AMENDED

A G E N D A

GRANT COUNTY PUBLIC UTILITY DISTRICT
Via Conference Call
+1 509-703-5291 Conference ID: 287 686 505#
COMMISSION MEETING
Tuesday, August 10, 2021

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

8:30 a.m. Executive Session

9:00 a.m. Commission Convenes
Review and Sign Vouchers

9:30 a.m. Reports from staff

12:00 Noon Lunch

1:00 p.m. Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of July 27, 2021

Special Meeting minutes of July 29, 2021

2. Regular Agenda

8969 – Resolution in Support of Grant PUD's Organizational Health, Employee Development and Employee Appreciation Event.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11062 with Automation Exchange (AeX), in an amount not-to-exceed $3,200,000.00 with a contract term of five years. (3369)

3. **Review Items For Next Business Meeting**

   XXXX – A Resolution Providing for the Filing of a Proposed Budget for the Year 2022, Setting a Date for Public Hearing Thereon and Authorizing Notice of Such Meeting.

   Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 120-11030 for the proposed sale of 10% of the Priest Rapids Project Output (PRPO) for a 3-year term, commencing January 1, 2022 to Avangrid Renewables. (xxxx)

4. **Calendar**

5. **Reports from Staff (if applicable)**

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

July 27, 2021

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 287 686 505# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; and Tom Flint, Commissioner. Dale Walker was absent due to personal business.

The Commission convened to review vouchers and correspondence.

An executive session was announced at 9:10 a.m. to last until 9:30 a.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 9:30 a.m. and the regular session resumed.

A round table discussion was held regarding the following topics: system update; Energy NW dedication of the Morrison Energy Center; recent meeting with local state delegation; investigation of a recent voucher payment; request for update regarding LNI reconnection process; upcoming August 4 Desert Aire Risk Assessment meeting; call from Warren Lybbert of Central Washington Management Group regarding future of the Crescent Bar recreation management contract; voucher payment inquiry; request for status update regarding the Ephrata Service Center (ESC), Moses Lake Service Center (MLSC) and Ephrata Headquarters (EHQ) remodel projects; customer complaints regarding delays in customer new connection workorders; and appreciation expressed to crews working in recent high heat conditions.

Jordan Rang, Safety Coordinator, provided the Safety Report.

An executive session was announced at 10:00 a.m. to last until 11:00 a.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 11:00 a.m. and the regular session resumed.

Russ Brethower, Senior Manager of Wholesale Fiber, and Russ Seiler, Manager of PMO, provided the Wholesale Fiber Business Report.

Amanpreet Singh, Senior Financial Analyst, presented the Retail Load and Revenue Variance Report.

The Commission attended a virtual lunch meeting with Grant County Commissioners.

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

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

Payment Number	113003	through	113423	$14,549,923.19
Payroll Direct Deposit	180740	through	181508	$2,073,687.09
Payroll Tax and Garnishments	20210715A	through	20210715B	$898,740.93

Meeting minutes of July 13, 2021.

Special meeting minutes of July 23, 2021.

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

Motion was made by Mr. Cox and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10805A with Electrical Consultants, Inc. (ECI), in an amount not-to-exceed $900,000.00 and with a contract completion date of December 31, 2025. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mrs. Wilson authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10805B with Schweitzer Engineering Laboratories (SEL) Engineering Services, Inc., in an amount not-to-exceed $900,000.00 and with a contract completion date of December 31, 2025. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission recessed at 2:00 p.m.

The Commission resumed at 2:05 p.m.

Jeff Grizzel, Managing Director of Power Delivery, provided the Power Delivery Performance report.

The Commission recessed at 3:05 p.m.

The Commission resumed at 3:15 p.m.

An executive session was announced at 3:15 p.m. to last until 4:15 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:15 p.m. and the regular session resumed.

An additional executive session was announced at 4:15 p.m. to last until 4:45 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:45 p.m. and the regular session resumed.

There being no further business to discuss, the July 27, 2021 meeting officially adjourned at 4:45 p.m.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

ABSENT

Dale Walker, Commissioner

Tom Flint, Commissioner

Draft - Subject to Commission Review

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

July 29, 2021

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 12:00 p.m. via Microsoft Teams with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; and Tom Flint, Commissioner. Dale Walker was absent due to personal business.

An executive session was announced at 12:00 p.m. to last until 1:00 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 1:00 p.m.

The July 29, 2021 special meeting officially adjourned at 1:00 p.m.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

ABSENT

Dale Walker, Commissioner

Tom Flint, Commissioner

REGULAR AGENDA

RESOLUTION NO. 8969

A RESOLUTION IN SUPPORT OF GRANT PUD'S ORGANIZATIONAL HEALTH, EMPLOYEE DEVELOPMENT AND EMPLOYEE APPRECIATION EVENT

R e c i t a l s

1. A key objective of Grant PUD's Strategic Plan is Organizational Health and Employee Development;

2. Grant PUD is committed to recognizing the superior performance of its employee body annually;

3. During the 2020-2021 period, Grant PUD has experienced superior outcomes as a direct result of its employees' collective efforts;

4. Since March 2020 the COVID-19 pandemic has created unprecedented challenges to Grant PUD's mission;

5. The response to the COVID-19 pandemic by Grant PUD 's employees has been extraordinary;

6. Taken altogether, 2021 warrants a significant Employee Appreciation event;

7. Providing a day with significant unstructured time for employees to recharge and engage in team building is valuable to the long-term health of GCPUD and its employees' morale;

8. Recognizing and making provision for the alternative appreciation of those employees whose mission critical job duties are such that cannot participate in the event without compromising electric and fiber optic service reliability; and

9. While an in-person Employee Appreciation event is being planned to maximize the benefits of team building, lingering pandemic conditions may make such an event unsafe. If, due to health and safety precautions necessary to ensure Grant PUD's ability to provide its essential electric and fiber optic telecommunications services as well as protection of its employees, a unique virtual Employee Appreciation event is required, such virtual event shall be held.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the Commission authorizes the General Manager / CEO to conduct the 2021 Grant PUD Organizational Health, Employee Development and Employee Appreciation Event as outlined in the Recitals above.

_____
President

ATTEST:

_____	_____
Secretary	Vice President
_____	_____
Commissioner	Commissioner

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11062 with Automation Exchange (AeX), in an amount not-to-exceed $3,200,000.00 with a contract term of five years.

3369

M E M O R A N D U M **August 2, 2021**

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Dave Churchman, Chief Customer Officer
Jeffrey Bishop, Chief Financial Officer

FROM: Derin Bluhm, Chief Technology Officer
Russ Brethower, Senior Manager of Wholesale Fiber
Terry McKenzie, Senior Manager of Customer Solutions *Terry McKenzie*

SUBJECT: Automation Exchange Contract 430-11062

Purpose: To provide additional information about Automat Exchange as requested by Commission.

Automation Exchange (AeX) was established in 2016 with 25 employees. They have 11 Fiber Network Operators (FNO) which would be like Grant PUD Wholesale Fiber Network. These 11 FNOs have over 100 Internet Service Providers (ISPs). The client references below are willing to be contacted.

COMPANY	Overview	Subscribers Managed	REFERENCE CONTACT NAME / PHONE / EMAIL
VUMATEL	A South African Licensed Infrastructure service provider, installing FTTH infrastructure throughout South Africa. Vumatel is owned by Community Investment Ventures Holdings Pty Ltd. Currently		Jason Modlinne +2782 674 7545 jason.modlinne@vumatel.co.za
EVOTEL	Evotel specialize in building Fibre networks that will be installed within your home and then allow for internet service providers (ISP's) such as Home-Connect to provide you with Unbeatable Fibre to the Home (FTTH) product offerings which includes unshaped & uncapped internet in South Africa.		Albert Oosthuysen +2782 717 0822 alberto@evotel.co.za
NETSTREAM	We are not an ISP; we provide estates, and residential complexes with premium fibre-optic infrastructure. Our network is completely ISP agnostic or "TRUE Open Access", which means that we allow any accredited Internet Service Provider (ISP) to offer their services on our network, ensuring that our clients receive an array of options from multiple service providers.		Ulandi Coetzee +2772 546 0904 ulandi@netstream.co.za
LINKLAYER	The LinkLayer Network is operated on an Open Access Basis. This means that all services and packages are available through a number of Internet Service Providers. Open Access means the end-user reaps the benefits of healthy competition between ISP's with regards to Service Level, Pricing and Special Offers. Choose the Service Provider and package you prefer – if you are unhappy for any reason, you can change your ISP without any effect to your in-home installation.		Arthur Beavon +2783 785 6700 arthur.beavon@linklayer.co.za
OPEN FIBRE	"Open Fibre is an Open Access Fibre Network Operator (FNO) with a specific focus on building network		Philip Wessels +2784 446 8266

	infrastructure within multi tenanted commercial buildings. The typical areas Open Fibre operates in are within large shopping and strip malls, multi-tenanted office parks and business precincts. The Open Fibre business model has been designed to greatly simplify in building infrastructure and at the same time create efficiencies in the design and deployment of the fibre network."	phil@openfibre.co.za
ZOOM FIBRE	TBA	Mohammed Manjra +2781 788 1439 mohammed@zoomfibre.co.za

Application	Current Applications	OSS/BSS
Trace	Pre-2008 fiber connectivity tracking	Automation Exchange will be used with an interface from Gen2 fiber design tool. Eliminated.
Excel	2008 and newer fiber connectivity tracking	Automation Exchange will be used with an interface from Gen 2 fiber design tool. Not needed.
Command Prompt/ Power Shell	Verify gateway up/down status that Grant Fiber is required to run and hand information to the service providers	Automation Exchange shares this information with the service providers. Not needed.
Home grown provisioning tool	Remedy interfaces to the provisioning tool and Grant Fiber manually provisions for service providers from emails	Automation Exchange allows service providers to provision their customer ports, they will no longer need to email Grant Fiber CSRs to provision ports. Eliminated.
Fusion	PUD geographic information	Automation Exchange will be used with an interface from Gen 2. Not needed.
Grant County Map Sifter	Validate account information with County records	Automation Exchange will be interfaced from CCS which currently verifies addresses. Not needed.
Google Earth	Overlays fiber availability for Initial address search to begin identifying if an address is served with fiber	Automation Exchange will be used with an interface from Gen 2. Not needed.
Oracle Customer Cloud Services	Pull end-use premise information into Remedy to create fiber account, service provider billing and payments	Automation Exchange will be interfaced with CCS, billing invoices and payments will remain the same. Integrated
Zabbix	Network monitoring for Level 1 troubleshooting	Automation Exchange monitors the status of services and is visible to the service providers. Not needed.
SharePoint	Service Providers use this application to send in customer requests, invoice details and fiber availability application	Automation Exchange will give the service providers reporting capabilities beyond what Grant Fiber currently produces and posts to SharePoint (manual effort). Not needed.
ARCOS / Clevest	Work management	Automation Exchange has a work management tool but will interface with Arcos for the appropriate crews. Integrated
Crystal Reports	Reporting out of Remedy	Automation exchange uses Power BI. Not Needed
Fiber CAT	Hub & Fiber availability input manually from Grant Fiber	Automation Exchange will be used with an interface from Gen 2. Not needed.
File 360	Service Provider Invoicing retention	Automation Exchange will hold the billing detail and the service providers

		will be able to view and download. Not needed.

Approach: Grant PUD will partner with Automation Exchange for rapid implementation of their existing software in a cloud hosted solution. AeX will manage and operate the platform, while Grant PUD staff, Customers and End-users will access the system 24x7x365 for operations and business support.

Justification: Implementation of Automation Exchange will reduce operational and maintenance expenditures and break the costly, slow and manually intensive processes that are currently performed by Customer Service Representatives (CSRs) in the provisioning, monitoring and restoration of services. CSRs will no longer need to be engaged to establish accounts and services. Technicians and Telecom Engineering will benefit by improved work and information flow, improved visibility of service impacts and drivers, and overall health and status of the services and underlying infrastructure as a whole.

Financial Considerations: The implementation of this vendor managed OSS/BSS exceeds the minimum investment return (see graph below), ultimately achieving a positive financial return over the 7-year projected life of the solution.

This project's financial metrics are:

- Net Present Value (NPV) $36,119 (@7% discount rate)
- Internal Rate of Return (IRR) 10.6%
- Payback in Years 6
- Profitability Index (PI) 1.11

Recommendation for Contract Award:

Management recommends the Commission approval award of contract 430-11062 to Automation Exchange for 5-year term for a not to exceed contract price of $3.2M

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

END OF MEMO

From: Derin Bluhm
To: Russ Brethower; Patrick Bishop; Terry Mckenzie
Subject: RE: 430-11062 Automated Exchange - Commission Packet - Approval of Memo
Date: Tuesday, July 20, 2021 9:55:26 AM

I approve

Regards, Derin
425.445.4492
dbluhm@gcpud.org

From: Russ Brethower <Rbretho@gcpud.org>
Sent: Tuesday, July 20, 2021 7:37 AM
To: Patrick Bishop <Pbishop@gcpud.org>; Derin Bluhm <dbluhm@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>
Subject: RE: 430-11062 Automated Exchange - Commission Packet - Approval of Memo

I approve the attached Commission Memo

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Tuesday, July 20, 2021 7:28 AM
To: Derin Bluhm <dbluhm@gcpud.org>; Russ Brethower <Rbretho@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>
Subject: FW: 430-11062 Automated Exchange - Commission Packet - Approval of Memo
Importance: High

Good Morning,

Legal has approved and we can proceed with moving forward to the Commission Packet. Since we are all working remotely, please respond to this email that you approve of the attached Commission Memo and that will serve as your initialing off on the memo. Once all three of you have approved, I will submit all documents to the Packet for review. Thank you.

-----Original Message-----
From: Carol Mayer <Cmayer@gcpud.org>
Sent: Tuesday, July 20, 2021 7:22 AM
To: Patrick Bishop <Pbishop@gcpud.org>
Subject: 430-11062 Automated Exchange

You have contract and legal approval to proceed with submission into the Commission packet.

Sent from my iPhone

From: Terry Mckenzie
To: Patrick Bishop; Derin Bluhm; Russ Brethower
Subject: RE: 430-11062 Automated Exchange - Commission Packet - Approval of Memo
Date: Tuesday, July 20, 2021 7:33:38 AM

I approve of the attached Commission Memo.

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Tuesday, July 20, 2021 7:28 AM
To: Derin Bluhm <dbluhm@gcpud.org>; Russ Brethower <Rbretho@gcpud.org>; Terry Mckenzie <Tmckenz@gcpud.org>
Subject: FW: 430-11062 Automated Exchange - Commission Packet - Approval of Memo
Importance: High

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-----Original Message-----
From: Carol Mayer <Cmayer@gcpud.org>
Sent: Tuesday, July 20, 2021 7:22 AM
To: Patrick Bishop <Pbishop@gcpud.org>
Subject: 430-11062 Automated Exchange

You have contract and legal approval to proceed with submission into the Commission packet.

Sent from my iPhone

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington ("District", "FNO", "Client") and Automation Exchange, Inc. ("Contractor", "Automation Exchange") together as Party or Parties;

R e c i t a l s :

The District desires to obtain a vendor managed software solution for the District's fiber program to enable staff and service providers utilizing and supporting the District's fiber open access network to provision end user fiber services on demand, monitor service/system health and performance, manage trouble and minimize manual interaction from District staff.; and

The District's Senior Manager of Wholesale Fiber believes the services provided by this Contractor will allow our service providers to better serve their customers by greatly reducing the timing required to provision consumer services, provided detailed visibility into the health of the services and the underlying hardware, automate the connections and interface with our other systems, and reduce the overall total cost of ownership for the Wholesale Fiber Network while improving service levels and capabilities for internal and external stakeholders.

The undersigned Contractor is willing to perform professional services on the terms and conditions specified herein.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

1. <u>Scope of Services</u>

   A. Automation Exchange will provide the District with Service through the following services:

      1. Hosted web interface ("Portal")

      2. Integrated application programming interface (APIs) providing substantially similar capabilities for integration with third party solutions

      3. A pre-production testing environment that effectively duplicates the capabilities and configuration of the production environment

   B. The following services will be provided on the Portal. This is the current feature set, and will change periodically:

      1. Order Management

      2. Workflow Management, including but not limited to:

         a. Installation
         b. Swap Out Optical Network Terminal (ONT)
         c. Cancellation

d. Log a Fault

e. Log a Repair

f. Provisioning

g. Deprovisioning

h. Device Recovery

3. Provisioning & Monitoring of network devices

4. Support Capabilities/Enablement

5. Field Application (Installation & Maintenance)

6. Event Management System

7. Billing

C. Automation Exchange will ensure that the Infrastructure components, compute, memory, storage and bandwidth, are maintained and available in accordance with the Service where the Service is supplied through a hosted web interface.

D. Automation Exchange does not exclusively use a single technology for the fiber network management system and will thus use a pool of technologies to optimally provide its services, to ensure high availability and redundancy.

E. Offsite data backups are performed on a daily as well as weekly basis, for commercial data. Daily backups are retained for a period of seven days. Weekly backups are retained for a period of 30 days. After which backups are deleted.

Networking and monitoring data is retained for a minimum of 30 and maximum of 60 days.

F. In the event that the District requires the Contractor to perform specific services in addition to the above detailed Scope of Services, the District will authorize the Contractor to perform such work by means of a Task Authorization for Professional Services (Appendix "D") to be signed by both the District and the Contractor. Such authorization may be issued by the District Representative, and will define the scope of the task, any time requirements, and budget limitations.

The District reserves the right to suspend or terminate any authorized task at any time or to extend the Contract beyond the initial term by issuance of a Change Order in accordance with Section 5 to complete any work already initiated and/or authorized under the original term and scope of the Contract, subject to any applicable costs incurred by the Contractor due to untimely termination or issuance of Change Order.

2. <u>Independent Contractor</u>

A. The Contractor shall operate as, and have the status of, an independent Contractor and will not be an agent or employee of the District nor will it be entitled to any employee benefits provided by the District. All the Contractor's activities will be conducted at its own risk and be in compliance with all federal, state and local laws.

