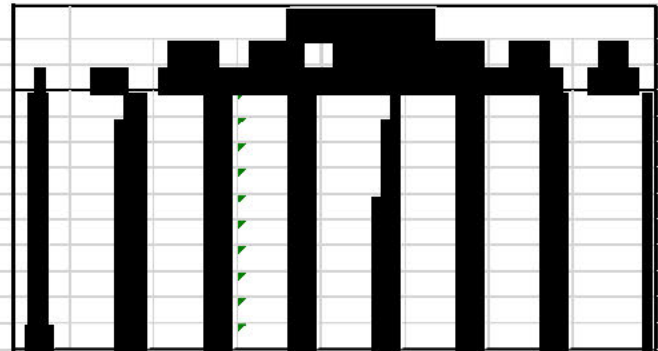
Estimated Forecasted WRAP QCC	
Month/Year	WRAP QCC- Counterparty PRPO (MW)
	

EXHIBIT F
Scheduling Examples⁴



[Redacted text]

EXHIBIT G
Schedule of Payments

(Intentionally Left Blank) See separate attachment.

EXHIBIT H
Attestation Forms

[REDACTED]

{date}

{Buyer letterhead}

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXHIBIT H
Attestation Forms (cont.)

Return Energy Attestation Form

{date}

{Buyer letterhead}

Rich Flanigan
Senior Manager
Power Portfolio Strategy
Grant County PUD
P.O. Box 878
Ephrata, WA 98823

Dear Mr. Flanigan,

In accordance with Section 3(d) of that Confirmation to WSPP Agreement dated {execution date} (the "Confirmation"), between District and Buyer, Buyer provides notice that _____ MWhs of Incremental Hydropower from the Priest Rapids Project along with the Nonpower Attributes were retained by Grant PUD for the period {timeframe}. Capitalized terms not defined herein are defined in the referenced WSPP Agreement or the Confirmation.

Please direct any questions regarding this letter to {Buyer contact} at {contact information}.

Sincerely

{signature}

{printed name}

{title}

{Buyer}

EXHIBIT I
Payment Adjustments

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXHIBIT J
Spill Allocation Policy And Procedures

During any hour that spill is occurring at the Priest Rapids Project in order to control the forebay elevation, the spill shall first reduce the inflow of each of the purchasers of PRPO whose pondage account is overfull proportionate to the amount of the overflow, but not exceeding the amount of the overflow. If unallocated spill remains, it shall next be allocated to reduce the inflow of each of the purchasers of PRPO whose request for generation is less than its entitlement during the hour, in proportion to the amount by which its request is less than its entitlement. Any remaining unallocated spill shall be allocated to reduce the inflow of all purchasers of PRPO in proportion to each purchaser's percentage rights to the Priest Rapids Project.

During any hour that spill is occurring at the Priest Rapids Project for fish or any other non-power purpose determined necessary or desirable by the District, the spill shall be allocated to reduce the inflow of all purchasers of PRPO in proportion to each purchaser's percentage rights to the Priest Rapids Project.

EXHIBIT K
Agreed Generation

Agreed Generation shall be based on the following:



	Agreed Generation MWh	
Date Total	HLH 1,735,601	LLH 1,005,932

⁵ As of the drafting of this agreement, available at <https://www.nwrfc.noaa.gov/rfc/>