B. The Contractor shall perform its services with the level of skill, care and diligence normally provided by and expected of professional persons performing services similar to or like those to be performed hereunder. Contractor understands that the District will be relying upon the accuracy, competency, credibility and completeness of the services provided by the Contractor hereunder and that the District and its customers will be utilizing the results of such services.

3. Term - Schedule

A. This Agreement shall remain in full force and effect for five years from date of Execution and as extended by renewal options or until terminated pursuant to Section 16.

B. The District shall have the right to renew and extend this agreement for successive two year terms unless either Party terminates the Agreement or Service with at least 180 day's prior written notice of termination given to the other Party.

4. Compensation and Payment

A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Schedule 1 - Pricing of Appendix "A", which rates and costs shall not be subject to change until three years after the effective date of this Agreement. Any changes to rates and costs shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall not exceed the lesser of i.) 3% or ii.) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for which CPI-U data is available. Contractor shall notify the District in writing at least 30 days prior to any such rate increase going into effect.

B. In no event shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of $3,200,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.

C. Contractor shall submit monthly invoices to the attention of:

Public Utility District No. 2
of Grant County, Washington
Attn: Accounts Payable
PO Box 878
Ephrata, WA 98823
Or AccountsPayable@gcpud.org

D. Invoices shall include the Contract number and a detailed description of the work performed.

E. Payment will be made by the District upon completion of work following District approval of Contractor's invoices in United States Dollars (USD). Invoice shall be subject to the review and approval of the District. Invoice shall be in a detailed and clear manner supported by such information the District may require. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice.

F. Prompt Payment Discount: If the District issues payment within 10 days, the payment due shall be reduced by 2%. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

5. Change Orders

Except as provided herein, no official, employee, agent or representative of the District is authorized to approve any change in this Contract and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy himself that the execution of the written Change Order has been properly authorized on behalf of the District. The District's management has limited authority to approve Change Orders. The current level and limitations of such authority are set forth in District Resolution No. 8609 which may be amended from time to time. Otherwise, only the District's Board of Commissioners may approve changes to this Contract.

Charges or credits for the work covered by the approved changes shall be determined by written agreement of the parties and shall be made on Change Order form as reflected on Appendix "C".

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Contractor before any Change Order work is performed. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including details on proposed cost. The District shall not be liable for any payment to Contractor, or claims arising there from, for Change Order work which is not first authorized in writing. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Appendix "C" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. Taxes

A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and subcontractors performing work related to this Contract.

B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:

1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.

2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

7. Hold Harmless and Indemnification

Contractor shall, at its sole expense, indemnify, defend, save, and hold harmless the District, its officers, agents, and employees from all actual or potential claims or losses, including costs and legal fees at trial and on appeal, and damages or claims for damages to property or persons, suffered by anyone whomsoever, including the District, to the extent caused by any negligent act of or omission of the Contractor or its subcontractors, excluding damages caused by the negligence of the District, in the administration or performance of this Agreement or any subcontracts, and for which either of the parties, their officers, agents, or employees may or shall be liable. In situations where liability for damages arises from claims of bodily injury to persons or damage to property, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Contractor or its subcontractors. Contractor waives its immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to a person or damage to property caused by the negligence of the District or its agents or employees and not attributable to any act or omission on the part of the Contractor. In the event of damages to a person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

Contractor acknowledges that by entering into this Contract with the District, it has mutually negotiated the above indemnity provision with the District. Contractor's indemnity and defense obligations shall survive the termination or completion of the Contract and shall remain in full force and effect until satisfied in full.

8. Insurance

A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, as enumerated below. Any significant deductible, self-insured retention or coverage via captive must be disclosed and is subject to approval by the District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Contract.

Contractor Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Contractor against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:

   a. Premises and Operations;

   b. Products and Completed Operations;

   c. Contractual Liability;

   with the following **minimum limits:**

d. $1,000,000 Each Occurrence

e. $1,000,000 Personal Injury Liability

f. $2,000,000 General Aggregate (per project)

g. $2,000,000 Products and Completed Operations Aggregate

Commercial general liability insurance will include the District as additional insured on a primary and non-contributory basis for ongoing operations. A waiver of subrogation will apply in favor of the District.

2. **Workers' Compensation and Stop Gap Employers Liability**: Workers' Compensation Insurance as required by law for all employees. Employer's Liability Insurance, including Occupational Disease coverage, in the amount of **$1,000,000 for Each Accident, Each Employee, and Policy Limit**. If applicable, the Contractor expressly agrees to comply with all provisions of the Workers' Compensation Laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the State of Washington.
If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or Maritime Employer's Liability (MEL).

3. **Automobile Liability Insurance -** If any performance under this Agreement shall take place outside of the Contractor's normal work location, the following shall apply: Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of $1,000,000 per accident** for bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.
Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

4. **Professional Liability/Network Security Insurance:** Contractor shall obtain professional errors and omissions liability insurance in an amount of **not less than $2,000,000 per claim and in the aggregate**. Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or confidential information of the District or any employee, participant or beneficiary of the Services provided by Contractor pursuant to this contract. In the event of a claim and upon the District's request, Contractor shall provide a copy of its Professional Liability/Network Security Insurance policy. The Professional Liability Insurance retroactive coverage date shall be no later than the effective date of this agreement. Contractor shall continuously maintain such insurance or purchase an extended reporting period providing that claims first made and reported to the

insurance company within two years after termination of the Agreement will be deemed to have been made during the policy period.

If Contractor shall hire subcontractor for all operations and risk involving professional network services exposure, this requirement may be satisfied by subcontractor's policies. Contractor shall impute the insurance requirements stated in this section to subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the District.

B. Evidence of Insurance - Prior to performing any services, and within 10 days after receipt of the Contract Award, the Contractor shall file with the District a Certificate of Insurance showing the Insuring Companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming the District as an Additional Insured for each policy where indicated in Section A.

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the Contractor's obligation to maintain such insurance. Acceptance by the District of any certificate or other evidence of compliance does not constitute approval or agreement by the District that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

The District shall have the right but not the obligation of prohibiting the Contractor or subcontractor from entering the project site until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If the Contractor fails to maintain insurance as set forth above, the District may purchase such insurance at the Contractor's expense. The Contractor's failure to maintain the required insurance may result in termination of this Contract at the District's option.

C. Subcontractors - Contractor shall ensure that each subcontractor meets the applicable insurance requirements and specifications of this Agreement. All coverage for subcontractors shall be subject to all the requirements stated herein and applicable to their profession. Contractor shall furnish the District with copies of certificates of insurance evidencing coverage for each subcontractor upon request.

D. Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or Contractor shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, and 10 days advance written notice for cancellation due to non-payment. Should the Contractor receive any notice of cancellation or notice of nonrenewal from its insurer(s), Contractor shall provide immediate notice to the District no later than two days following receipt of such notice from the insurer. Notice to the District shall be delivered by facsimile or email..

9. <u>Assignment</u>

Contractor may not assign this Agreement, in whole or in part, voluntarily or by operation of law, unless approved in writing by the District.

10. <u>Records - Audit</u>

A. Except as detailed in Appendix A, Contractor's software licensing agreement, the results of all work and services performed by the Contractor hereunder shall become the property of the District upon completion of the work herein performed and shall be delivered to the District prior to final payment.

B. Until the expiration of three years after final acceptance by District of all the work, Contractor shall keep and maintain complete and accurate records of its costs and expenses related to the work or this Contract in accordance with sound and generally accepted accounting principles applied on a consistent basis. To the extent this Contract provided for compensation on a cost-reimbursable basis or whenever such records may, in the opinion of the District, be useful in determining any amounts payable to Contractor or District (e.g., the nature of a refund, credit or otherwise), Contractor shall provide District access to all such records for examination, copying and audit.

11. Nondisclosure

Contractor agrees that it will not divulge to third parties, without the written consent of the District, any information obtained from or through District in connection with the performance of this Contract. Contractor further agrees that it will not, without the prior written consent of District, disclose to any third party any information developed or obtained by the Contractor in the performance of this Contract and, if requested by District, to require its employees and subcontractors, if any, to execute a nondisclosure agreement prior to performing any services under this Contract. Nothing in this section shall apply to:

A. Information which is already in the Contractor's possession not subject to any existing confidentiality provisions,

B. Information which, at the time of disclosure, is in the public domain by having been printed and published and available to the public libraries or other public places where such data is usually collected, and

C. Information required to be disclosed by court order or by an agency with appropriate jurisdiction.

12. Public Records Act

The District is subject to the disclosure obligations of the Washington Public Records Act of RCW 42.56. The Contractor expressly acknowledges and agrees that any information Contractor submits is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Contractor's proposal and/or information at its sole discretion in accordance with its obligations under applicable law.

13. Applicable Law

Contractor shall comply with all applicable federal, state and local laws and regulations including amendments and changes as they occur. All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of the District and Contractor shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington

or the Federal District Court for the Eastern District of Washington at the District's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

14. Subcontracts/Purchases

The Contractor is not authorized to enter into any subcontracts or make any purchases of materials or equipment on behalf of the District for the services to be delivered per this agreement.

15. Notices

Any notice or other communication under this Contract given by either party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either party may from time to time change such address by giving the other party notice of such change.

District	Contractor
Terry Mckenzie	Hanel Kumm
Public Utility District No. 2	Automation Exchange, Inc.
of Grant County, Washington	17 Kent Road
PO Box 878	Sandton, Gauteng 2191, ZA
154 A Street SE	083 242 4577
Ephrata, WA 98823	Hanelk@aex.co.za
(509) 754-5088 Ext. 1702	
Tmckenz@gcpud.org	

For purposes of technical communications and work coordination only, the District designates Terry Mckenzie as its representative. Said individual shall have no authority to authorize any activity which will result in any change in the amount payable to Contractor. Such changes, if any, must be by written Change Order issued in accordance with Section 5 to be valid and binding on the District.

16. Termination

A. District may, at its sole discretion, terminate this agreement at the end of 36 months from the date of full execution without further obligation, provided that District provides at least 90 days notice of intent to terminate.

B. In case of termination pursuant to this Section A, District will make payment at the rates specified in this Agreement for services properly performed up to the date of termination. However, in no event shall Contractor be entitled to any other payment to or any anticipated fee or profit on unperformed work.

C. In the event of Contractor's unresolved breach or abandonment of this Contract, the District may thereupon and without further notice, terminate this Agreement. The District without waiving any other remedies available to it, may retain any monies otherwise due to the Contractor under this Agreement to the extent such sums are required to compensate District, in whole or in part, for any loss or damage caused by Contractor's breach or abandonment.

17. Non-Waiver

No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

18. Confidential Information

The State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC) has established regulations for the protection of sensitive plans, drawings and records defined as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII) and/or Bulk Electric System Cyber System Information (BCSI), reference Appendix "F". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District may identify and designate certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Confidential Information"). Because of the sensitive nature of certain District Confidential Information that could be used in this Contract, Contractor is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement and included as Appendix "E".

19. Approval of Personnel Changes

A. If applicable, the Contractor shall submit to the District Representative for review and approval a proposed list of individuals who will have access to SSI, CEII, or BCSI or to restricted areas of District electronic systems and facilities.

B. Unless otherwise required or prohibited by law, the Contractor shall supply the following information for each individual: full legal name, physical address, date of birth, qualifications, years' of experience, lawful presence and eligibility to work in the United States of such individuals along with their experience and qualifications for the type of work they will perform.

C. Subject to prior written authorization of District Representative, Contractor may add or change personnel on the approved list provided that the same identifying information listed above is provided to the District Representative for review and approval.

D. The Contractor shall submit to the District Representative all additions to the approved list of individuals along with the above listed information for review and approval.

E. The Contractor will notify the District of any change or removal of personnel to the approved list, that result in the need for access revocation.

F. The District reserves the right to deny approval of any proposed individual if, as determined by the District, such individual is unsatisfactory to the District. The District will be the sole judge of such effect.

G. All personnel shall be subject to the nondisclosure provisions of this Contract which shall survive their replacement or termination as provided herein.

20. Background Checks

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before the District will grant such individuals access to secure areas of District facilities, electronic systems, or Confidential Information. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted. Contractor shall execute one certification for each employee requiring a background check on the form provided by the District and attached hereto as Appendix "G". The cost of such background checks shall be borne by the Contractor.

In the event the District determines in its sole discretion that an individual is unsatisfactory to the District or fails to provide a background check as requested by the District, the District reserves the right to require the Contractor to remove such individual from the job site and/or to exclude such individual from having any access to Confidential Information, SSI, CEII, or BCSI.

IN WITNESS WHEREOF, the Contractor and the District have executed this Agreement each by its proper respective officers and officials thereunto duly authorized the day and year first above written.

Public Utility District No. 2 of Grant County, Washington	Automation Exchange, Inc.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX "A"

See attached 430-11062 - Appendix "A" - Automation Exchange Portal Services Agreement

APPENDIX "B"
RATE SCHEDULE

DIRECT EXPENSES:

See Schedule 1, Pricing, of Appendix "A", Portal Services Agreement.

Fixed hourly billing rates shall be in US Dollars and include all i) payroll, payroll taxes and fringe benefits; ii) all reproduction and printing costs including electronic media; iii) communications costs including all phones, faxes, internet, postage, shipping, delivery, couriers; iv) computer, software, printers, scanners, office machines and related costs of operations including consumables; v) insurance costs; vi) indirect and overhead burden; and vii) profit.

REIMBURSABLE EXPENSES:

Reimbursable expenses are those reasonable and necessary costs incurred on or directly for the District's project, including necessary transportation costs, meals and lodging. Any actual expenses in non-US dollars will be converted using the conversion tables at www.x-rates.com for the applicable period. Reimbursement will be subject to the following limitations:

Meals and Incidental Expenses: Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. The current rate for all Grant County locations is $55.00 per day. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at www.gsa.gov.

Lodging: Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed. The current federal maximum lodging rate for all Grant County locations is $94.00. The District Representative may increase this limit in writing when circumstances require.

Travel: Air travel (at coach class or equivalent), airport shuttles, etc. billed at cost. Ground transportation by privately owned vehicle, if utilized, billed at the Internal Revenue Service mileage rate for privately owned vehicles in effect at the time of travel. Expenses for a rental car, at cost, in the ratio of one mid-size class rental car for each three Contractor's personnel directly engaged in performance of the work at the prevailing rental rates then in effect. Rental car options such as refueling fees, GPS, collision & liability insurance, etc. will not be reimbursed by the District unless such options are approved in advance by the District Representative. **Appropriate insurance coverage should be included in the Contractor's insurance policies.**

Other: All other expenses will be based on actual costs and include appropriate documentation.

Reimbursable expenses must be accompanied by receipts for airfare, hotel, and rental car, and any other support documentation as the District may require.

APPENDIX "C"
CHANGE ORDER
NO. __

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

A. Description of Change:

B. Time of Completion: The revised completion date shall be _____.
OR
The completion date shall remain _____.

C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of $_____ plus applicable sales tax). This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is $_____, including changes incorporated by this Change Order. .

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

Accepted By: _____

Name of Authorized Signature
Title

Date: _____

Automation Exchange, Inc.

Accepted By: _____

Name of Authorized Signature
Title

Date: _____

Sample Only

APPENDIX "D"
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

Contract No.:	430-11062	Task Authorization No.:		Amendment No.:	
Project Name:					

The Scope of Services covered by this authorization shall be performed in accordance with all the terms and conditions in the above referenced Contract Documents which are incorporated herein by this reference.

The District hereby requests and authorizes the Contractor to perform the services in terms of the following Agreement:

Compensation is to be paid in accordance with and subject to the limitations in Section 4.A of the Contract Documents. In addition, the total cost of the above described work shall not exceed $_____ without advance amendment of this Task Authorization by the District.

Public Utility District No. 2
of Grant County, Washington

Approved for District

By: _____

Print Name: _____

Title: District Representative

Date: _____

Automation Exchange, Inc.

Accepted by Contractor

By: _____

Print Name: _____

Title: _____

Date: _____

Sample Only

APPENDIX "E"
MUTUAL NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement ("NDA") is entered into on the last date shown on the signature page between Public Utility District No. 2 of Grant County, Washington ("District"), and Automation Exchange, Inc., ("Contractor"), sometimes collectively referred to as the "Parties."

RECITALS

The Parties are contemplating a transaction or transactions that may require them to disclose Proprietary Information regarding the District's wholesale fiber network configuration, wholesale fiber business operations, and details related to shared core network architecture during the term of this NDA.

NOW, THEREFORE, the Parties agree as follows:

1. Definitions

   "Proprietary Information" - all financial, technical and other non-public or proprietary information which is furnished or disclosed orally, in writing, electronically or in other form or media by disclosing Party or its Representatives to Recipient or its Representatives in connection with the Purpose and that is described or identified (at the time of disclosure) as being non-public, confidential or proprietary, or the non-public or proprietary nature of which is apparent from the context of the disclosure or the contents or nature of the information disclosed.

   "Recipient" - a Party to which the other Party or its Representatives discloses Proprietary Information.

   "Representative(s)" - the officers, directors, members, managers, employees, contractors, financial service providers, and other representatives of a Party.

   "Owner" - the holder of Proprietary Information.

2. Proprietary Information shall be limited to only that written information exchanged under this NDA, identified by the Owner and clearly marked as Proprietary Information.

3. No partnership, joint venture, agency or other business relationship is intended by the Parties or created by this NDA.

4. No Party has an obligation to supply Proprietary Information or any other information hereunder except as may be mutually agreed to facilitate the contemplated transaction(s).

5. Nothing in this NDA shall be deemed to grant a license directly, indirectly or otherwise under any patent or patent application or copyright related to any information to which this NDA applies.

6. The Receiving Party shall hold in confidence, and shall not, directly nor indirectly, reveal, report, transmit or disclose the Owner's Proprietary Information to any person outside the Receiving Party's organization (other than professional consultants who have been retained by Recipient), and shall use such Proprietary Information only for the purpose for which it was disclosed. Recipient may disclose Owner's Proprietary Information to persons within the Receiving Party's organization and to any professional consultants who have been retained by Recipient, who have a need to know such Proprietary Information in the course of the performance of their duties.

7. The obligations of Recipient specified in Section 6 above shall not apply, and the Recipient shall have no further obligations with respect to any Proprietary Information which is:

   A. Rightfully in the public domain prior to receipt by the Recipient or becomes rightfully in the public domain after receipt by the Recipient without violation by the Recipient of the terms of this NDA;

   B. Known, as evidenced by documentation reasonably satisfactory to Owner, to the Recipient without restriction prior to disclosure by the Owner;

   C. Independently developed without any wrongful means by employees of the Recipient who did not have access to the Proprietary Information;

   D. Disclosed without restriction to the Recipient by a third party having a bona fide right to disclose the same;

   E. Disclosed with the prior written approval of Owner;

   F. Later rendered nonproprietary through the issuance of a patent or other publicly available instrument, or which legitimately comes into the public domain; or

   G. Required to be released by law or court order, provided, however, that the Owner shall be provided notice and an opportunity to seek a protective order as specified in Section 8. The Receiving Party shall reasonably cooperate with Owner's efforts to secure a protective order.

8. In the event a request for or order to release Proprietary Information is made to either Party pursuant to the Washington State Public Records Act, other law, regulation, or government or court order, the Receiving Party shall, prior to disclosure of said Proprietary Information, provide the Owner of the Proprietary Information with five days written notice of the impending release thereof so as to allow the Owner the option of negotiating proprietary protection for the information, seeking a protection order, approving release of the information or defending any legal action that is brought to enforce such request. In such event, the Owner shall bear its costs of the litigation, any damages or attorney's fees that may be awarded and reimburse the Receiving Party for any out of pocket expenses incurred in providing such support to the Owner. If the Owner has not obtained a protection order, negotiated protection for the information, or taken other action within the five (5) day period, the Receiving Party may disclose the Proprietary Information without further liability. In no event shall the Receiving Party be liable for any release which is either compelled from the Receiving Party by process of law, or where notice was provided and the Owner took no action to oppose the release of information.

9. This NDA shall become effective upon full execution and shall terminate thirty (30) days from the date that written notice of termination is given by one Party to the other, or one (1) year from the effective date of this NDA, whichever shall occur first; except that the obligations set forth in Section 6 above shall continue for a period of two (2) years from the effective date of this NDA. Upon termination of this NDA, each Recipient, at the request of the Owner, shall return all Proprietary Information delivered under this NDA, including all copies and work product containing such Proprietary Information unless Recipient is required to retain it pursuant to applicable law.

10. Any notice or other communication under this NDA given by either Party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be

deemed served when received and not mailed. Either Party may from time to time change such address by giving the other party notice of such change.

District	Contractor
Terry Mckenzie Public Utility District No. 2 of Grant County, Washington Attn: PO Box 878 Ephrata, WA 98823 Tmckenz@gcpud.org	Hanel Kumm Automation Exchange, Inc. 17 Kent Road Sandton, Gauteng 2191, ZA 083 242 4577 Hanelk@aex.co.za

11. This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Parties agree to the exclusive jurisdictions of the state courts and U.S. Federal courts located there for any dispute arising out of this NDA. Venue for any action brought pursuant to this NDA shall, at the District's option, be in Grant County Superior Court, Grant County, Washington or in the United States District Court for the Eastern District of Washington. Further, Recipient agrees that in the event of any breach or threatened breach by Recipient, Owner may obtain, in addition to any other legal remedies which may be available, such equitable relief as may be necessary to protect Owner against any such breach or threatened breach.

12. This NDA may not be assigned without the express written consent of both Parties.

13. This NDA constitutes the entire understanding of the Parties on the subject matter hereof and may be amended or modified only by a written agreement instrument executed by the authorized Representatives of all Parties, and shall be binding upon the Parties and their respective successors and assigns.

14. This NDA may be signed in counterparts, each of which shall be an original, but all of which shall constitute one and the same document. Signatures transmitted electronically shall be deemed valid execution of this NDA, binding on the parties.

IN WITNESS WHEREOF, the Parties have caused this NDA to be signed by their duly authorized representatives as of the date first written above.

Public Utility District No. 2 of Grant County, Washington		legal name	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

APPENDIX "F"
DEFINITION OF CEII, BCSI, AND SSI

Definition of Critical Energy Infrastructure Information (CEII)

The Critical Energy Infrastructure Information (CEII) guidelines of the Federal Energy Regulatory Commission (FERC) define CEII as specific engineering, vulnerability, operational or detailed design information about proposed or existing critical energy infrastructure (physical or virtual) that relates to the production, generation, transportation, transmission or distribution of energy, could be useful to a person planning an attack on critical infrastructure, is exempt from mandatory disclosure, and gives strategic information beyond the location of the critical infrastructure. 18 CFR §388.113 and RCW 42.56.520.

Definition of Bulk Electric System Cyber System Information (BCSI)

The North American Electric Reliability Corporation (NERC) has been designated by the FERC, through the Energy Policy Act of 2005, to establish and enforce standards and requirements for the reliable operation of the Bulk Electric System. The Bulk Electric System includes the District's electrical generation resources, transmission lines, and interconnections with neighboring electric systems. Information related to the District's Bulk Electric System Cyber Systems (BCS) is required to be protected due to the sensitive security nature of such information, and the need to protect public safety (hereinafter referred to as "BCSI"). BCSI generally (not exclusively) is defined as information about the BCS that could be used to gain unauthorized access or pose a security threat to the BCS and affect the reliable operations of the Bulk Electric System. The District is required to protect this information including, but not limited to, network topology/diagrams; floor plans for computing centers; equipment layouts; security configuration information and other information as defined in the NERC standards. FERC Order No. 706, issued January 18, 2008; 18 CFR Part 40; and RCW 42.56.070.

Definition of Security Sensitive Information (SSI)

Security Sensitive Information is those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal or terrorist acts, which are acts that significantly disrupt the ability of the District to fulfill its mission and goals and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety. SSI includes: (a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; (b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism; and (c) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

APPENDIX "G"

BACKGROUND CHECK/IDENTITY VERIFICATION BY CONTRACTOR/VENDOR

Contractor Name: _____ Date: _____

Contract Number: _____ Procurement Officer: _____

Project Manager: _____

In accordance with NERC Reliability Standards CIP 002-011, we are providing Public Utility District No. 2 of Grant County, Washington certification of background checks performed on personnel who will require authorized Unescorted Physical Access and/or Electronic Access to District High or Medium Impact BES Cyber Systems, and their associated EACMS and PACS.

Accordingly, we certify that:

1. A background check has been conducted on the following employee(s) that includes a seven year criminal history records check, a current residence check and a residence check at other locations where, during the seven years immediately prior to the date of the criminal history records check, the employee has resided for six consecutive months or more; and the assessment of the employee is consistent with the safe and efficient performance of the services and meets the minimum standard for criminal checks as set forth by the attached Evaluation Criteria.

2. Employment eligibility identity verification has been completed to ensure employee is legally permitted to work in the United States. (Citizenship, Federal I-9 form verification)

Employee Name	Background Check Completion Date	Indicate Pass (P) or Fail (F)	Identity Verification Completion Date	PRA Completion Date (District use only)

(Do not send actual background check documents)

Name of company where background check was performed: _____

Certified by: _____ Title: _____

Phone No.: _____ Email: _____

Return this form to: CIPDocuments@sp.gcpud.org

****Access will not be granted until this Background Check has been completed and training taken****

These are sub-sections of the "Grant County PUD Personnel Risk Assessment Program" relevant to Vendor(s) and/or Contractor(s). For the complete program please contact rcstaff@gcpud.org

Evaluation Criteria:
Contractors with physical or electronic access to District High or Medium Impact BES Cyber Systems and their associated EACMS and PACS, shall certify a background check was met using the following criteria:

Whether the individual has ever been convicted of any of the following FELONIES:

Murder

Kidnapping

Manslaughter

Fraud, theft, and/or robbery

Criminal sexual conduct

Arson

Whether the individual has ever been convicted of the following MISDEMEANORS:

Violence related

Honesty related

Whether the individual has ever been convicted of a single misdemeanor, other than minor traffic offenses, which are generally defined as traffic offenses that did not involve property damage and/or personal injury.

Individual is not currently awaiting adjudication on any criminal charge other than minor traffic offenses, which, again, are generally defined as traffic offenses that did not involve property damage and/or personal injury.

In the event the individual has been convicted of a felony or misdemeanor, the Contractor shall not assign such individual to a District location without first discussing such conviction with the District and obtaining the approval of the District's PRA Committee for such assignment in accordance with the District's Personnel Risk Assessment Program. The District reserves the right to refuse the assignment of an individual who does not pass the above Evaluation Criteria after review and consideration of the extenuating circumstances by the District's PRA Committee.

FOR GRANT PUD USE ONLY

If Background Check failed enter date of PRA Committee Review: _____ Pass ___ Fail ___
(Check one)

Signature of PRA Committee member: _____

Contract Documents 430-11062

Appendix "A"

PORTAL SERVICES AGREEMENT

Entered into between

Public Utility District No. 2 of Grant County, Washington ("District", "Client")

PO Box 878

Ephrata, WA 98823

(the "**FNO**")

and

AUTOMATION EXCHANGE INC

("**Automation Exchange**", **"Contractor")**

Automation Exchange facilitates the conclusion of individual contracts in the form of Service Orders (as defined below) between Automation Exchange and the Client (as defined below). Together with the Service Order(s) delivered and accepted in accordance with this Agreement, this Master Services Agreement establishes the terms and conditions under which Automation Exchange shall provide the Services to the Client, each as defined below.

"**Party**" shall mean, in respect of a service, each of Automation Exchange and the Client, and "**Parties**" shall be construed accordingly;

1. **DEFINITIONS AND INTERPRETATION**

1.1. In this Agreement the following terms and phrases shall have the following meaning, unless the context otherwise requires:

1.1.1. "Acceptance Date" shall mean the date on which the Portal has met Client acceptance criteria and is enabled for production use;

1.1.2. "**Agreement**" shall mean, as between Automation Exchange and Client, this Master Services Agreement, and, as between Automation Exchange and Client for a Service, the relevant service order(s) incorporating the terms of this Master Services Agreement;

1.1.3. "**Business Day**" shall mean every day excluding Saturdays, Sundays and any national holidays in the jurisdiction where the Service is provided;

1.1.4. "**Change of Control**" means any change whatsoever in the Control of a Party, whether effected directly or indirectly. For the purpose hereof, "control" means the beneficial ownership of the majority in number of the issued equity of a Party (or the whole or majority of a Shareholder's assets), and/or the right or ability to direct or otherwise control such Party or the votes attaching to the majority of such Party's issued share capital;

1.1.5. "**Charges**" shall mean installation charge(s)/once off charge(s) and/or rental charges/fixed monthly fees, variable monthly charges, usage-based charges which includes monthly variable charges which shall be determined by the Client's monthly usage payable in accordance with clause 4 (*Charges and Payment Terms*) and any other charges or fees payable by the Client to Automation Exchange in respect of a Service, as set out or referred to in a service order and revised from time to time in accordance with Schedule 1;

1.1.6. "**CPI**" means the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for which CPI-U data is available;

1.1.7. "**Client**" shall mean the client that delivers a signed service order to Automation Exchange pursuant to clause 2.1;

1.1.8. "**Client Equipment**" shall mean hardware, software, systems, cabling and facilities provided by the Client in order to receive the service and/or used in conjunction with the service equipment in order to receive the service;

1.1.9. "**Emergency Works**" mean works, the execution of which, at the time it is proposed to execute them, is required to put an end to, or prevent, the arising of circumstances then existing or imminent that are likely to cause:

1.1.9.1. danger to persons or property;

1.1.9.2. the interruption of critical service provided by a service provider or the service generated by a third party;

1.1.9.3. substantial loss to Automation Exchange or any third party;

And such other works as in all the circumstances it is reasonable to execute those works;

1.1.10. "**FNO**" shall mean Fiber Network Operator;

1.1.11. "**ICT**" means information and communications technologies including but not limited to any communication device or application, encompassing: radio, television, cellular phones, computer and network hardware and software, satellite systems and so on, as well as the various services and applications;

1.1.12. "Invoice Date" shall mean the date on which the invoice was delivered to client via electronic mail.

1.1.13. "**ISP**" shall be the service provider that utilises the portal to service the clients of FNO

1.1.14. "**Network**" shall mean collection of all client equipment and infrastructure enabling active ethernet service from the Client Equipment to the Client's edge device handing off signal to external providers, inclusive of fiber infrastructure and logical configuration.

1.1.15. "**Service**" shall mean the full list of services as listed in Schedule 2.

1.1.16. "**Service Activation Date**" shall mean, in relation to a Service, the date on which the service is provisioned via the Portal;

1.1.17. "**Service Equipment**" shall mean the Automation Exchange provided and supported infrastructure, whether owned or contracted, that provides the Portal service.

1.1.18. "**Service Term**", in relation to a Service, shall mean the total period for which the Service is provided pursuant to a Service Order. The "**Initial Service Term**" shall mean 60 months from the Acceptance Date;

1.1.19. "**Signature Date**" shall mean the date of signature of this Agreement by the Party last signing in time.

1.1.20. **"Subscriber"** shall mean a client of FNO that subscribes to a FNO service offering via the portal.

1.1.21. **"Portal"** shall mean the web based application that subscribers of FNO use to apply for a FNO service offering

1.1.22. **"Fiber Provider"** shall mean a company that installs fiber optic connections in order to provide a connectivity service to an end user

1.2. Unless the context otherwise requires, in this Agreement, a reference to:

1.2.1. a person includes a reference to a body corporate association or partnership;

1.2.2. a person includes a reference to that person's legal personal representatives, successors and permitted assigns;

1.2.3. any statute or statutory provision includes references to that statute or provision as amended, modified or re-enacted; and

1.2.4. A document is a reference to that document as supplemented or varied from time to time.

2. SERVICE

2.1. The Client hereby appoints Automation Exchange,for the wholesale fiber network, to provide the Service and ongoing Services from the Acceptance Date, which appointment Automation Exchange accepts, subject to the terms and conditions under this Agreement.

2.2. Automation Exchange shall not be precluded from providing services that may be similar or identical to the Services to any other party other than the Client.

2.3. The terms and conditions of this Agreement and the Charges for a Service provided hereunder are agreed expressly on the condition that the Client shall not resell, charge, transfer or otherwise dispose of the Service (or any part thereof) to any third party unless agreed to in writing by Automation Exchange.

2.4. Automation Exchange reserves the right from time to time to change configurations or the Service Equipment, or to change any applicable access code required for a Service, provided always that such change does not materially affect the relevant Service. Automation Exchange shall use reasonable endeavours to give the Client reasonable notice of any such changes to configurations.

3. PORTAL ACTIVATION

3.1. The Client shall be deemed to have accepted the Portal upon the Acceptance Date.

4. CHARGES AND PAYMENT TERMS

4.1. The Client shall pay the Charges in accordance with this Schedule 1 (*Charges and Payment Terms*) and Section 4 of 430-11062 Agreement for Professional Services (*Compensation and Payment*).

4.2. Charges shall not be increased during the first 36 (thirty six) months of the Initial Service Term.

4.3. Subsequent to the 36-month initial fixed rate term, the Parties shall meet annually to negotiate any adjustments to the Charges (which will be based on prevailing market conditions at that time), provided that should the Parties fail to agree on any adjustment of the Charges by each anniversary this agreement, the Charges shall, nevertheless, not exceed the lesser of i.) 3% or ii.) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for which CPI-U data is available. Automation Exchange shall notify the Client in writing at least 30 days prior to any such rate increase going into effect.

4.4. Charges shall accrue from the Acceptance Date and shall be invoiced per the terms of Section 4 of 430-11062 Agreement for Professional Services (*Compenstaion and Payment*).

4.5. Charges shall accrue from the relevant Acceptance Date or date Client commences production use whichever comes firstand may be invoiced by Automation Exchange as specified in Schedule 1. Service provided for part of a month will be charged on a pro rata basis.

4.6. Any invoice for Charges shall be due on issue of the invoice and shall be paid by the Client within 30 days of the Client's receipt and approval of Invoice.

4.7. Interest shall accrue on any overdue invoice from the due date until payment (whether before or after judgment) at the annual rate of 12% (1.0% per month).

4.8. All Charges or other sums which may from time to time be due, owing or incurred to Automation Exchange are stated exclusive of value added tax and any similar sales tax, levy or duty which shall be payable by the Client and invoiced by Automation Exchange at the then prevailing rate where the Service is provided.

5. SERVICE PERFORMANCE

5.1. In performing its obligations under this Agreement, Automation Exchange shall at all times exercise the reasonable skill and care of a competent provider of Services, as the case may be.

5.2. Automation Exchange shall use reasonable endeavours to ensure that each Service will conform to the agreed service descriptions.

5.3. Except as expressly set out in this Agreement, all warranties, representations or agreements, with respect to the provision of a Service or otherwise, whether oral or in writing and whether express or implied, either by operation of law, statute or otherwise, are excluded to the extent permitted by law.

5.4. Automation Exchange shall notify Client, as soon as practical and no more than 72 hours after, when Automation Exchange has reason to believe control of the Portal service may have been compromised or Client's data may have been exposed to unauthorized parties or personal.

5.5. Automation Exchange shall provide the Client with a root cause analysis and resolution summary of any identified security breach that compromises the service integrity, capabilities or Client data upon resolution of the breach, and no later than 90 days after discovery.

6. SERVICE SUSPENSION

6.1. Automation Exchange may, at its sole discretion and without prejudice to any right which it might have to suspend a Service and/or this Agreement, elect to immediately suspend the provision of a Service (or part thereof) if:

6.1.1. Automation Exchange has reasonable grounds to consider it is entitled to terminate the Service and/or this Agreement pursuant to clause 7 (*Term and Termination*);

6.1.2. Automation Exchange is obliged to comply with an order, instruction or request of a court, government agency, emergency service organisation or other administrative or regulatory authority;

6.1.3. Automation Exchange needs to carry out Emergency Works to the Service Equipment;

6.1.4. Automation Exchange has reasonable grounds to consider that the Service is being used fraudulently or illegally, or connected with criminal activity or other activity which may be detrimental to Reflex or in violation of clause 9.5;

6.1.5. Automation Exchange has a reasonable grounds that the Services being provided to the Client may be under a threat or a potential threat of hacking; or

6.2. If Automation Exchange exercises its right to suspend the Service (or part thereof) pursuant to clause 6.1 it shall, whenever reasonably practicable, give prior notice of such suspension to the Client, such notice to state the grounds of such suspension and its expected duration. Automation Exchange shall in such circumstances use all reasonable endeavours to resume the Service as soon as is practicable.

6.3. Automation Exchange shall not be liable for any loss, damage or inconvenience suffered by the Client as a result of any suspension (as contemplated in clause 6) except to the extent that such suspension is made for reasons which are solely and directly attributable to the negligence of Automation Exchange.

7. TERM AND TERMINATION

7.1. This Agreement shall take effect from the signature date.

7.2. The service term for this agreement will be for 5 years from Acceptance Date ("Initial Service Term").

7.3. Upon the expiration of the term of this contract, the applicable Service will be automatically renewed for a period of 2 (two) years unless either Party terminates the Agreement or Service on (180) day's written notice of termination given to the other Party.

7.4. Either Automation Exchange or the Client (provided that, in respect of the Client only, no Fees are owing by the Client to Automation Exchange) may terminate this Agreement immediately upon notice:

7.4.1. subject to the provisions of a Service Order, on 90 (ninety) days' notice to take effect on or at any time after expiry of the relevant Initial Service Term, and, in the case of termination by the Client, such notice to be copied to the legal@AutomationExchange.co.za;

7.4.2. immediately by notice if, in relation to that Service, the other Party committed a material breach which is incapable of remedy;

7.4.3. immediately by notice if, in relation to that Service, the other Party has committed a material breach capable of remedy, but which it fails to remedy within 10 (ten) Business Days of having been notified of such breach;

7.4.4. immediately by notice if, in relation to that Service, a *Force Majeure* Event subsists for a continuous period exceeding 3 (three) months;

7.4.5. if the other has a receiver or an administrative receiver appointed over it or over any part of its undertaking or assets or passes a resolution for winding-up (other than for the purpose of a *bona fide* scheme of solvent amalgamation or reconstruction) of a court of competent jurisdiction makes an order to that effect or if the other becomes subject to an administration order or enters into any voluntary arrangement with its creditors or ceases or threatens to cease to carry on business, or undergoes or is subject to any analogous acts or proceedings under any foreign law;

7.4.6. if the other is, or takes any steps to be placed under business rescue or judicial management, as the case may be, whether provisionally or finally and whether compulsorily or voluntarily;

7.4.7. in the event of a *Force Majeure* Event, which has application to all Services then provided hereunder, and which subsists for a continuous period exceeding 3 (three) months; or

7.4.8. Where, after expiry of any applicable Initial Service Term(s), no Services have been provided under this Agreement for a continuous period exceeding 3 (three) months.

7.5. Automation Exchange may terminate this Agreement (or the relevant Service) immediately by notice if a suspension of a Service pursuant to clause 6.1.4 has continued for a period of at least 2 (two) consecutive months.

7.6. Notwithstanding the provisions of clause 7.2, but subject to clause 17.2, Automation Exchange may terminate this Agreement (or the relevant Service) on 60 (sixty) Business Days' written notice if the Client fails to make any payment, when due, in accordance with the terms of this Agreement.

7.7. Without prejudice to accrued rights or obligations, upon termination of this Agreement:

7.7.1. all Service Orders and accompanying Services shall terminate immediately;

7.7.2. notwithstanding the provisions of clause 4 (*Charges and Payment Terms*), all accrued Charges not yet invoiced shall become due and shall be paid by the Client immediately on receipt of an invoice; and

7.7.3. Each Party shall promptly return to the other Party all copies of the other Party's Confidential Information or certify that such Confidential Information has been irrevocably destroyed and, if requested, verify to the other Party that it has done so.

7.8. Notwithstanding the provisions of this Agreement, upon termination of this Agreement other than as a result of a breach of this Agreement, Automation Exchange shall, to the best of its ability, assist the Client in conducting and co-ordinating a hand over of the Services to another party. In such circumstances, Automation Exchange shall be entitled to invoice the Client for Services provided during the hand over.

7.9. Termination of this Agreement shall not affect the continuation, to the extent necessary, of clauses 1 (*Definitions and Interpretation*), 2.3, 3.1, 4 (*Charges and Payment Terms*), 5.3, 6.3, 6.4, 7.6, 8.2, 8.5, 9 (*Liability*), 11 (*Intellectual Property*), 13 (*General*), 14 (*Domicilium Citandi et Executandi*), 15 (*Notices*) and 16 (*Entire Agreement*).

8. CLIENT OBLIGATIONS

8.1. The Client shall provide Automation Exchange with such information as Automation Exchange may reasonably require, to enable it to perform its obligations or exercise its rights under this Agreement.

8.2. The Client shall comply with reasonable instructions given by Automation Exchange, which Automation Exchange believes are necessary for reasons of health, safety or the quality of any Service subject to reasonable notice, to suspend the Service for operational reasons including, without limitation, repair, maintenance, or improvement provided that the Service shall be restored as soon as possible.

8.3. The Client warrants and undertakes that it shall:

8.3.1. use the Portal only for the purpose of receiving the Service and in accordance with Automation Exchange's reasonable instructions from time to time and/or any software licence that may be provided with the Service Equipment;

8.3.2. All the Client's subscribers will attract the relevant charges. Subscriber's setup for the purpose of testing the network will not be billed for.

The Client shall be liable for any and all damage to Service Equipment which is caused by:

8.3.3. the gross negligence of the Client or the Client's breach of the terms of this Agreement; or

8.3.4. malfunction or failure of any equipment or facility provided by the Client or its agents, employees, or suppliers, including but not limited to the Client Equipment, nor shall Automation Exchange be liable for any costs incurred by Client arising out of any malfunction or failure of any such equipment or facility, including Client Equipment.

8.4. The Client warrants that it holds and shall continue to hold such licences and/or other authorisations as are required under any relevant legislation, regulation or administrative order, to receive the Services and to run and connect the Client Equipment to the Network and Service Equipment. Automation Exchange reserves the right to disconnect any Client Equipment where the Client has failed to comply with the provisions of this clause 8.4 and Automation Exchange shall in no event be liable in respect of the Client's failure to comply with this clause 8.4.

8.5. The Client warrants and undertakes that it shall in its use of:

8.5.1. the Services, comply with any relevant legislative and regulatory provisions and shall not use the Services for any illegal or immoral purpose; and

The Client shall indemnify Automation Exchange in respect of any and all losses, damages, costs or expenses resulting from or arising out of any breach of the warranties set out in this clause 8.5 and/or any third party claim or allegation arising out of or relating to the use of the Service, and which relates to any act or omission of the Client which is, or if substantiated would be, a breach of this clause 8.5.

8.6. It is recorded that the discussions and disclosures envisaged in this Agreement will enable the Client to become intimately concerned with the business, affairs, senior management and other employees of Automation Exchange.

8.7. The Client hereby agrees and undertakes in favour of Automation Exchange that it will not for any reason whatsoever, during the currency of the Agreement and for a period of 12 (twelve) months following the expiration, termination or cancellation of this Agreement for whatever reason ("Termination Date"), solicit and/or employ (or attempt to solicit and/or employ) any person who is in the employ of Automation Exchange as at the Termination Date, or was in the employ of Automation Exchange up to 12 (twelve) months prior to the Termination Date.

8.8. The Client acknowledge and agree that the terms of Section 8 are fair and reasonable as to subject matter and duration and are reasonably necessary to protect the proprietary interests of Automation Exchange. The provisions of Section 8 shall be construed as imposing a separate and an independent restraint, severable from the remainder of this Agreement.

9. LIABILITY

9.1. Automation Exchange shall not be liable to Client or any cessionary or third party claiming through or on behalf of Client:-

9.1.1. for any indirect, special or consequential damages (including loss of profits or revenue) arising out of or related to this Agreement or the Services;

9.1.2. for any loss or damage arising directly or indirectly as a result of the abuse, misuse or unauthorised use of the Services and/or any equipment in conjunction with which and/or by means of which the Services are rendered, by Client or any of its Staff;

9.1.3. for any loss or damage arising directly or indirectly in connection with any delay, failure, breakdown, damage or injury caused by:

9.1.3.1. equipment, programmes and services supplied by or obtained by Client without the consent or knowledge of Automation Exchange;

9.1.3.2. equipment or programmes modified by Client or any third party not authorised to do so in terms of this Agreement;

9.1.3.3. The acts or omissions or requirements of any telecommunications authority or a supplier of telecommunication services or equipment.

9.2. Subject to clause 9.5 but otherwise notwithstanding anything else in this Agreement, neither Party shall in any event be liable to the other for indirect or consequential losses or otherwise for harm to business, loss of revenues, loss of anticipated savings or lost profits, whether or not reasonably foreseeable at the time when the Agreement was entered into.

9.3. The Client acknowledges that Automation Exchange is unable to exercise editorial or other control over any content placed on or accessible through the Client's use of the Services and Automation Exchange shall have no liability as to the quality, content or accuracy of information received through or as a result of the use of the Services.

9.4. In the event that the Client does not meet any liability to Automation Exchange arising out of or in connection with this Agreement and/or any of the Service Orders (including but not limited to the payment of the Charges), the Client acknowledges and agrees that it is liable to Automation Exchange in respect of any such liability and Automation Exchange may demand that the Client satisfies such liability in whole or in part.

9.5. Nothing in this Agreement shall serve to limit either Party's liability in respect of death or personal injury caused by or arising from its negligence.

10. FORCE MAJEURE

Notwithstanding anything herein to the contrary, neither Party shall be liable to the other for any delay or failure in performance of any part of this Agreement (other than for payment obligations set out in clause 4 (*Charges and Payment Terms*)) to the extent such delay or failure is attributable to a *Force Majeure* Event. Subject to clause 7.4, any such delay or failure shall suspend this Agreement until the *Force Majeure* Event ceases and the affected Initial Service Term(s) shall be extended by the length of the suspension.

11. INTELLECTUAL PROPERTY

11.1. The Client acknowledges:

11.1.1. that any and all patents, registered and unregistered designs, copyrights, trademarks and all other intellectual property rights whatsoever and wheresoever enforceable, which are used in connection with the Service and/or Service Equipment, shall remain the sole property of Automation Exchange; and

11.1.2. without limitation to the foregoing, that the Client shall not be entitled to use the name, trademarks, trade names or other proprietary identifying marks or symbols of Automation Exchange without Automation Exchange's prior written consent.

11.2. The Client warrants that any domain name registered or administered on its behalf will not contravene the trademark or the intellectual property rights of any third party and that it shall comply with the rules and procedures of the applicable domain name authorities, registries and registrars. The Client shall indemnify Automation Exchange in respect of any and all losses, damages, costs and expenses arising from or in connection with breach of this clause 11.2. The Client irrevocably waives any claims against Automation Exchange which may arise from the acts or omissions of domain name registries, registrars or other authorities.

11.3. If the Client does not move the domain name(s) registered by Automation Exchange to another Internet provider within 6 (six) months after termination of the Agreement and/or the Internet Service, Automation Exchange reserves the right to terminate the domain name(s) registered by Automation Exchange for the Client with the applicable domain name authorities, registries and registrars.

12. ASSIGNMENT

Neither Party may assign, charge, transfer or otherwise dispose of this Agreement, any Service Order, or any rights or obligations therein in whole or in part, without the written consent of the other Party (which consent shall not be unreasonably withheld or unduly delayed), except that Automation Exchange may assign any and all of its rights and obligations hereunder:

12.1. to a third party pursuant to any sale or transfer of substantially all the assets or business of Automation Exchange; or

12.2. To a third party pursuant to any financing, merger, or reorganisation of Automation Exchange.

13. GENERAL

13.1. Severability

If any provision of this Agreement, including any limitation, is held by a court or any governmental agency or authority to be invalid, void or unenforceable, the remainder of this Agreement shall nevertheless remain legal, valid and enforceable.

13.2. No Waiver

Failure or delay by either Party to exercise or enforce any right or benefit conferred by this Agreement, including Automation Exchange's right to deliver invoices in accordance with clause 4 (*Charges and Payment Terms*), shall not be deemed to be a waiver of any such right or benefit nor operate so as to bar the exercise or enforcement thereof or of any other right or benefit on any later occasion.

13.3. **Relationship**

Nothing in this Agreement and no action taken by the Parties pursuant to this Agreement shall constitute or be deemed to constitute between the Parties a partnership, agency, association, joint venture or other co-operative entity.

13.4. **Third Party Beneficiaries**

Except as otherwise contemplated by this Agreement, nothing herein will create or confer any rights or other benefits in favour of any person other than the Parties.

13.5. **Variation**

This Agreement (or any part thereof) shall be modified only by the written agreement of the Parties.

14. DOMICILIUM CITANDI ET EXECUTANDI

14.1. The Parties choose as their *domicilia citandi et executandi* for all purposes under this agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature (including the exercise of any option), the following addresses :

14.1.1. **Public Utility District No. 2 of Grant County, Washington ("District", "Client")**:

Registered: 30 C Street SW or PO Box 878, Ephrata, WA 98823

Attention: Chief Legal Officer
E-mail: legalNotice@gcpud.org

14.1.2. **Automation Exchange**:

Registered : 220 Jan Smuts Ave, Dunkeld West, 2196
Attention: The Directors
E-mail: legal@automationexchange.co.za

14.2. Any notice or communication required or permitted to be given in terms of this agreement shall be valid and effective only if in writing but it shall be competent to give notice by fax or e-mail.

14.3. Any party may by notice to any other party change the physical address chosen as its *domicilium citandi et executandi vis-à-vis* that party to another physical address where postal delivery occurs in Gauteng or its postal address or its fax number or e-mail address, provided that the change shall become effective *vis-à-vis* that addressee on the 10th Business Day from the receipt of the notice by the addressee.

14.4. Any notice to a Party -

14.4.1. sent by prepaid registered post (by airmail if appropriate) in a correctly addressed envelope to it at an address chosen as its *domicilium citandi et executandi* to which post is delivered shall be deemed to have been received on the 15th business day after posting (unless the contrary is proved);

14.4.2. delivered by hand to a responsible person during ordinary business hours at the physical address chosen as its *domicilium citandi et executandi* shall be deemed to have been received on the day of delivery; or

14.4.3. Sent by e-mail to its chosen e-mail address stipulated in clause 14.1, shall be deemed to have been received on the date of despatch (unless the contrary is proved).

14.5. Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.

15. NOTICES

Except as otherwise expressly provided for herein, any notice required or authorised to be given under this Agreement shall be delivered in accordance with Section 15 of Agreement for Professional Services 430-11062 (*Notices*).

16. ENTIRE AGREEMENT

This Agreement sets out the entire agreement between Automation Exchange and Client, as the case may be, superseding all prior or contemporaneous representations, agreements or understandings concerning the subject matter addressed herein. No oral explanation or oral information provided shall alter the interpretation of this Agreement. The Client confirms that, in agreeing to enter into this Agreement and/or a Service Order, it has not relied on any representation except as set out herein and the Client agrees that it shall have no remedy in respect of any misrepresentation which has not become a term of this Agreement, excluding any fraudulent misrepresentation.

17. DISPUTE RESOLUTION

17.1. In the event of a dispute concerning this Agreement, each Party shall in the first instance promptly bring the dispute to the attention of a Director or similar person in a management position.

17.2. If the Client wishes to dispute any invoice or part of an invoice failing due in accordance with clause 4.6, the Client shall, before the invoice is payable, deliver a notice in writing to Automation Exchange setting out the nature of its dispute, including:

17.2.1. date and number of disputed invoice;

17.2.2. amount in dispute;

17.2.3. reason for dispute; and

17.2.4. Supporting documentation, inasfar as such documentation is available.

Any undisputed part of a disputed invoice shall be paid by the Client in accordance with clause 4.6.

17.3. The Parties shall use all reasonable endeavours to resolve such payment disputes as soon as is reasonably practicable.

18. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed and construed in accordance with Section 13 of Agreement for Professional Services 430-11062.

Schedule 1 - Pricing

1. The Parties acknowledge that the following amount will be charged for project implementation. The amount will be payable upon delivery of each item as agreed in the project plan.

Portal Set Up	$ 40,000
Integration into Network (Various Vendors)	$ 100,000
Data Take On (Take On of all current clients)	$ 15,000
Project Management	$ 25,000
Infrastructure	$ 20,000
TOTAL SET UP & INSTALLATION	**$ 200,000**
Project Go Live	December 2021

2. The Parties acknowledge that the following amount based on the below sliding scale will be charged for each service monthly.

Connected Houses	**Charge Per Service**
0 - 10000	$ 1.60
10001 - 20000	$ 1.55
20001 - 30000	$ 1.51
30001 - 40000	$ 1.46
40001 - 50000	$ 1.42
50001 - 60000	$ 1.37
60001 - 70000	$ 1.33
70001 - 80000	$ 1.29
80001 - 90000	$ 1.25
90001 - 100000	$ 1.22
>= 100001	$ 1.18

- Invoicing will be on each month, on the last day of the month billed in arrears.
- Services that go live during the month will be billed pro-rata by dividing the number of calendar days the service has been active total calendar days in the month.
- If within a calander year of signing this agreement there are no active services AEx will charge the FNO a minimum monthly charge of $ 500.

Schedule 2

1. Service Description

1.1. Automation Exchange will provide the FNO with Service through the following services:

1.1.1. Hosted web interface ("Portal")

1.1.2. Integrated application programming interface (APIs) providing substantially similar capabilities for integration with third party solutions

1.1.3. A preprod environment, that mirrors the production environment to allow for testing purposes pre-release

1.2. The following services will be provided on the Portal. This is the current feature set, and will change periodically:

1.2.1. Order Management
1.2.2. Workflow Management, including but not limited to:
- 1.2.2.1. Installation
- 1.2.2.2. Swap Out ONT
- 1.2.2.3. Cancellation
- 1.2.2.4. Log a Fault
- 1.2.2.5. Log a Repair
- 1.2.2.6. Provisioning
- 1.2.2.7. Deprovisioning
- 1.2.2.8. Device Recovery

1.2.3. Provisioning & Monitoring of network devices
1.2.4. Support Capabilities/Enablement
1.2.5. Field Application (Installation & Maintenance)
1.2.6. Event Management System
1.2.7. Billing

1.3. Automation Exchange will ensure that the Infrastructure components, compute, memory, storage and bandwidth, are maintained and available in accordance with the Service where the Service is supplied through a hosted web interface.

1.4. Automation Exchange does not exclusively use a single technology for the fiber network management system and will thus use a pool of technologies to optimally provide its services, to ensure High Availability and Redundancy.

1.5. Offsite data backups are performed on a daily as well as weekly basis, for commercial data. Daily backups are retained for a period of 7 (seven) days. Weekly backups are retained for a period of 30 (Thirty) days. After which backups are deleted.

1.6. Networking and monitoring data is retained for a minimum of 30 and maximum of 60 days.

2. Service Levels

The committed Service Levels are as outlined below.

2.1. The following monthly service levels and service credits are applicable to an FNO using the Automation Exchange Service:

Monthly Uptime Percentage	***SLA***
<99.5%	5% Service Credit

2.1.1. Service availability is measured by the Automation Exchange Incident and Problem Management System and includes monitoring of the Service.
2.1.2. Automation Exchange shall calculate, on a monthly basis, the amount of time the Service was unavailable.
2.1.3. Service availability shall be measured as a percentage of the availability of the Service for a given month.
2.1.4. Service Credit shall automatically be applied to the next customer invoice without requirement of request or inquiry by Client.
2.1.5. In the event Services fail to be available at <80% uptime in a single month, or below 95% uptime during any consecutive 3 month period, Client shall be entitled to terminate this agreement for cause without further obligation or payment to Automation Exchange.

3. Exclusions

3.1. Service Downtime shall not include any unavailability resulting from:
3.1.1. scheduled downtime for Planned Maintenance;
3.1.2. interruptions or delays resulting from any third party services;
3.1.3. any incident that affects the availability during any period when the FNO elects not to allow Planned Maintenance on the Service at the request of Automation Exchange, acting reasonably;
3.1.4. the FNO applications, equipment, or facilities;
3.1.5. acts or omissions of the FNO, its agents, contractors or vendors (including the provision of inaccurate information knowingly or unknowingly), or user of the Service or Customer-caused outages or disruptions;
3.1.6. suspensions due to non-payment of any amount payable by the FNO to Automation Exchange under this Schedule and the Portal Services Agreement; or
3.1.7. force majeure.

4. Fault Reporting

4.1. The FNO shall raise an outage trouble ticket with Automation Exchange in the event of any service outage detected on the Service.
4.2. The logging of calls, queries and/or complaints shall be directed to the Help Desk using any of the following:

TELEPHONE NO.	**E-MAIL**
0872 450 456	support@aex.co.za

4.3. Should a call logged in accordance with clause 4.2 not be handled to the reasonable satisfaction of the FNO, the FNO shall be entitled to direct their concerns to management@aex.co.za, which is managed during Business Hours.

4.4. In addition, the Customer shall be entitled to approach an assigned Automation Exchange account manager if the feedback or progress on the outage resolution is not satisfactory.

4.5. Automation Exchange shall use reasonable endeavours to provide a root cause analysis report regarding the cause of the Service Downtime and the preventive measures put in place in an effort to mitigate a reoccurrence thereof. Automation Exchange shall use reasonable endeavours to perform the following actions and shall provide the reports (as applicable) detailed in the following table:

FAULT MANAGEMENT AND REPORTING	TIME TARGETS
Assignment of Customer Fault Reporting Trouble Ticket	Within 30 minutes of the notification of fault, within business hours
Root Cause Analysis Report	On Request < Five (5) business days
Regular problem status update	Dependant on Severity

5. Service Upgrades and Feature Requests

5.1. The Parties shall meet at minimum quarterly to document and sign off on agreed upon Service features and upgrades.

5.2. Automation Exchange is entitled to charge the FNO for any Service features requested soley for the use of the FNO.

5.3. Automation Exchange agrees to maintain an acceptable industry standard and use its best endeavours to continuously develop its systems in order to remain in line with such standards.

Schedule 3

The FNO hereby appoints AEX to provide event correlation services on to the FNO and to the ISP, from the Acceptance Date, which appointment AEX accepts, subject to the terms and conditions under this Agreement.

1. AEx OBLIGATIONS

1.1. AEx shall not allow or cause damage to or materially interfere with the normal operation of the FNO's network;

1.2. AEx shall use reasonable efforts to consistently monitor data being transferred through the POIs including but not limited to the Up/Down Status, Errors In and Out, Discards In and Out and Broadcast Packets In and Out (64-bit only).

1.2.1. Should data monitored in terms of clause 1.2 above appear irregular, AEx shall inform the FNO as soon as reasonably possible and advise further in respect of measures required to be taken by the Parties in order to rectify such irregularities.

1.2.2. Should the data transfer capacity of the POILs reach 70% or above, AEx shall advise the FNO as soon as reasonably possible in order for the FNO to take reasonable measures to submit an application in terms of Annexure A for the modification or procurement of an additional POIL, which ever applicable in order to alleviate the potential capacity breach of the POIL.

1.3. AEx will to the best of their ability ensure services are uninterrupted.

1.4. AEx shall comply with all Applicable Laws in the execution of its duties and obligations under this Agreement.

2. FNO OBLIGATIONS

2.1. The FNO shall obtain, and disclose on request, all the approvals or exemptions needed to receive the Service, including any service falling within the ambit of the Act;

2.2. The FNO shall exercise reasonable efforts to ensure that its employees, Subscribers and/or any other persons permitted by the FNO to make use of the Service, do not by any act, or omission, damage, interfere with or impede the operation of the Service or Network;

2.3. The FNO shall co-operate fully with AEx and disclose the information needed to assist in identifying, preventing, remedying, or rectifying any violation or contravention of the integrity of the Network or Service.

2.4. The Client hereby agrees and undertakes in favour of Automation Exchange that it will not for any reason whatsoever, during the currency of the Agreement and for a period of 12 (twelve) months following the expiration, termination or cancellation of this Agreement for whatever reason ("Termination Date"), solicit and/or employ (or attempt to solicit and/or employ) any person who is in the employ of Automation Exchange as at the Termination Date, or was in the employ of Automation Exchange up to 12 (twelve) months prior to the Termination Date.

Service Level Agreement Overview

There are several ways you can contact us:

- Call our Service Desk
- Send an email to our Service Desk

You can log a call to the Service Desk via the call centre or via email. If a critical problem needs to be reported, please phone the call centre.

Service desk call logging procedure

Service Desk	Contact Number	Operating Hours
Normal Hours	0872 450 456	07:00 – 18:00 (Monday – Friday)
Emergency Afterhours*	0872 450 654	08:00 – 17:00 (Saturday, Sunday & Public Holidays)

*Priority 1 support calls only

Service desk Email logging procedure

Send an email to the Automation Exchange Service Desk - support@automationexchange.co.za

Problem response time

All problems reported to Technical Support are initially handled by a consultant who works with you to identify and (in many cases) solve your reported problem. If the problem is not resolved during the primary contact, the consultant assigns a tracking number to the problem and does additional research or might request a specialist engineer to assist.

The following table displays the targets for initial follow-up and frequency of updates for problems with different severities and conditions. The goals for initial follow-up after a problem is first reported are based on the nature and severity of the problem. The Technical Support consultant will attempt to contact the customer who reported the problem within the response time goals described below.

Severity Level	Condition	Initial Follow-up *	Frequency of updates
1	A critical production system or service is down or does not function at all, and there is no circumvention for the problem. A significant number of users or key users are affected.	30 min	Every 2 Hours
2	A non-critical system or service is severely degraded or completely down; creating a moderate operational impact, but only affecting a few users.	4 Business Hours	Every Business Day**
3	A non-critical system or service is not performing as documented; is a circumventable problem; moderate or minor operational impact. Standard maintenance related call.	24 Hours***	Every 2 Business Days**
4	Project call; suggestions, enhancements and new service requests	-	Once a Week

*For problems that are assigned to a specialist, "initial follow-up" is defined as the time between the problem being initially reported and the specialist contacting the customer. For problems that require further research by the consultant who initially received the problem, "initial follow-up" is defined as the time between the initial contact with the consultant and a follow-up call.

**Follow-up as agreed upon by Customer Management, Technical Support Management and in accordance with SLA.

***Excluding weekends and public holidays.

Problems Reported Electronically

Priorities are assigned to problems reported via e-mail, based on the guidelines above. All problems reported electronically receive an immediate automated e-mail confirmation and a problem tracking number. A Technical Support engineer will respond to the customer who reported the problem by phone or e-mail in accordance with the follow-up timeframe, with the exception of problems that are reported on weekends and holidays. There is no guarantee that problems tracked electronically will be responded to within the high severity timeframes and therefore you should report severity 1 or 2 problems by phone.

Problems Logged by Monitoring Systems

The monitoring systems automatically log severity 1 or 2 problems to Technical Support and allocate a tracking number. A Technical Support engineer will inform the customer of the problem by phone or e-mail accordance with the follow-up timeframe.

Escalation Process

The monitoring systems automatically log severity 1 or 2 problems to Technical Support and allocate a tracking number. A Technical Support engineer will inform the customer of the problem by phone or e-mail accordance with the follow-up timeframe.

If the normal support process does not produce the desired results, or if the problem has changed in priority, the problem can be escalated as follows:

1. First, contact the consultant who is working on your problem and request that the priority of the problem is escalated. *
2. You may request to speak with a Service Escalation contact if additional escalation is required.
3. You may request to speak with Senior Management (CTO, MD, CEO), if all other avenues fail to resolve the problem.

*Technical Support management is immediately notified of all Severity 1 problems.

ESCALATION MATRIX				
Elapsed Time	**Severity 1**	**Severity 2**	**Severity 3**	**Severity 4**
1 Hour	Service Desk			-
2 Hours	Service Delivery	Service Desk	-	-
4 Hours	Service Escalation	Service Delivery	-	-
8 Hours	Senior Management	Service Escalation	Service Desk	-
1 Day	-	Senior Management	Service Delivery	-
2 Days	-	-	Service Escalation	Service Delivery
1 Week	-	-	Senior Management	Senior Management

Escalation contacts

CONTACT INFORMATION			
Contact	**Name**	**Contact Number**	**Email**
Service Desk	Service Desk	0872 450 456	support@aex.co.za
Service Delivery	Sameshni Vallen	084 915 0269	sameshniv@aex.co.za
Service Escalation: **ISP Interconnects**	Michael Mastnak	083 444 0061	michael@aex.co.za
Service Escalation: **Portal**	Jurgens du Toit	083 511 7932	jurgensd@aex.co.za
Senior Management	Hanel Kumm	083 242 4577	hanelk@aex.co.za

For Commission Review – 08/10/2021

RESOLUTION NO. XXXX

A RESOLUTION PROVIDING FOR THE FILING OF A PROPOSED BUDGET FOR THE YEAR 2022, SETTING A DATE FOR PUBLIC HEARING THEREON AND AUTHORIZING NOTICE OF SUCH MEETING

R e c i t a l s

1. Pursuant to RCW 54.16.080, Grant PUD is required to prepare a proposed budget and file it in its records on or before the first Monday in September.

WHEREAS, the preliminary proposed Budget of Revenue and Expenditures for Grant PUD for the year 2022 is attached hereto as Exhibits A and B; and

WHEREAS, public comment on the proposed budget will be officially open October 12th during the regular scheduled Commission Meeting and the District is planning to schedule public hearings regarding the proposed 2022 budget in the month of October at which any rate payer may appear and be heard for or against the whole or any part thereof.

NOW, THEREFORE BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the preliminary 2022 budget is hereby made a part of the District's official records and public comment regarding the proposed 2022 budget shall open October 12th, 2021 during the regular scheduled Commission Meeting and conclude upon adoption of the budget. Notice of scheduled public hearings shall be published at least two consecutive weeks prior to the public hearing in a newspaper printed and of general circulation in Grant County.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 24th day of August, 2021.

_____
President

ATTEST:

_____
Secretary

_____
Vice President

Commissioner

Commissioner

SUMMARY OF CONSOLIDATED FORECASTED FINANCIAL RESULTS

Exhibit A - Summary of Budget Items	Actuals 2020	Forecast 2021	Forecast 2022
TOTAL O&M	**134,868**	**154,555**	**147,510**
TAXES	**17,736**	**18,010**	**18,240**
ELECTRIC CAPITAL	**70,739**	**77,360**	**70,266**
PRP CAPITAL	**48,805**	**63,976**	**69,459**
DEBT SERVICE (net of rebates)	**72,947**	**74,458**	**76,171**
TOTAL EXPENDITURES	**345,095**	**388,360**	**381,646**
Expenditure offsets for deduction			
Contributions in Aid of Construction	(14,336)	(4,282)	(9,540)
Sales to Power Purchasers at Cost	(27,941)	(21,447)	(14,005)
Net Power (+ Expense, - Revenue)	(83,296)	(84,249)	(79,506)
Conservation Loans	13	(125)	(125)
TOTAL EXPENDITURE OFFSETS	**(125,560)**	**(110,103)**	**(103,177)**
TOTAL BUDGETED EXPENDITURES	**219,535**	**278,257**	**278,469**

Exhibit B	Actuals	Forecast	Forecast
CONSOLIDATED OPERATIONAL PERFORMANCE	**2020**	**2021**	**2022**
Sales to Power Purchasers at Cost	27,941	21,447	14,005
Retail Energy Sales	209,777	211,639	219,946
Net Power (Net Wholesale+Other Power Revenue)	83,296	84,249	79,506
Fiber Optic Network Sales	10,672	10,950	11,150
Other Revenues	1,713	1,057	1,453
Operating Expenses	(134,868)	(154,555)	(147,510)
Taxes	(17,736)	(18,010)	(18,240)
Net Operating Income(Loss) Before Depreciation	**180,795**	**156,777**	**160,311**
Depreciation and amortization	(78,677)	(75,819)	(75,015)
Net Operating Income (Loss)	**102,118**	**80,958**	**85,296**
Other Revenues (Expenses)			
Interest, debt and other income	(21,327)	(43,364)	(34,253)
CIAC	14,336	4,282	9,540
Change in Net Position	**95,127**	**41,876**	**60,583**

	Target	Actuals 2020	Forecast 2021	2022
NET INCOME		95,127	41,876	60,583
LIQUIDITY (measured at year end)				
Elect System Liquidity (Rev + R&C)	**$105 MM**	111,586	111,613	114,014
Excess Liquidity		63,322	25,861	1,529
Days Cash On Hand	**> 250**	503	283	308
LEVERAGE				
Consolidated DSC	**>1.8x**	2.26	2.04	2.22
Consolidated Debt/Plant Ratio	**≤ 60%**	53.4%	49.8%	48.4%
PROFITABILITY				
Consolidated Return on Net Assets	**>4%**	4.3%	1.8%	2.6%
Retail Operating Ratio	**≤ 100%**	112%	118%	116%

M E M O R A N D U M July 22, 2021

TO: **Board of Commissioners**
Kevin Nordt, General Manager

VIA: **Jeff Bishop, CFO**
John Mertlich, Sr. Manager FP&A

FROM: **Jeremy Nolan, Lead Financial Analyst**

SUBJECT: **2022 Preliminary Proposed Budget Filing**

Purpose: To submit the 2022 preliminary Proposed Budget Filing per RCW and establish a period of public comment for the proposed budget.

Discussion: **Per RCW 54.16.080, the District is required annually to submit a proposed filing and schedule a public hearing for the upcoming year's budget. "The Commission shall prepare a proposed budget of the contemplated financial transactions for the ensuing year and file it in its records, on or before the first Monday in September".** Accordingly, on August 24th the preliminary Proposed Budget Filing and corresponding Resolution will be submitted to the Commission for filing in the District's records. The RCW states that a period of public comment on the budget will be opened beginning the first Monday of October through the end of the public hearings. ****Note: due to the regularly scheduled Commission meetings taking place on the 2nd and 4th Tuesdays of October; the official opening of the budget will take place on *October 12th (the second Tuesday)* at the regular scheduled meeting.** The public hearings are tentatively scheduled for October 12th and 14th. Public hearings will be advertised two weeks prior to the hearing.

The 2022 preliminary Proposed Budget Filing is a reflection of management's commitment to:

- Continue to deliver on the 7 key objectives identified in the 2021 Strategic Plan.
- Focus on long-term value for all customers.
- Investing in assets ensures access to long-term, low-cost PRP resource.
- Increased focus on efficiency gains, containing costs, and pursuing new revenue sources to ensure financial health while delivering power reliably.
- Retail electric price increases, needed for financial stability, not planned to exceed 2% annually.

Recommendation: **As established by RCW, approve the attached resolution providing for the 2022 preliminary Proposed Budget Filing and establishment of a period for public comment.**

Cc: Mitch Delabarre

Melissa Leonard

From: John Mertlich
Sent: Thursday, July 29, 2021 1:05 PM
To: Melissa Leonard
Cc: Jeremy Nolan; Jeffrey Bishop
Subject: 2022 Preliminary Budget

Melissa - I approve the 2022 Preliminary Budget.

Best,

-John

John Mertlich
Sr. Manager of FP&A

OFFICE 509.754.7687
EXT. 2184
EMAIL jmertlich@gcpud.org

Grant PUD

grantpud.org

For Commission Review – 08/10/2021

Motion was made by _____and seconded by _____authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 120-11030 for the proposed sale of 10% of the Priest Rapids Project Output (PRPO) for a 3-year term, commencing January 1, 2022 to Avangrid Renewables.

xxxx

M E M O R A N D U M **Date** 06/28/2021

TO: Kevin Nordt, General Manager

VIA: Dave Churchman, Chief Customer Officer

FROM: Rich Flanigan, Sr. Manager Wholesale Marketing and Supply

SUBJECT: Proposed Sale of a 3-Year 10% Slice Contract with Avangrid Renewables

Purpose: To request Commission approval for the General Manger to execute Contract 120-11030 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, 2022.

Discussion: Grant PUD staff recommends entering into a new transaction with Avangrid Renewables (Avangrid) 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. Avangrid Renewables won an indicative RFP process conducted by staff this winter. Avangrid currently has a 10%, 3-year contract for PRPO that will terminate on December 31, 2021. Although Avangrid has a current slice from Grant PUD, this proposed contract is a new agreement and not linked to the current transaction.

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. Avangrid will be entitled to the following attributes associated with their project capacity share: energy, capacity, pondage, ancillary services, and green attributes. The proposed sale will also allow them to continue to take their project offtake using a pseudo-tie or dynamic signal (gives them the ability to change their offtake every four seconds). Along with these benefits, Avangrid will incur the risk of actual 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, Wholesale Marketing and Supply staff conducted an indicative Request for Proposal (RFP) process using valuation information received from the two previous slice products sold in late 2020 to Morgan Stanley (Morgan) and Shell Energy North America (SENA), and the 1-year Auction slice as basis to establish a minimum

premium for the bid. The indicative RFP process was then structured as a 10% slice of PRP with a fixed volume of energy being sold based on average water conditions, a fixed volume of returned energy (shaped to meet retail load) sold back to the PUD, and the minimum premium. 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 two slice products sold last year to Morgan and SENA.

The final valuation for the proposed slice sale will be like past slice contracts with Grant PUD and Avangrid 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, legal has 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 120-11030 for the proposed sale of 10% of the Priest Rapids Project Output (PRPO) for a 3-year term, commencing on January 1, 2022, with Avangrid Renewables.

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

CONFIRMATION
FOR
PERCENTAGE SALE OF PRIEST RAPIDS PROJECT
POWER OUTPUT

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Exhibit A. Return Energy Transaction Volumes
Exhibit B. Non-Carbon Return Energy Confirmation Template
Exhibit C. Schedule of Cash Flows
Exhibit D Public Utility District No. 2 Pseudo-Tie Agreement with Avangrid Renewables, LLC.
Exhibit E. I-937 RECs Yearly Requirement

CONFIRMATION
FOR
PERCENTAGE SALE OF PRIEST RAPIDS PROJECT POWER

Executed by
PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON
And
AVANGRID RENEWABLES, LLC

This Confirmation (this "Confirmation") is entered into as of XXXX, XX 2021 and confirms the transaction ("Transaction") between Public Utility District No. 2 of Grant County, Washington (the "District"), a municipal corporation of the State of Washington, and Avangrid Renewables, LLC ("Avangrid"), a limited liability company organized and existing under the laws of Oregon. This Transaction is governed by the WSPP Agreement effective July 28, 2020, or as amended from time to time. The District and Avangrid 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 Avangrid, and Avangrid 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 January 1, 2022. Unless sooner terminated pursuant to other provisions, this Confirmation shall remain in effect until the end of HE 2400 (midnight) Pacific Prevailing Time "PPT", December 31, 2024 (the "Term"). 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:

"Avangrid Allocation of Pondage" is defined in Section 6(a).

"Avangrid's PRPO" as defined in Section 3(a) of this Confirmation.

"Balancing Authority" shall mean the Balancing Authority registered with NERC.

"Balancing Authority Area" as defined by NERC, shall mean 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" shall mean each and all of the resolutions adopted by the District authorizing the issuance of outstanding debt for the Priest Rapids Project.

"District" shall mean Public Utilities District No. 2 of Grant County.

"Dynamic Transfer Standards" means (in each case as amended, modified or supplemented during the Term) (a) the Dynamic Transfer Protocols, (b) Prudent Utility Practices, (c) any and all Governmental Rules, requirements, guidelines, standards, criteria, or policies of FERC, NERC, WECC and the District's Business Practices for the performance of a Dynamic Schedule or Pseudo Tie. To the extent there is a conflict between the Confirmation and the District's business practices, this Confirmation supersedes.

"Eligible Collateral" means cash or a letter of credit in accordance with the requirements specified herein, or, only to the extent it is proceeds of a draw upon a Letter of Credit hereunder, cash.

"Guarantee Agreement" is an agreement providing a guarantee issued by a parent company or another entity guaranteeing responsibility for obligations arising under this Agreement.

"Guarantor" means the entity providing a guarantee pursuant to a Guarantee Agreement. The Guarantor must have an investment-grade rating from one of the three nationally-recognized rating agencies and must not have below investment grade rating from one of any of the three nationally-recognized rating agencies.

"FERC License" shall mean the license for the Priest Rapids Project PL 2114 issued by FERC on April 17, 2008, effective April 1, 2008.

"HE" shall mean hour ending.

"I-937" means the Washington Renewable Portfolio Standard.

"I-937 RECs" is defined in Section 3(e).

"Incremental Hydropower" as defined by the Revised Code of Washington and approved by the Washington State Auditor's office. Grant PUD shall determine which methods are used to calculate any Incremental Hydropower produced from the Priest Rapids Project.

"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.

"Nonpower Attributes" shall mean 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.

"Non-carbon Energy" - Electricity produced at known and source documented generation facilities that produce energy without net emissions of carbon compounds, such as carbon dioxide, into the atmosphere. Examples of non-carbon electricity resources include nuclear, solar, wind, and hydroelectric power facilities.

"Operating Agreements" shall mean 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, Independent Operation Protocols, the Western Electric Coordinating Council Agreement, and the Northwest Power Pool Agreement, as such agreements currently exist or hereafter may be amended.

"Overlap Regulation Service" shall have the meaning as defined in the NERC Glossary of Terms.

"Participating Balancing Authority" shall mean the Balancing Authority Area opposite of the District Balancing Authority in sending/receiving dynamic signals; currently Avangrid or its successor.

"Points of Delivery" shall have the meaning as provided in Section 8.

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

"Priest Rapids Project" shall mean 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 and any other attributes of the power produced by the Priest Rapids Project and including the Incremental Hydropower as provided in Section 3 and Exhibit E. PRPO shall be reduced for encroachment, Canadian entitlement, station service, transmission and transformer losses and depletions required by the FERC License or other regulatory requirements and any other Priest Rapids Project output required for the reliable and compliant operation of the Priest Rapids Project. RECs associated with PRPO shall be transferred from the District to Avangrid via WREGIS accounting.

"Pseudo-Tie" as defined by NERC, shall mean a time-varying energy transfer that is updated in Real-time and included in the Actual Net Interchange term (NIA) in the same manner as a Tie Line in the affected Balancing Authorities' control ACE equations (or alternate control processes).

"Pseudo-Tie Agreement" means that Pseudo-Tie Agreement between Avangrid and the District with an effective date of March 18, 2019, a copy of which is attached as Exhibit D.

"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.

"WREGIS Certificates associated with energy from renewable energy resources.

"Return Energy Transaction" is defined in Section 3(d).

SECTION 3. PURCHASE AND SALE OF PRIEST RAPIDS PROJECT OUTPUT/REGULATORY APPROVAL

(a) The District shall sell and deliver, or cause to be delivered, and Avangrid shall purchase and receive, or cause to be received, Avangrid's PRPO at the Points of Delivery and Avangrid shall pay the District the purchase price. The District shall be responsible for any costs or charges imposed on or associated with the generation of Avangrid's PRPO or the transmission of Avangrid's PRPO to the Points of Delivery. Avangrid shall be responsible for any costs or charges imposed on or associated with the transmission of Avangrid's PRPO from the Points of Delivery.

Avangrid's PRPO. The District shall make available to Avangrid and Avangrid shall purchase an amount of PRPO equal to the total applicable PRPO multiplied by the corresponding Avangrid's PRPO Percentage which amount is herein referred to as "Avangrid's PRPO". To the extent and during the time period that Avangrid fails to deliver Return Energy (Return Energy Shortfall), the District has the option to take the following action, provided the following conditions are met: Avangrid is unable to restore schedules via reserves and, the District balancing area is in jeopardy of violating FERC, NERC, or WECC compliance obligations and, District operators or District's scheduling agent have notified Avangrid of the need to restore scheduled deliveries and Avangrid has not restored such scheduled deliveries. Provided all of the above conditions have been met, the District may abrogate the pseudo-tie agreement and reduce Avangrid's PRPO percentage such that Avangrid's capacity is reduced by the lesser of: the capacity the District needs to avoid compliance violations or, the Return Energy Shortfall.

(b) In the event the District reduces Avangrid's PRPO percentage pursuant to this Section 3(b), any remaining Return Energy Shortfall not covered by such reduction shall be subject to liquidated damages per the WSPP Agreement.

(c) Avangrid's PRPO Percentage shall be 10% for the period starting at (midnight) HE 0100, January 1, 2022 and ending at (midnight) HE 2400, December 31, 2024.

(d) Return Energy Transaction. For the duration of this Confirmation, Avangrid will sell, and the District will purchase, amounts of Service Schedule C energy which are specified in such Heavy Load Hour and Light Load Hour quantities shown in Exhibit A (the "Return Energy Transaction") at the dollar amount submitted by Avangrid and accepted by the District as described in Exhibit C.

(e) RECs and/or Incremental Hydropower. As part of the Return Energy Transaction, a yearly total volume of RECs or Incremental Hydropower from any complying source that are needed by the District to meet regulatory requirements that apply to the District from time-to-time, including I-937 are to be delivered by Avangrid. The associated RECs ("I-937 RECs") will be delivered, via WREGIS, in accordance with Exhibit E. Avangrid, in its sole discretion, shall have the right to deliver RECs obtained from third parties or other Avangrid or Avangrid affiliate renewable resources to the District; provided, that such substitute RECs must have the same vintage as those listed in Exhibit E, and must satisfy regulatory requirements (including as the case may be, I-937 requirements) in order for Avangrid to substitute them and Avangrid shall indemnify, reimburse, defend and hold harmless District from and against any and all costs, losses, expenses and penalties incurred by District resulting or arising from or attributable to the failure of such substitute RECs to satisfy regulatory requirements (including I-937 requirements) to the same extent as the Incremental Hydropower from the Priest Rapids Project

(f) Non-carbon Energy. In the event the District or the District's retail (i.e., not wholesale market) customers become responsible for paying a fee, tax, payment or other compensation, or otherwise become obligated to incur costs, as a result of any greenhouse gas or carbon legislation enacted or amended by the State of Washington or any agency thereof (other than a self-imposed District program) or any federal Governmental Authority ("New Greenhouse Gas Legislation"), Grant shall have the option to require Avangrid to deliver to the District that quantity of Return Energy Transaction in Section 3 (d) in an amount, as determined by the District, that is necessary to mitigate the District's or District retail customers' costs under such New Greenhouse Gas Legislation ("Non-Carbon Energy") related to carbon and Carbon Attributes for the applicable compliance period. As of the signing of this agreement the District does not believe the District or the District's retail customers will be impacted by existing legislation prior to December 31, 2024.

(g) The parties may use the WSPP Exhibit C-SS Specified Source transaction confirm or other confirm to memorialize and effectuate the Non-Carbon Energy transactions. [redacted], for each megawatt hour delivered under the Return Energy Transaction as Non-

Carbon Energy, which the Parties agree is reasonable compensation to Avangrid for such Non-carbon Energy. Avangrid does not warrant that Non-carbon Energy from the Priest Rapids Project will be used to meet the requirements of any New Greenhouse Gas Legislation. Avangrid, at its sole discretion, shall have the right to deliver Non-carbon Energy or near equivalent energy obtained from third parties to the District provided that Avangrid shall indemnify, reimburse, defend and hold harmless the District from and against any and all costs, losses, expenses and penalties incurred by District resulting or arising from or attributable to the carbon cost of such near equivalent energy under the New Greenhouse Gas Legislation or any failure of such Non-carbon Energy or near equivalent energy to satisfy the requirements of the New Greenhouse Gas Legislation for compliance. An example of near equivalent energy would be energy from a supplier that has a non-zero carbon emission factor that is specified and recognized under the New Greenhouse Gas Legislation, in which case Avangrid would be responsible for the cost associated with such non-zero emission factor. The Parties agree that transactions where the emission factor is unspecified are not considered near equivalent energy. The District shall provide to Avangrid notification for this quarterly option for Non-Carbon Energy in writing 60 days prior to the beginning of each quarter; provided that Avangrid may deliver such called upon Non-Carbon Energy any time during the applicable compliance year or period, to the extent allowed for compliance under such New Greenhouse Gas Legislation. If not allowed by such New Greenhouse Gas Legislation, Avangrid shall schedule such Non-Carbon Energy in accordance with Exhibit A. See Exhibit B for a template of the confirmation for Non-Carbon Energy. The District agrees (a) that Non-Carbon Energy may be called upon by the District solely for mitigation of costs incurred by the District and District retail service territory under the New Greenhouse Gas Legislation; (b) not to resell Non-Carbon Energy supplied by Avangrid in the wholesale energy markets, and (c) Avangrid's commitment to provide Non-Carbon Energy shall in no case be greater than the total quantity of megawatt-hours shown in Exhibit A.

SECTION 4. PRPO AVAILABILITY

(a) Avangrid 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) The District, as operator of the Priest Rapids Project, may restrict deliveries of PRPO if it 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 Agreement. Any such restrictions in delivery by the District shall be made pro-rata with all purchasers of PRPO and with the District's share of PRPO.

(c) The District, as operator of the Priest Rapids Project, may also restrict deliveries of PRPO 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. Any such restrictions in delivery shall be made pro-rata with all purchasers of PRPO and with the District's share of PRPO.

(d) The District shall use commercially reasonable efforts to give advance notice to Avangrid 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 Avangrid after imposing such limit, restriction, interruption, curtailment or reduction of PRPO and give the reason and probable duration thereof (non-binding), and shall make commercially reasonable efforts to provide timely updates concerning the same should conditions change.

(e) 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.

(f) 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.

SECTION 5. PURCHASE PRICE AND PAYMENTS BY AVANGRID

(a) The purchase price for Avangrid's PRPO shall be $xxxxxx. Avangrid shall make monthly payments based on the Exhibit C column "Total owing to Grant" with the first such payment due February 20, 2022.

(b) The monthly payments set forth above shall be due and payable by electronic funds transfer to the District's account, designated in writing by the District, on the 20th (twentieth) calendar day of each month. If the 20th calendar day of the month is a Saturday, Sunday or a Federal Reserve Holiday, the next following Business Day.

(c) If any monthly payment amount set forth on a statement or revised statement is not paid in full and received by the District on or before the close of business on the 20th calendar day of the month, [redacted] If the 20th calendar day of the month is a Saturday, Sunday or a Federal Reserve Holiday, the next following Business Day shall be the last day on which payment may be received without the addition of the delayed-payment charge. Additionally, if payment due to the District under this Section 5 remains unpaid 3 Business Days after the due date, the District may thereafter suspend delivery of Avangrid's PRPO until payment in

full of all amounts due and owing (including any interest and delay charges) is received by the District. Avangrid shall not be entitled to any PRPO not delivered during any period of suspension.

(d) The payments required under this Section 5 shall be due and owing notwithstanding the fact that the actual amount of power from the PRPO Percentage made available to Avangrid 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 Avangrid will at all times be in accordance with Section 3(a), and Avangrid assumes all risks associated therewith.

(e) Except as otherwise provided in Sections 9(b) and 19(c), and the Pseudo-Tie Agreement, Avangrid 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 6. SCHEDULING OF DELIVERIES OF PRIEST RAPIDS PROJECT OUTPUT ON AVANGRID POND ACCOUNT

(a) Avangrid shall be entitled to utilize a share of the pondage available at the Priest Rapids Project (the "Avangrid Allocation of Pondage"). The maximum available pondage is determined by multiplying the total pondage available in the Priest Rapids Project by the Avangrid 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.

(b) The District will establish and maintain for Avangrid a pondage account that will reflect the use of pondage by Avangrid. On the last hour of the term of this Confirmation, Avangrid shall return the pond account balance to at least where it was on the first hour of the term of this Confirmation. Avangrid may schedule more than its share of the Priest Rapids Project inflows if Avangrid has sufficient amount of energy in its pond account. The amount of the energy scheduled from the pondage account shall not exceed Avangrid Allocation of Pondage determined in accordance with this agreement nor the capacity maximum in accordance with the Pseudo-Tie Agreement.

(c) 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 Avangrid and other PRPO purchasers in proportion to their percentage shares of PRPO, including the District in accordance with the then prevailing District's spill allocation policy and procedures.

SECTION 7. SCHEDULING OF DELIVERIES OF PRIEST RAPIDS PROJECT OUTPUT FOR PSEUDO-TIE SCHEDULING

(a) Avangrid shall schedule delivery of PRPO pursuant to the terms of the Pseudo-Tie Agreement.

(b) The Parties acknowledge that the resources listed in Exhibit B of the Pseudo-Tie Agreement, and Section 1.1 of Exhibit D of the Pseudo-Tie Agreement, are replaced with Avangrid's PRPO as defined in this Agreement.

SECTION 8. 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 Priest Rapids Project Output 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 Avangrid, at its option, exercisable from time to time, at any one or more of the following points:

[redacted]

(4) At any other location mutually agreed to in writing by the District and Avangrid.

SECTION 9. INFORMATION TO BE MADE AVAILABLE TO AVANGRID

(a) The District shall provide Avangrid, within a reasonable time after request, source meter data and generation meter data for the Projects. To the extent the California Air Resources Board, California Public Utilities Commission or the California Energy Commission changes its regulations and/or its reporting requirements, the District shall make all commercially reasonable efforts to provide such requested information to Avangrid. The District consents to Avangrid of its disclosure of this information to third parties.

(b) Avangrid, 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 Avangrid's PRPO Percentage 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 Avangrid.

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

SECTION 10. LIABILITY OF PARTIES

(a) Avangrid shall have no claim of any type or right of action against the District: (i) as a result of a FERC or court order or amendment; (ii) as a result of adjustment of PRPO, and Avangrid hereby releases the District and its commissioners, officers, agents and employees from any claim for loss or damage arising out of the events described in this paragraph; provided however, that nothing herein precludes Avangrid from bringing any claim in law or equity, or a court of other body with jurisdiction from awarding any remedies, in the event that the District defaults on deliveries under this Confirmation.

(b) Avangrid is purchasing Avangrid's PRPO. Avangrid acquires no interest in or rights to any facilities forming part of the Priest Rapids Project.

(c) 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.

(d) (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, 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) (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).

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 TONE 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 11. 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, overnight courier or facsimile. Notice by courier, facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a regular Business Day of the District, and otherwise shall be effective on the close of business on the next regular Business Day of the District. 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;

Avangrid Renewables, LLC
Attn: Contract Administration
1125 NW Couch Street, Suite 700
Portland, Oregon 97209

(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 12. 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 Covenants and FERC License.

SECTION 13. 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 14. ASSIGNMENT OF CONFIRMATION

Neither Avangrid nor the District shall 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; 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 15. EVENTS OF DEFAULT

[redacted]

[redacted]

SECTION 16. INFORMATION REQUIRED FOR CREDIT DETERMINATION

Avangrid is required to provide the District with all of the following:

(a) A notarized certificate prepared by Avangrid that affirms Avangrid's current Issuer or Senior Unsecured credit ratings as assigned by Standard and Poor's Corp., Fitch Ratings, and/or Moody's Investors Services, to the extent that such ratings have been issued and or updated;

[redacted]

(c) Most recently prepared financial statements on a going-forward basis; and

(d) Documentation of any issues or matters that could have a material effect on Avangrid's creditworthiness, to the extent not included in the footnotes of the financial statements;

SECTION 17. COLLATERAL (CREDITWORTHINESS)

[redacted].

Eligible Collateral can be in the form of cash or letter of credit issued from a major U.S. commercial bank or foreign bank with a U.S. branch office with an A- or better, or

equivalent by any two of the three rating agencies described in Section 16(a). [redacted]

Both the District and the Purchaser agree to maintain the Netting Agreement in accordance with Exhibit A of the WSPP agreement for the term of this Confirmation.

SECTION 18. VENUE AND ATTORNEY FEES

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. In the event of litigation to enforce the provisions of this Confirmation, the prevailing Party shall be entitled to reasonable attorney's fees in addition to any other relief allowed.

SECTION 19. 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. Avangrid shall cooperate and take whatever 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 and the District's obligations and performance of this Confirmation are hereby expressly made subordinate and subject to such compliance.

(c) Avangrid shall ensure that PRPO available to Avangrid under this Confirmation is not sold, resold, distributed for use or used in contravention of any applicable state or federal law, order or regulation. Avangrid shall reimburse the District for any penalties or fines imposed on the District as a consequence of such violation.

SECTION 20. 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 21. 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.

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

By: _____

Title: __General Manager_____

Date: _____

(SEAL)

AVANGRID RENEWABLES, LLC

By: _____

Title: Authorized Representative

Date: _____

AVANGRID RENEWABLES, LLC

By: _____

Title: Authorized Representative

Date: _____

Exhibit A
Returned Energy Transaction

Exhibit B

Non-Carbon Return Energy Confirmation Template

Public Utility District No. 2 of Grant County	**Avangrid Renewables, LLC**
Contract ID:	Contract ID:
Deal Maker:	Deal Maker:
Phone: (	Phone:
Fax:	Fax:

CONFIRMATION
(Non-carbon Return Energy)

[redacted]

Special Provision: [redacted]

IN WITNESS WHEREOF, the Parties have signed this Confirmation effective as of the Effective Date.

Public Utility District No. 2 of Grant County	**Avangrid Renewables, LLC**
By:	By:
Name:	Name:
Title:	Title:

Exhibit C
Schedule of Cash Flows

Exhibit D

PUD No. 2 Pseudo-Tie Agreement with Avangrid Renewables, LLC.

(see attached document with filename "BA Public Utility District No. 2 Pseudo-Tie Operations Agreement.pdf")

Exhibit E
I-937 requirements

[redacted]

[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]		[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]		[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]		[redacted]

[redacted]

[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

Contract Name	3-Year Percentage Sale (Slice) of PRP	**Effective Term**	Jan 1, 2022 through December 31, 2024
Counterparty	Avangrid Renewables, LLC	**Execution Date**	

For Power Contracts exceeding the limits in the Energy Management and Reporting Policy

Grant County PUD Contract Approval Sheet

Pre-Execution Requirement	Task	Completed By	Date
Contract Review and Approval	District delegated representative has reviewed and approves the contract for the indicated purpose.		

Purpose	Designee	Signature (NA=not applicable) Printed Name	Date
Financial Impact			
Commercial Rationale	Wholesale Marketing Supply	Rich Flanigan	7-Jun
Valuation, Market and Tail Risks	Risk Management	EROC ***See Email***	17-Jun
District Ability to Perform			
Transmission	Wholesale Marketing Supply	Rod Noteboom ***See Email***	27-May
Balance Area	Dispatch	LeRoy Patterson ***See Email***	1-Jun
Tagging and Scheduling	Power Systems Control	Renate Rectenwald ***See Email***	26-May
Daily Execution IT Support	Power Systems Control	Kevin Carley ***See Email***	1-Jun
Deal Management Review			
Wholesale Systems and Settlements	Wholesale Marketing Supply	Renate Rectenwald ***See Email***	26-May
Credit	Risk Management	Paul Dietz ***See Email***	16-Jun
Reliability and Compliance	Compliance	Gene Austin ***See Email***	1-Jun
Contract Review			
Legal Review	Attorney	Mitch Delabarre ***See Email***	1-Jun
Finance and Accounting Review			
Accounting Treatment	Accounting	Jennifer Sager ***See Email***	1-Jun
Billing	Treasury	Jennifer Sager ***See Email***	1-Jun
Treasury Issues	Treasury	Bonnie Overfield ***See Email***	1-Jun
Bond Compliance	Finance	Bonnie Overfield ***See Email***	1-Jun
Management Approval			
CXO Approval	CCO	Dave Churchman ***See Email***	17-Jun
General Manager Approval	General Manager	Kevin Nordt	
Commission Approval	Attorney	Mitch Delabarre	

Richard Flanigan

From: Gene Austin
Sent: Tuesday, June 1, 2021 4:35 PM
To: Richard Flanigan
Cc: Gene Austin
Subject: RE: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

Rich, I reviewed the contract document as edited and Approve with no changes for Electric Reliability Compliance.

Gene

Gene Austin
Compliance Program Manager

CELL 505.280.3525
EMAIL gaustin@gcpud.org

From: Richard Flanigan <Rflanig@gcpud.org>
Sent: Monday, May 24, 2021 10:47 AM
To: Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>; Rodney Noteboom <Rnotebo@gcpud.org>; LeRoy Patterson <Lpatterson@gcpud.org>; Renate Rectenwald <Rrecten@gcpud.org>; Kevin Carley <Kcarley@gcpud.org>; Gene Austin <gaustin@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>
Cc: Susan Manville <smanville@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Michael Frantz <mfrantz@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Melissa Lyons <mlyons@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>; Leah Knopp <Lknopp@gcpud.org>
Subject: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.
Importance: High

It is that time once again, SME signoff/approval of a new 3-year, 10% Slice of PRP.

Earlier this year Avangrid won our indicative RFP process for a 10%, 3-year slice of PRP Output. One of the positives with Avangrid being the winner is that we did not have to change much with their existing 3-year contract. The major changes in the attached Final Draft Contract are in redline and are:

Section 2 – deleted and added a few new definitions.

Section 3:

- *added language in (b) to allow Grant to take ownership of Avangrid's PRPO output if they fail to deliver Returned Energy for more than 48 hours.*
- *Updated REC language to claw back required I-937 RECs.*
- *Added new pricing for Non-carbon Energy return (in case of a carbon legislation on Grant).*

Section 6 – deleted most of the language around dynamic scheduling (Avangrid will only be allowed to Pseudo-tie their PRPO Output)

Section 15 – added language to allow for Grant to declare an Event of Default if Avangrid fails to deliver Returned Energy.

Exhibit E – New Exhibit to claw back I-937 requirements.

There are a few other minor wordsmithing or name changes in other Sections of the Contract.

As a Subject Matter Expert (SME) in one of the Purposes Areas of the Contract Approval Sheet (see Excel document attached) you are being asked to review the contract and signoff on your appropriate sections. Because there are few changes from the last Contract you approved, I am hoping you will be able to quickly review the contact and get it back to me by **COB next Tuesday, June 1**.

Remember, as a SME you are being asked to review the contract, particularly sections that relate to your expertise, and sign off on approval. If an SME sees any language, they are uncomfortable with, they should make changes to the Contract (please use Track Changes in Word) and send it back to me (Rich Flanigan).

As an example, LeRoy is being asked to review the contract for compliance and compatibility with Grant's Balancing Area. If he sees any language, he is uncomfortable with, he will make appropriate changes in Track Changes and send the document back to me. Also, please feel free to give me a call if you have any questions about this process (in Teams or cell 509-750-6552).

If you do not have any changes or questions, you can send me back your approval of your section by email (no need to sign the Approval Sheet). I will then attach each SME approval to the final Approval Sheet for CCO, GM and final Legal Approval.

I know everyone is very busy, but I would like to get this Contract finalized in the next week. So, please let me know if you will not be able to meet the deadline for review of **COB Tuesday, June 1st**. Otherwise, please try and have your reviews to me by then.

If you have any questions, please give me a call, or email me.

Thanks,

Rich Flanigan
Sr. Manager
Wholesale Marketing and Supply

OFFICE 509.793.1475
CELL 509.750.6552
EMAIL rflanig@gcpud.org

Grant PUD
grantpud.org

Richard Flanigan

From: Jennifer Sager
Sent: Tuesday, June 1, 2021 4:29 PM
To: Richard Flanigan; Paul Dietz; Dave Churchman; Jeffrey Bishop; Rodney Noteboom; LeRoy Patterson; Renate Rectenwald; Kevin Carley; Gene Austin; Mitchell Delabarre; Bonnie Overfield
Cc: Susan Manville; Phillip Law; Michael Frantz; Bryndon Ecklund; Melissa Lyons; Leah Mauceri; Leah Knopp
Subject: RE: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

I approve.

Thank you.

Jennifer Sager
Interim Senior Manager Accounting
OFFICE 509.793.1456
EXT. 2263
EMAIL jsager@gcpud.org

Grant PUD
grantpud.org

From: Richard Flanigan <Rflanig@gcpud.org>
Sent: Monday, May 24, 2021 10:47 AM
To: Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>; Rodney Noteboom <Rnotebo@gcpud.org>; LeRoy Patterson <Lpatterson@gcpud.org>; Renate Rectenwald <Rrecten@gcpud.org>; Kevin Carley <Kcarley@gcpud.org>; Gene Austin <gaustin@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>
Cc: Susan Manville <smanville@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Michael Frantz <mfrantz@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Melissa Lyons <mlyons@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>; Leah Knopp <Lknopp@gcpud.org>
Subject: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.
Importance: High

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Section 3:

- *added language in (b) to allow Grant to take ownership of Avangrid's PRPO output if they fail to deliver Returned Energy for more than 48 hours.*

- *Updated REC language to claw back required I-937 RECs.*
- *Added new pricing for Non-carbon Energy return (in case of a carbon legislation on Grant).*

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Section 15 – added language to allow for Grant to declare an Event of Default if Avangrid fails to deliver Returned Energy.

Exhibit E – New Exhibit to claw back I-937 requirements.

There are a few other minor wordsmithing or name changes in other Sections of the Contract.

As a Subject Matter Expert (SME) in one of the Purposes Areas of the Contract Approval Sheet (see Excel document attached) you are being asked to review the contract and signoff on your appropriate sections. Because there are few changes from the last Contract you approved, I am hoping you will be able to quickly review the contact and get it back to me by **COB next Tuesday, June 1**.

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Rich Flanigan
Sr. Manager
Wholesale Marketing and Supply

OFFICE 509.793.1475
CELL 509.750.6552
EMAIL rflanig@gcpud.org

Grant PUD
grantpud.org

Richard Flanigan

From: Mitchell Delabarre
Sent: Tuesday, June 1, 2021 3:22 PM
To: Richard Flanigan; Paul Dietz; Dave Churchman; Jeffrey Bishop; Rodney Noteboom; LeRoy Patterson; Renate Rectenwald; Kevin Carley; Gene Austin; Jennifer Sager; Bonnie Overfield
Cc: Susan Manville; Phillip Law; Michael Frantz; Bryndon Ecklund; Melissa Lyons; Leah Mauceri; Leah Knopp
Subject: RE: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

Rich,
I reviewed and approve of proceeding with this agreement.
Mitch

Mitchell P. Delabarre
General Counsel
Grant PUD
mdelaba@gcpud.org
509 793-1565

The information contained in this e-mail message is privileged, confidential and protected from disclosure. If you are not the intended recipient, dissemination, distribution or copying of the information contained herein is strictly prohibited. If you think you have received this e-mail message in error, please reply to mdelaba@gcpud.org or call (509) 793-1565.

From: Richard Flanigan <Rflanig@gcpud.org>
Sent: Monday, May 24, 2021 10:47 AM
To: Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>; Rodney Noteboom <Rnotebo@gcpud.org>; LeRoy Patterson <Lpatterson@gcpud.org>; Renate Rectenwald <Rrecten@gcpud.org>; Kevin Carley <Kcarley@gcpud.org>; Gene Austin <gaustin@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>
Cc: Susan Manville <smanville@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Michael Frantz <mfrantz@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Melissa Lyons <mlyons@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>; Leah Knopp <Lknopp@gcpud.org>
Subject: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.
Importance: High

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Rich Flanigan
Sr. Manager
Wholesale Marketing and Supply

OFFICE 509.793.1475
CELL 509.750.6552
EMAIL rflanig@gcpud.org

Grant PUD
grantpud.org

Richard Flanigan

From: Renate Rectenwald
Sent: Wednesday, May 26, 2021 1:42 PM
To: Richard Flanigan
Subject: RE: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

This looks good to me, having the Ptie makes life so much easier.

Renate Rectenwald
Sr. Data Analyst

Cell 509.989.2590
OFFICE 509.754.5077
Pre-Schedule Office 509.754.5060
EMAIL rrecten@gcpud.org

grantpud.org

From: Richard Flanigan <Rflanig@gcpud.org>
Sent: Monday, May 24, 2021 10:47 AM
To: Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>; Rodney Noteboom <Rnotebo@gcpud.org>; LeRoy Patterson <Lpatterson@gcpud.org>; Renate Rectenwald <Rrecten@gcpud.org>; Kevin Carley <Kcarley@gcpud.org>; Gene Austin <gaustin@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>
Cc: Susan Manville <smanville@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Michael Frantz <mfrantz@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Melissa Lyons <mlyons@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>; Leah Knopp <Lknopp@gcpud.org>
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If you have any questions, please give me a call, or email me.

Thanks,

Rich Flanigan
Sr. Manager
Wholesale Marketing and Supply

OFFICE 509.793.1475
CELL 509.750.6552
EMAIL rflanig@gcpud.org

Grant PUD
grantpud.org

Richard Flanigan

From: LeRoy Patterson
Sent: Tuesday, June 1, 2021 5:24 PM
To: Richard Flanigan
Subject: 2021_0524-Redline Grant 3-year 10% Slice Output Contract with Avangrid 5-24-2021 - Grant Review.docx
Attachments: 2021_0524-Redline Grant 3-year 10% Slice Output Contract with Avangrid 5-24-2021 - Grant Review.docx

Rich:

I have nothing substantive, but I did add a couple of questions/comments to the document, and I corrected one typo that I found in the attached document. I approve regardless of whether my comments and typo are addressed.

I appreciate the opportunity to comment.

Best regards,

LeRoy

Richard Flanigan

From: Paul Dietz
Sent: Wednesday, June 16, 2021 7:13 AM
To: Richard Flanigan; Jeffrey Bishop
Cc: Dave Churchman
Subject: RE: Credit and EROC Approval

Good morning Rich, Risk has reviewed the updated Avangrid Slice contract and feels that it addresses our perceived risks in an appropriate manner.

Paul

From: Richard Flanigan <Rflanig@gcpud.org>
Sent: Monday, June 14, 2021 4:54 PM
To: Paul Dietz <Pdietz@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>
Cc: Dave Churchman <Dchurchman@gcpud.org>
Subject: Credit and EROC Approval

Paul – Avangrid was good with your additions/edits to definitions and Section 17. Please respond back to this email if you give Credit approval.

EROC – Once Paul give approval, we will have approval from all SMEs and will be ready for EROC approval. We have answered all EROC questions and have provided a valuation that was done by Wholesale that was confirmed by Risk. Attached is the FINAL Draft of the Agreement. Once EROC approval is given I will forward on to Kevin N. for his review.

Please let me know if you have any questions.

Thanks,

Rich Flanigan
Sr. Manager
Wholesale Marketing and Supply

OFFICE 509.793.1475
CELL 509.750.6552
EMAIL rflanig@gcpud.org

Grant PUD
grantpud.org

From: Paul Dietz <Pdietz@gcpud.org>
Sent: Friday, June 4, 2021 10:50 AM
To: Jeffrey Bishop <jbishop@gcpud.org>; Richard Flanigan <Rflanig@gcpud.org>
Cc: Dave Churchman <Dchurchman@gcpud.org>
Subject: RE: REMINDER - SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

Hi Jeff & Team,

Just an fyi, we are waiting for an update from Avangrid on credit language prior to our sign-off. Rich is working with them on these edits.

Paul

From: Jeffrey Bishop <jbishop@gcpud.org>
Sent: Friday, June 4, 2021 10:23 AM
To: Richard Flanigan <Rflanig@gcpud.org>
Cc: Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>
Subject: Re: REMINDER - SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

Hey Rich,

I've reviewed and have no questions or edits. Thanks for the chance to review.

I am planning to walk through the valuation with Paul next week and will let you know if any questions come up. In terms of sign-offs from me and the EROC, let me know what you need in terms of timing and signatures. Lastly please let me know if you have any outstanding sign offs needed from my directs.

Thanks
Jeff

Sent from my iPhone

> On Jun 1, 2021, at 12:55 PM, Jeffrey Bishop <jbishop@gcpud.org> wrote:
>
> Awesome. Thank you Rich
>
> Sent from my iPhone
>
>> On Jun 1, 2021, at 12:54 PM, Richard Flanigan <Rflanig@gcpud.org> wrote:
>>
>> Yes, I have some valuation information from Wholesale (Mike) that I will share with Risk to get their perspective on. I was planning on reviewing the valuation at tomorrow's EROC meeting.
>>
>> Thanks Jeff.
>>
>> **Rich Flanigan**
>> *Sr. Manager*
>> *Wholesale Marketing and Supply*
>>
>> OFFICE 509.793.1475
>> CELL 509.750.6552
>> EMAIL rflanig@gcpud.org
>>
>> <image001.jpg>

grantpud.org

From: Jeffrey Bishop <jbishop@gcpud.org>
Sent: Tuesday, June 1, 2021 12:34 PM
To: Richard Flanigan <Rflanig@gcpud.org>
Cc: Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>
Subject: Re: REMINDER - SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

Hi Rich and Paul,

Quick request - as we look to move this deal forward can you please forward over the valuation on this deal. A nominal view as well as mark to market would be really useful. Apologies if this has already been requested and or provided. Are we planning to review this deal at tomorrow's EROC?

Thanks
Jeff

Sent from my iPhone

> On Jun 1, 2021, at 10:43 AM, Richard Flanigan <Rflanig@gcpud.org> wrote:
>
> Reminder for those that have not provided feedback and/or approved the Avangrid 10% Slice Contract that input is due by COB today (6/1). Please let me know if you have any questions.
>
> Thanks,
>
> **Rich Flanigan**
> *Sr. Manager*
> *Wholesale Marketing and Supply*
>
> OFFICE 509.793.1475
> CELL 509.750.6552
> EMAIL rflanig@gcpud.org
>
> <image001.jpg>
> **grantpud.org**
>
> ---
>
> **From:** Richard Flanigan
> **Sent:** Monday, May 24, 2021 10:47 AM
> **To:** Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>; Rodney Noteboom <Rnotebo@gcpud.org>; LeRoy Patterson <Lpatterson@gcpud.org>; Renate Rectenwald <Rrecten@gcpud.org>; Kevin Carley <Kcarley@gcpud.org>; Gene Austin <gaustin@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>

Cc: Susan Manville <smanville@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Michael Frantz <mfrantz@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Melissa Lyons <mlyons@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>; Leah Knopp <Lknopp@gcpud.org>
Subject: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.
Importance: High

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Thanks,

Rich Flanigan
Sr. Manager
Wholesale Marketing and Supply

OFFICE 509.793.1475
CELL 509.750.6552
EMAIL rflanig@gcpud.org

<image001.jpg>
grantpud.org

Richard Flanigan

From: Paul Dietz
Sent: Thursday, June 17, 2021 8:54 AM
To: Jeffrey Bishop; Dave Churchman; Richard Flanigan
Subject: Motion to recommend approval of Grant 3-year 10% Slice Output Contract with Avangrid dated 6-14-2021
Attachments: Grant 3-year 10% Slice Output Contract with Avangrid 6-14-2021.pdf

Good morning Energy Risk Oversight Committee Members,

I am making an e-mail motion to recommend CEO and Commission approval of the attached "Grant 3-year 10% Slice Output Contract with Avangrid 6-14-2021". This contact has been reviewed by our key stakeholders whose recommended updates and concerns have been duly addressed as represented herein.

I'm looking for a second to this motion and the discussion/votes of all members following that.

Sincerely,

Paul

Paul Dietz, FRM
Manager, Enterprise Risk Management

Cell 785-213-9238
EMAIL pdietz@gcpud.org

Grant PUD

grantpud.org

Richard Flanigan

From: Dave Churchman
Sent: Thursday, June 17, 2021 9:41 AM
To: Paul Dietz; Jeffrey Bishop; Richard Flanigan
Subject: RE: Motion to recommend approval of Grant 3-year 10% Slice Output Contract with Avangrid dated 6-14-2021

Importance: High

I will second and also vote affirmatively. Thanks to risk and wholesale for all the work on this contract! Great news!

From: Paul Dietz <Pdietz@gcpud.org>
Sent: Thursday, June 17, 2021 8:54 AM
To: Jeffrey Bishop <jbishop@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>; Richard Flanigan <Rflanig@gcpud.org>
Subject: Motion to recommend approval of Grant 3-year 10% Slice Output Contract with Avangrid dated 6-14-2021

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Sincerely,

Paul

Paul Dietz, FRM
Manager, Enterprise Risk Management

Cell 785-213-9238
EMAIL pdietz@gcpud.org

Grant PUD

grantpud.org

Richard Flanigan

From: Jeffrey Bishop
Sent: Thursday, June 17, 2021 2:57 PM
To: Dave Churchman; Paul Dietz; Richard Flanigan
Subject: RE: Motion to recommend approval of Grant 3-year 10% Slice Output Contract with Avangrid dated 6-14-2021

I vote to approve the transaction.

From: Dave Churchman <Dchurchman@gcpud.org>
Sent: Thursday, June 17, 2021 9:41 AM
To: Paul Dietz <Pdietz@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>; Richard Flanigan <Rflanig@gcpud.org>
Subject: RE: Motion to recommend approval of Grant 3-year 10% Slice Output Contract with Avangrid dated 6-14-2021

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Paul Dietz, FRM
Manager, Enterprise Risk Management

Cell 785-213-9238
EMAIL pdietz@gcpud.org

Grant PUD

grantpud.org

Richard Flanigan

From: Kevin Carley
Sent: Tuesday, June 1, 2021 7:27 PM
To: Richard Flanigan
Subject: RE: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

I approve though you may want to considering removing the following language on pages (5-6) as they using the Pseudo-Tie.

"Dynamic Signal Limit" means a maximum and minimum value of the incremented and decremented portions of the Dynamic Signal. The maximum Dynamic Signal Limit shall be the lesser of 1) the maximum dynamic transmission profile for capacity on the E-tag associated with the transmission service obtained by Avangrid and 2) Avangrid's PRPO share of maximum capacity minus Avangrid's static schedules.

The minimum Dynamic Signal Limit shall be constrained to

1) a positive number sufficient to cause the algebraic sum of static and dynamic schedules to meet or exceed Avangrid's PRPO share of minimum capacity, or

2) a negative number equal to Avangrid's static schedules minus Avangrid's PRPO share of minimum capacity. Avangrid's PRPO share of the capacity and minimum generation limits are as established by the District. Notwithstanding the previous, the minimum Dynamic Signal Limit shall be sufficient at all times to allow dynamic delivery that would cause the algebraic sum of static and dynamic schedules to meet or exceed Avangrid's PRPO share of minimum capacity, and the maximum Dynamic Signal Limit shall prohibit at all times dynamic delivery that would cause the algebraic sum of static and dynamic schedules to exceed Avangrid's PRPO share of maximum capacity.

From: Richard Flanigan <Rflanig@gcpud.org>
Sent: Monday, May 24, 2021 10:47 AM
To: Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>; Rodney Noteboom <Rnotebo@gcpud.org>; LeRoy Patterson <Lpatterson@gcpud.org>; Renate Rectenwald <Rrecten@gcpud.org>; Kevin Carley <Kcarley@gcpud.org>; Gene Austin <gaustin@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>
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Sent: Tuesday, June 1, 2021 4:35 PM
To: Richard Flanigan
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I approve.

Thank you.

Jennifer Sager
Interim Senior Manager Accounting
OFFICE 509.793.1456
EXT. 2263
EMAIL jsager@gcpud.org

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Thanks,

Rich Flanigan
Sr. Manager
Wholesale Marketing and Supply

OFFICE 509.793.1475

M E M O R A N D U M **Date** 06/28/2021

TO: Kevin Nordt, General Manager

VIA: Dave Churchman, Chief Customer Officer

FROM: Rich Flanigan, Sr. Manager Wholesale Marketing and Supply

SUBJECT: Proposed Sale of a 3-Year 10% Slice Contract with Avangrid Renewables

Purpose: To request Commission approval for the General Manger to execute Contract 120-11030 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, 2022.

Discussion: Grant PUD staff recommends entering into a new transaction with Avangrid Renewables (Avangrid) 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. Avangrid Renewables won an indicative RFP process conducted by staff this winter. Avangrid currently has a 10%, 3-year contract for PRPO that will terminate on December 31, 2021. Although Avangrid has a current slice from Grant PUD, this proposed contract is a new agreement and not linked to the current transaction.

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. Avangrid will be entitled to the following attributes associated with their project capacity share: energy, capacity, pondage, ancillary services, and green attributes. The proposed sale will also allow them to continue to take their project offtake using a pseudo-tie or dynamic signal (gives them the ability to change their offtake every four seconds). Along with these benefits, Avangrid will incur the risk of actual 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, Wholesale Marketing and Supply staff conducted an indicative Request for Proposal (RFP) process using valuation information received from the two previous slice products sold in late 2020 to Morgan Stanley (Morgan) and Shell Energy North America (SENA), and the 1-year Auction slice as basis to establish a minimum

premium for the bid. The indicative RFP process was then structured as a 10% slice of PRP with a fixed volume of energy being sold based on average water conditions, a fixed volume of returned energy (shaped to meet retail load) sold back to the PUD, and the minimum premium. 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 two slice products sold last year to Morgan and SENA.

The final valuation for the proposed slice sale will be like past slice contracts with Grant PUD and Avangrid 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, legal has 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 120-11030 for the proposed sale of 10% of the Priest Rapids Project Output (PRPO) for a 3-year term, commencing on January 1, 2022, with Avangrid Renewables.

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

Richard Flanigan

From: Kevin Carley
Sent: Tuesday, June 1, 2021 7:27 PM
To: Richard Flanigan
Subject: RE: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

I approve though you may want to considering removing the following language on pages (5-6) as they using the Pseudo-Tie.

"Dynamic Signal Limit" means a maximum and minimum value of the incremented and decremented portions of the Dynamic Signal. The maximum Dynamic Signal Limit shall be the lesser of 1) the maximum dynamic transmission profile for capacity on the E-tag associated with the transmission service obtained by Avangrid and 2) Avangrid's PRPO share of maximum capacity minus Avangrid's static schedules.

The minimum Dynamic Signal Limit shall be constrained to

1) a positive number sufficient to cause the algebraic sum of static and dynamic schedules to meet or exceed Avangrid's PRPO share of minimum capacity, or

2) a negative number equal to Avangrid's static schedules minus Avangrid's PRPO share of minimum capacity. Avangrid's PRPO share of the capacity and minimum generation limits are as established by the District. Notwithstanding the previous, the minimum Dynamic Signal Limit shall be sufficient at all times to allow dynamic delivery that would cause the algebraic sum of static and dynamic schedules to meet or exceed Avangrid's PRPO share of minimum capacity, and the maximum Dynamic Signal Limit shall prohibit at all times dynamic delivery that would cause the algebraic sum of static and dynamic schedules to exceed Avangrid's PRPO share of maximum capacity.

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From: Richard Flanigan <Rflanig@gcpud.org>
Sent: Monday, May 24, 2021 10:47 AM
To: Paul Dietz <Pdietz@gcpud.org>; Dave Churchman <Dchurchman@gcpud.org>; Jeffrey Bishop <jbishop@gcpud.org>; Rodney Noteboom <Rnotebo@gcpud.org>; LeRoy Patterson <Lpatterson@gcpud.org>; Renate Rectenwald <Rrecten@gcpud.org>; Kevin Carley <Kcarley@gcpud.org>; Gene Austin <gaustin@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>; Jennifer Sager <Jsager@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>
Cc: Susan Manville <smanville@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Michael Frantz <mfrantz@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Melissa Lyons <mlyons@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>; Leah Knopp <Lknopp@gcpud.org>
Subject: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.
Importance: High

It is that time once again, SME signoff/approval of a new 3-year, 10% Slice of PRP.

Earlier this year Avangrid won our indicative RFP process for a 10%, 3-year slice of PRP Output. One of the positives with Avangrid being the winner is that we did not have to change much with their existing 3-year contract. The major changes in the attached Final Draft Contract are in redline and are:

Section 2 – deleted and added a few new definitions.

Section 3:

- *added language in (b) to allow Grant to take ownership of Avangrid's PRPO output if they fail to deliver Returned Energy for more than 48 hours.*
- *Updated REC language to claw back required I-937 RECs.*
- *Added new pricing for Non-carbon Energy return (in case of a carbon legislation on Grant).*

Section 6 – deleted most of the language around dynamic scheduling (Avangrid will only be allowed to Pseudo-tie their PRPO Output)

Section 15 – added language to allow for Grant to declare an Event of Default if Avangrid fails to deliver Returned Energy.

Exhibit E – New Exhibit to claw back I-937 requirements.

There are a few other minor wordsmithing or name changes in other Sections of the Contract.

As a Subject Matter Expert (SME) in one of the Purposes Areas of the Contract Approval Sheet (see Excel document attached) you are being asked to review the contract and signoff on your appropriate sections. Because there are few changes from the last Contract you approved, I am hoping you will be able to quickly review the contact and get it back to me by **COB next Tuesday, June 1**.

Remember, as a SME you are being asked to review the contract, particularly sections that relate to your expertise, and sign off on approval. If an SME sees any language, they are uncomfortable with, they should make changes to the Contract (please use Track Changes in Word) and send it back to me (Rich Flanigan).

As an example, LeRoy is being asked to review the contract for compliance and compatibility with Grant's Balancing Area. If he sees any language, he is uncomfortable with, he will make appropriate changes in Track Changes and send the document back to me. Also, please feel free to give me a call if you have any questions about this process (in Teams or cell 509-750-6552).

If you do not have any changes or questions, you can send me back your approval of your section by email (no need to sign the Approval Sheet). I will then attach each SME approval to the final Approval Sheet for CCO, GM and final Legal Approval.

I know everyone is very busy, but I would like to get this Contract finalized in the next week. So, please let me know if you will not be able to meet the deadline for review of **COB Tuesday, June 1st**. Otherwise, please try and have your reviews to me by then.

If you have any questions, please give me a call, or email me.

Thanks,

Rich Flanigan
Sr. Manager
Wholesale Marketing and Supply

OFFICE 509.793.1475

Richard Flanigan

From: Gene Austin
Sent: Tuesday, June 1, 2021 4:35 PM
To: Richard Flanigan
Cc: Gene Austin
Subject: RE: SME Review of 10% Avangrid Slice Contract due COB on June 1, 2021.

Rich, I reviewed the contract document as edited and Approve with no changes for Electric Reliability Compliance.

Gene

Gene Austin
Compliance Program Manager

CELL 505.280.3525
EMAIL gaustin@gcpud.org

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Cc: Susan Manville <smanville@gcpud.org>; Phillip Law <Plaw@gcpud.org>; Michael Frantz <mfrantz@gcpud.org>; Bryndon Ecklund <becklund@gcpud.org>; Melissa Lyons <mlyons@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>; Leah Knopp <Lknopp@gcpud.org>
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Exhibit E – New Exhibit to claw back I-937 requirements.

August 2021

August 2021

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 2021

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 1	2	3	4 1:00pm Priest Rapids Area Safety and Security Review (Larry) (Desert Aire) - Melissa Leonard	5	6	7
8	9	10 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	11	12	13	14
15	16	17	18	19 1:00pm Financial Advisory Committee (FAC) (Judy and Dale) (Microsoft Teams Meeting/HQ-Conf E ; HQ-Conf E) - Melissa	20	21
22	23	24 9:30am Commission Meeting (Microsoft Teams) - Melissa 12:00pm Lunch with County Commissioners (tbd)	25	26	27	28
29	30	31	Sep 1	2	3	4

September 2021

September 2021

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
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12	13	14	15	16	17	18
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October 2021

Su	Mo	Tu	We	Th	Fr	Sa
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31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 29	30	31	Sep 1	2	3	4
5	6 8:00am HOLIDAY - Commission Meetings	7 9:30am 1:1 GM/Commissioners - Kevin/Tom (Microsoft 2:00pm 1:1 GM/Commissioner Meeting with	8	9	10	11 1:00pm Desert Aire Annual Summit (Senior Center / Club House) - Commission Meetings
12	13 11:00am Beverly Bridge Opening Ceremony (West side of Beverly Bridge) - Commission Meetings	14 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	15 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Judy	16	17	18
19	20	21	22 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson	23	24	25
26	27	28 9:30am Commission Meeting (Microsoft 12:00pm Grant PUD / Grant County 12:00pm Lunch with County	29 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Dale	30	Oct 1	2

October 2021

October 2021

Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November 2021

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Sep 26	27	28	29	30	Oct 1	2
3	4	5	6	7	8	9
10	11	12 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	13	14	15	16
17	18	19	20	21	22	23
24	25	26 9:30am Commission Meeting (Microsoft 12:00pm Lunch with County	27	28	29	30
31	Nov 1	2	3	4	5	6